# XPR Network

# A Phoenix Rises:
# The Road to Becoming a Top Crypto

The Decentralized XPR Network Development Fund

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# 1. Where We Are Today

In order for the Phoenix to rise we must make bold decisions, we must not be afraid of change. We must walk directly into the fire and emerge a new animal. Money is evolving, the eagle a historical symbol for the old money, and the phoenix, a symbol for the new digital money, XPR Network. So it begins.

Arguably XPR Network is one of the best blockchains in the world, it is incredibly fast (one of the fastest), it has no concept of gas fees for end-users, addresses are human readable, resources are paid for by businesses (web2 model), it improves upon the security of traditional chains (Web Authentication) and has the most welcoming community, a "vibe" that is hard to put into words. So why are we not on top yet? That is all about to change.

We've come a long way since early 2020 when XPR Network produced its first block. Since then we've created a large global community and world-class payments and DeFi layer for cryptocurrency. As the contagion of 2022 spread and major CeFi players imploded, XPR Network launched its first fully decentralized trading DEX (app.metalx.com/dex/) and lending protocol (lending.metalx.com) both of which have shown strength through the bear market. As the cryptocurrency landscape changes, we believe a renaissance is coming in the way individuals and institutions trade cryptocurrency. Not only will regulation rapidly advance creating a moat of winners and losers in the years to come, but a strong push for a decentralized ethos is on the horizon. Specifically, we must move beyond the CEX and even the notion of a "Proof of Reserves" (PoR) when we know this is insufficient without "Proof of Liabilities" (PoL). In the future this won't be just a nice-to-have, it will be a must-have to gain trust, and Metal X is the only exchange in the world right now with this capability.

XPR Network has the opportunity to become the next Coinbase or Binance in terms of market penetration, active accounts, and daily trading volume. The difference being that we are not a single entity, rather, a decentralized protocol that connects many entities building on it (thus no dictatorship is possible). As a community, we are fully autonomous with our own trading and lending protocol, we rely on no centralized exchange or entity for permission to exist. Our community of apps and services are rapidly growing.

A common question has arisen over the years: "wen marketing?". Metallicus is always making its best efforts to expose people to our products and thus XPR Network blockchain (as it is integrated into them), but what if we could tap a limitless potential of reach with no limitation of what one company or person alone could do? In this document I will outline how we can achieve this in a decentralized manner, tapping the best resources our community has to offer.

## 2. The Autonomous Organism

Over the past fourteen years since cryptocurrency's inception, many assumptions have been made about "tokenomics". An initial thought was that all cryptocurrency must be hard capped like Bitcoin, but then the inevitable question arises what happens when the cap is reached and miners have no rewards? Dogecoin, at its inception, received an annual fixed inflation of 5B DOGE per year, which was a mistake in the code, and left in – because it was a joke. This turned out not only to be perfectly fine, but alongside a similar codebase to Bitcoin and an amazing community, turned into a top cryptocurrency.

The concept of a blockchain that can expand and restrict at the will of the people is a new concept. We began to play with this idea with some success with the introduction of longstaking, while not perfect, many would agree that it served as a useful experiment. Acting like a sort of decentralized bond, we could remove XPR Network from supply with a variable rate of return. Even though this experiment was ultimately shut down, it showed a path in which supply could increase at a rapid rate while circulating supply rapidly decreased. Some experiments have persisted and proven to be extremely valuable, for example the 1% annual inflation that rewards XPR/USDC farmers to provide liquidity to the AMM on Metal X. The biggest risk we can take with the XPR Network community and blockchain is taking no risk.

Many well-known blockchains have large war chests to draw from, such as Polygon ($50m), Avalanche ($200m), and Binance ($500m). How can XPR Network compete with any of these other chains if we can't support and fund our developers? The reality is that we can't. In order to compete we must take a chance on ourselves, while giving the upside to the teams building on XPR Network. The Worker Proposal System (WPS), while an admirable attempt at community funding, is clearly a failure. The amounts provided by this system are far too small for any meaningful development, additionally, the time it takes to apply and then obtain it is far too slow.

