VULKAN CHAIN

- where privacy, payments & scalability meet –

Litepaper v2

Introducing **Vulkan**

Vulkan Chain is a privacy-oriented proof-of-work blockchain that aims to merge privacy, payments solutions and scalability adapted to emerging trends and regulations. The codebase derives from Monero's code, making Vulkan transactions private and untraceable with the help of ring signatures and decoy addresses.

What makes Vulkan truly special is its ecosystem. **VectorSwap**, **Vector Wallet** and its own **overcollateralized stablecoin USDV**. Backed by a team of highly experienced developers in the decentralized finance space, **VectorSwap** is planned to act as a bridge between private and non-private blockchains, subsequently enabling USDV minting, burning and payments on the Ethereum ERC-20 and BNB BSC-20 blockchains. USDV does not inherit the untraceable properties of **Vulkan** (**VUK**) by default on smart contract capable blockchains, but the **Vector** wallet offers an option to anonymize transactions to a certain degree using an output mixing mechanism. This feature allows semi-private peer-to-peer transactions while remaining compliant with regulations.

Tokenomics & Treasury

Total Supply: 104.4 million VUK *(+ tail emissions of 2.8 VUK per block)*

Dev Team Allocation: 12.95 million VUK *(approx. 12.45% of total supply)*

The emission curve has been adjusted compared to Monero, resulting in a better distribution and lower initial inflation.

To address concerns about insider activity, especially since full information on the development team is not published, the Vulkan Treasury Tracker was invented.

At https://vulkanchain.com/treasury-tracker users can verify at any time the number of coins held in the developer fund. The team is committed to be transparent and develop Vulkan in the years to come regardless of market conditions.

Vulkan Mining Reward Emissions
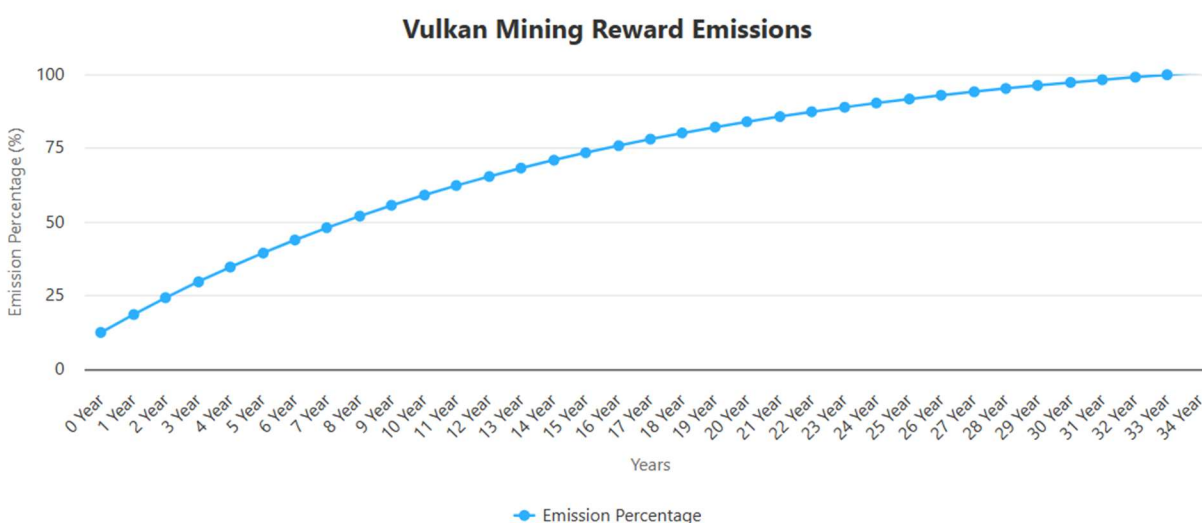
The Importance of **Vulkan** in **DeFi**

Vulkan is the first project to bridge the gap between natively private proof-of-work blockchains and tokenized assets on smart contracts capable blockchains. This would be done with the help of **VectorSwap**, a decentralized exchange responsible for minting, burning, staking and moving assets across different blockchains. A wrapped version of **Vulkan** (wVUK) is planned for late Q1 in 2025, followed by the launch of USDV.

At this moment in this, there are no robust privacy solutions in the Decentralized Finance space that also allow for seamless integration with dApps.

Explaining the overcollateralization in USDV

VulkanUSD (**USDV**) is set to launch in Q3 2025 on Binance Smart Chain and Ethereum, becoming the world's first overcollateralized stablecoin with a backing ratio of 4:1. The collateral mechanism was partly inspired by DJED. Market participants can choose to become reserve providers for USDV and earn yield from fees and 10% of block mining rewards. Depending on the reserve ratio, minting and burning USDV may be limited to ensure stability.

Staking in the **Vulkan Ecosystem**

The team has decided once staking goes live, 5M coins (40.17% of team holding; 4.8% of total supply) will be allocated to **the Staking Pool** wallet. This decision was born to reduce team allocation percentage of circulating supply. Due to a long emission schedule, the team would've had a large percent of the supply despite having a reasonable percentage of the total supply. In order to balance this, the initial 10% block reward going to staking is reduced to 6.5%, letting miners keep an additional 5% and giving the team a long term incentive instead of a lumpsum.

Staking in the **Vulkan Ecosystem** works by funding a **Staking Pool** Wallet managed through a BSC-20 Smart Contract, from block mining rewards and team allocation. Yield is systematically distributed once staking lock period is over. This is made possible by a bridge we've build to allow native Vulkan Wallet software to interact with Smart Contracts on third party chains.

Users will be able to choose a **Staking Period** inside the **Vector Wallet** or **Vault**:

➢ 30 days
➢ 60 days
➢ 120 days
➢ 360 days

The higher the lockup time the higher the yield will be, on average we're aiming for a 5.5% APY average return, however, this is subject to adjustments.

Minimum staking period is 14 days after which early withdrawals can be made but yield is lost unless full staking period passes.

The **Vector** Wallet

Vector is set to become the world's first web and browser extension wallet that supports both fully private and semi-transparent VUK, wVUK and USDV transactions on ERC-20 and BSC-20 protocols.

By default, the anonymization feature for ERC-20 and BSC-20 assets will be turned off, giving users the option to choose to add an extra layer of privacy to their transactions by input mixing and obfuscation, however this does not make transactions fully untraceable.

Additionally, **Vector** gives merchants a simple and straight-forward way to generate invoices and receive payments with close to zero fees.

Team Coin Allocation

To sustain development the team has been allocated 12.48% of supply. For transparency reasons this wallet is trackable and community is notified of every outgoing transaction through team announcements and dedicated bots.

Attached below is an illustration of how the team is planning to partition the funds.

- ● Staking Pool
- ● Development
- ● Operations
- ● Audits
- ● Community Incentives
- ● Liquidity Pools
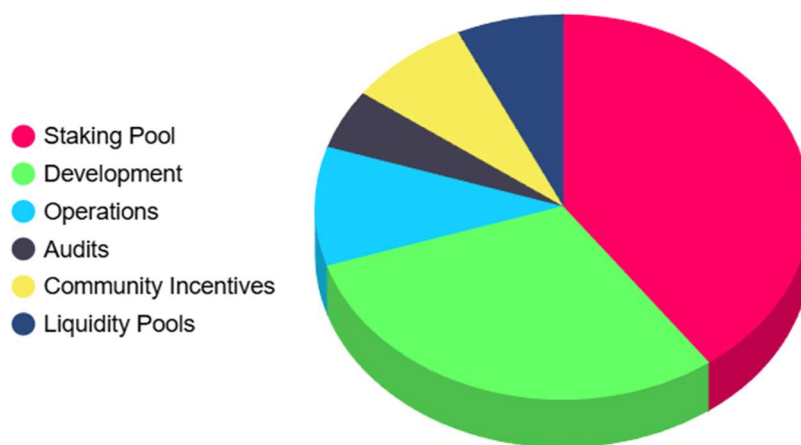
Project Development Stages

1. Initial distribution

During the initial distribution phase, the goal is achieving a fairly distributed share of the supply amongst miners and market participants.

2. First Markets

Shortly after the initial distribution has been achieved, the team will proceed with the first exchange listings. Listings allows for early adopters who are not possessing mining equipment to join.

3. Initial Liquidity

Listings will be limited to a number of exchanges during this phase. Being in the early stages of the project, no further listings are pursued until a desirable initial liquidity is present amongst exchanges.

4. VectorSwap Launch and Staking

The launch of VectorSwap will allow for private staking and trading with various pairs in a decentralized manner.

5. Vector Launch

Vector will allow users to hold coins in a simpler fashion using their web browser. The wallet is built with synergy in mind regarding VectorSwap, allowing staking, minting and burning USDV with a few clicks.

6. Additional Listings

At this stage the team will consider partnering with more exchanges to list Vulkan.

7. USDV Launch on ERC-20 and BSC-20 protocols

VulkanUSD also known as USDV will be the first overcollateralized crypto-backed stablecoin that allows for semi-private instant payments. The use of Binance Smart Chain or Ethereum will require gas in different currencies, the user must hold the respective gas tokens or have existing VUK coins converted to gas tokens.

8. USDV Integration into Vector

USDV support to be added to Vector, enabling the input mixing feature to add a degree of obfuscation to transactions, this setting is optional and turned off by default. It offers a grade of privacy on a transparent blockchain but is not entirely untraceable unlike VUK.

9. Long Term Liquidity

Finally, the ecosystem is maturing and the team aims for large volumes of liquidity to allow market participants with larger capital to trade without the worry of severely impacting market prices.

Contact Information

Twitter: https://x.com/VulkanChain

GitHub: https://github.com/vulkanchain/vulkan

Website: https://vulkanchain.com/