If we are willing to take a chance on ourselves and attract new developers and corporate partners while opening up the potential for any community member (individual or firm) to run awareness campaigns, we win. The one way we certainly lose is by doing nothing and hoping that volunteers or one person or entity will do everything. We must put our fears aside and embrace the most important metric to our exponential growth: developers. In the words of software development legend Steve Ballmer: "Developers! Developers!! Developers!!!"

## 3. Support The Block Producers

Without the security and decentralization of our network, XPR Network, we have nothing. The first and most important aspect we need to consider is securing our network and making it resilient and robust. With the economic downturn of crypto winter, it has become relatively untenable in certain geographies to be a BP. In other words, many block producers are currently operating at a loss to keep the network online. While this may work in more established networks like Bitcoin, that have enough miners willing to invest into mining into a downturn, XPR Network does not yet have that luxury.

Not only should we have a warchest fund to support miners in times of economic stress, but we should have the ability to make grants for projects that help maintain and secure our networks. XPR Network Live and bdata.one are examples of tools that help support our network, from monitoring to real-time data APIs.

In this proposal we seek to give grants to all Block Producers that can help alleviate costs of securing the network at this particular time. These would be considered one time grants with the specific purpose of funding BPs to keep server costs in-line and not force our producers to cut corners or potentially shut off, thereby compromising the security of the network. All Block Producer grant funds would rest in Consortium multisig (committeewps) to be granted out based on DAO approved proposals. The grants we are proposing range in size based on the notability, the overall grant request to be held and managed by a Consortium msig is: **500m XPR**

An example of some potential grants:

- 4m XPR Granted immediately to all top 21 Block Producers
- 1m XPR Granted immediately to all Block Producers
- 15m XPR Granted to Bdata.one to expand access to chain data
- 15m XPR Granted to XPR Network Live to improve monitoring analytics dashboard and tools
- 15m XPR Granted to EOSUSA for support and monitoring of the network

# 4. Support The Community

The most important aspect to any cryptocurrency is its community. The decentralization and passion within that community will ultimately determine any blockchains success or failure for adoption. Technology is valuable, but without community and people, you will not attract development. This is why we recognize how important it is to support our community. We have a great community that is building the next generation of Web3 technologies, from social networks, to shopping, to NFTs and more. A brief (non-exhaustive) list below:

Metal X, Metal X Lending, WebAuth, Metal Pay, XPR Network Scan, Soon Market, Snipcoins, Storex, Digital Galaxy, Fishtank, XPR Network DNS, XPR Network Link, GLBDex, bountyblok, Proton Live, Anchor Wallet, Atomic Assets, Cyberdeck, SmartEIR, Metal X Identity KYC, XPR Network Resources, and more...

In this proposal we seek to give grants to the notable developers building on XPR Network blockchain, not only so they can attract more talent, have resources to deploy their contracts, but also to have more skin in the game (it feels great to stake). All community development grant funds would rest in Consortium multisig (committeewps) to be granted out based on DAO approved proposals. The grants we are proposing range in size based on the notability, the overall grant request to be held and managed by a Consortium msig is: **2B XPR**

An example of some potential grants:

- 150m XPR Snipcoins, Storex, Soon Market, GLBDex, Lunar Crush
- 75m XPR Fishtank, Digital Galaxy, Anchor Wallet
- 15m XPR Bountyblok, XPR Network DNS, Atomic Assets, Cyberdeck, SmartEIR, Metatron

## 5. Support The Marketing

Why should we rely on one entity or person to spread adoption of XPR Network? Additionally, why should we expect that experienced professionals would do it for free? Some might do it, out of the goodness of their hearts or enthusiasm, but it will always be a hobbyist approach which will most likely yield minimal results. If we are to really grow our adoption and presence on a massive scale we need to tap our community and provide bounties and grants for the marketing we want to see.

Over the years we have had plenty of talented people and teams approach the XPR Network community to utilize their skills and network to increase awareness. Unfortunately these teams are usually turned away as resources are extremely limited and in many cases can't be managed. If the community itself wanted to oversee these various proposals, this would now be possible. In the past this work has been lumped on to the core developer or different apps building on XPR Network, this responsibility should be moved into capable hands, selected by the community.

We have the opportunity to be noticed, but if we rely on one person to be that megaphone, we will ultimately fail. Our strength is within our community, and the potential to let anyone take their shot is the ultimate acknowledgement of the power of XPR Network.

In this proposal we seek to give grants to individuals, marketing firms and agencies with an experienced background in media, print, television, digital advertising, radio and more. All community development funds would rest in Consortium multisig (committewps) to be granted out based on DAO approved proposals. The grants we are proposing range in size based on the notability, the overall grant request to be held and managed by a Consortium msig is: 1.5B XPR.

An example of some potential grants:

- 50m XPR TV Commercial
- 35m XPR Partnership bizdev success-based program
- 15m XPR Major podcast appearances
- 10m XPR Billboard bounty for major cities

## 6. Support The Core Developer

The work of the core developer is extremely important. Whether that is Metallicus or another company in the future, this work is not only about maintaining the codebase of the blockchain, but also innovating for the future. It is not just a science, but an art – to have the vision that is necessary to create the best blockchain in the world. The work encompasses more than just the chain itself as well, but also the wallet support, exchange support, core dApps (DEX, LOAN, XMD). When deciding the roadmap for the future, we must ask ourselves, as the core developer, what we are capable of, and in the timeline that we can achieve it. Metallicus has not only consistently delivered on vision, but also execution. Metallicus may also be the first core developer of XPR Network, but it may also not be the last. It is important that we as a community select our core developer with care, and that we support them with the resources they need to continue the mission.

Over the past three years Metallicus has led the pack on bringing the XPR Network blockchain vision to light. We started off with ensuring that we are completely independent of centralized exchanges by building a DEX with automated liquidity incentives that come directly from the blockchain. We took that even further by launching the fully featured DEX protocol allowing limit orders and more advanced functions. We built a decentralized lending protocol (LOAN) to handle the borrowing and lending of assets safely, something we predicted might become a disaster in the CeFi space, and it certainly did. We pioneered the development of the Web Authentication standard in cryptocurrency with the creation of our WebAuth wallet product, eliminating the need for passwords, OTP authentications and centralized KYC/KYB. We also pioneered the first decentralized identity in production to compliantly access trading services (Metal X Identity KYC).

A short list of everything Metallicus has built for XPR Network (2020-2023):

- Explorer.xprnetwork.org blockchain explorer
- WebAuth.com wallet and authenticator
- MetalX.com decentralized exchange protocol
- Lending.metalx.com decentralized lending protocol
- Identity.metalx.com decentralized identity protocol
- MetalDollar.com collateralized stablecoin basket
- XPR Network SDKs for Web, Kotlin, Swift
- TypeScript compatibility
- Metal Pay integration (utilizing DEX protocol and supporting xTokens)
- Metal X Fiat in partnership with Circle
- XPR Network Resources
- Metal X OTC
- Metal X Swap (AMM and farms)
- Metal X Market (open source templates)
- Metal X xTokens (bridged for all major cryptocurrencies)
- XPR Network Oracles
- A proposed list of work to be built for XPR Network (2023-2026):
- XPR Network DAO dash governance board
- Metal X streaming vested payments (receive vested salary or payment by the minute, hour, day)
- NFT bridge (ETH, MATIC, AVAX)
- Metal X liquidity incentives and listing for top 200 cryptocurrencies
- Metal X advanced trading functions (Margin, Futures)
- XPR Network+ Biometric Recovery (recover your keys with a biometric multi-sig backup)

- WebAuth multi-chain support (METAL, ETH, BNB, AVAX, MATIC, BTC, DOGE)
- Metal Pay 3.0 with full XPR Network integration via WebAuth (trading, lending, authorization)
- Metal Dollar support for multiple fiat currencies with FX capability (USD, EUR, GBP, etc)
- XPR Network compliant private transactions
- XPR Network ISO20022 compliance
- XPR Network fiat payment messaging protocol (ability to interact with payment processors and banks from the chain)
- XPR Network OTC integration portal for all OTC desks
- XPR Network Credit Card (with on-chain rewards and loyalty)
- XPR Network Trust Accounts (smart contract based trust accounts utilizing DID)
- XPR Network Minor Accounts (accounts for kids, with parental controls)
- XPR Network Invoicing (capability to invoice businesses or individuals on-chain)
- XPR Network Compliance Dashboard (ability for banks and fintechs to track and trace real time, ability to adhere to BSA and AML regulations on-chain)
- XPR Network Reporting (financial reporting capabilities for individuals and corporations to use in an easy and transparent manner on-chain)
- Expanding fiat ramps for all jurisdictions globally (wire in and wire out)
- XPR Network Bank API (connecting banks to handle cross border settlement and remittance)
- XPR Network AVM on Metal blockchain (increasing TPS 12% and finality 360x with native cross chain bridging support)
- XPR Network Enterprise Stablecoin AVM
- Research on raising the transaction throughput level above 4.5k TPS

In this proposal we seek to give a grant to Metallicus, as core developer, for the next three years for the proposed XPR Network roadmap. All core developer funds would rest in @xprtreasury and could be spent at Metallicus discretion.
The proposed grant is: 10B XPR

# 7. The Community XPR Network War Chest

The XPR Network community recognizes it is important for XPR Network to build an autonomous decentralized "XPR Network War Chest" (PWC) that the community can deploy at will through DAO proposal/vote, Consortium proposal and BP vote. Historically, Metal X Swap has acted as the primary burner of XPR, however BPs and dApps actively burn XPR as well. Since it's inception, XPR Network community has burnt over 39 million XPR. It is our opinion that these funds would be better vaulted into a decentralized warchest that can be managed by XPR Network Consortium multi-sig (committeewps), this has the effect of reducing circulating supply while preparing the future for a system in which inflation becomes strictly limited to block production. Additionally, with a fully functional decentralized trading protocol that extends beyond purely an AMM, we believe we can exponentially grow the PWC thereby radically shrinking the circulating supply and make a transition of vaulting millions to billions of XPR.

Metallicus proposes directing 50% of all trading fees revenue from the contract of the Metal X protocol in perpetuity into the PWC while Metallicus retains the remainder to maintain the protocol and front-end, in addition to operational and vendor costs. We believe over time this can grow into a mechanism which can reduce the circulating supply faster than the existing inflation, reducing the need for any inflation beyond BP rewards (1% annual). If the cryptocurrency industry can move beyond single centralized exchange protocols and into the world of decentralized protocol layers, we can avoid the centralized exchange issues of the past. Through utilizing PoR/PoL (Proof-of-Reserves and Proof-of-Liquidity) XPR Network can act as a trustless cross chain exchange layer for Web3. We believe in a future in which every financial technology product and bank is interacting with XPR Network blockchain.

Through expanding the exchange protocol from spot markets and into margin and futures, Metallicus believes XPR Network can capture the future of the regulated crypto trading market through a decentralized protocol. All trades on chain, completely transparent, integrated with decentralized identity (DID) to allow for full compliance with anti-money laundering and Bank Secrecy Act requirements. Critical to growing the fee revenue, liquidity must be attracted through various campaigns for maker trading rebates. In addition it is important to consider the following aspects for growth of XPR Network:

- Compliant, licensed and regulated
- Community driven trading competitions
- Lower trading fees
- The most intuitive user friendly interface (usable on any device, secure per device auth)
- The best security utilizing Web Authentication
- Fiat on and offramps that are global with multiple payment options and low or no fees
- A strong reputation with industry veterans in leadership positions
- A diverse range of digital assets
- OTC integration portal to connect all major trading desks (integrated with every major custody provider)
- The best customer support in the industry