



# An ecosystem to power blockchain innovation

## Introduction

It has been a little over fifteen years since Bitcoin's genesis block. Although blockchain has evolved immensely, the technology has a long way to go before becoming truly mainstream. For this to happen a leap in innovation is necessary. If we stop and think about how various blockchain initiatives approach innovation, the majority of existing projects can be categorised as follows:

### 1. **The largest and most ambitious projects out there**

While we have the utmost respect for their achievements, their immense ecosystems and sometimes robust organisation can feel intimidating for developers that want to implement their ideas. Such projects also usually have a pretty well-defined vision and their innovative drive is typically pointed in a very specific direction.

### 2. **Niche projects**

They can be extremely interesting but given their distinct and often unique goals they are often comprised of tightly-knit teams that offer very few opportunities to outsiders. Also, their development tends to be directed to fill that specific niche.

### 3. **Meme coins**

In their best incarnations they mostly exist to entertain. Such projects are more products of marketing than technological advancement. They are not the cradle of future leaps in blockchain technology.

### 4. **Scams**

They range from simplistic, almost obvious schemes, to projects that appear to have grand visions but make an effort only to hide all the red flags until their creators will have made a significant profit off of naïve investors. As one can guess, innovation is not in their DNA.

### 5. **Small projects with dedicated teams and ambitious goals**

Most of them will not manage to deliver what they set out to accomplish for various reasons, while some may change the entire game. Finding the right one is akin to finding a needle in a haystack. We wish all of them luck and perseverance.

If we ignore the hundreds of projects out there that have no ambition of creating anything useful for the future of blockchain, we are left with a handful of very mature projects, a few rising stars, and dozens of diamonds in the rough. One of the key things that sets successful innovative projects apart from the rest of the pack is a proper source of independent funding for future development that is in line with the objectives of the project community.

## What is Osmium trying to solve

The impetus for creating Osmium was born from a very simple idea, to promote and reward talent in the blockchain space. It is our goal to drive innovation and to give back what we create to the entire crypto community.

Osmium is derived from the word *osmosis*, which can be understood as a gradual process of assimilation of knowledge or ideas. Osmium is also one of the rarest precious metals in the Universe. And fresh, innovative ideas are just that – rare and precious. Osmium aspires to innovate blockchain ecosystems and help drive this global technological movement that we believe shall change how society and economy works.

The sole purpose of Osmium is to provide a stable blockchain environment that can stimulate the creation of novel approaches to existing and future issues in blockchain. We plan to use our experience from technology, business and academia to help channel the innovative drive of talented individuals that aspire to leave their mark in the history of the industry.

Osmium will create an ecosystem that can fund said innovation directly through the blockchain. All new solutions will be transparently financed through an open decentralised governance model. Furthermore, all solutions developed under our umbrella will be open source and accessible in our GitHub repository. This will ensure full access to our products so that any future blockchain project can benefit from what our community creates. That being said, our innovations shall fuel value growth for both our miners and investors.

## Blockchain architecture

We have chosen to base our cryptocurrency ecosystem on the Dash source code. In our opinion it is a very mature blockchain technology and had been created by one of the most talented teams of developers in the crypto space. Dash offers a perfect balance of security and stability. Most importantly, it has a set of features that matches our requirements and it is ideal for what our project has set out to achieve. Dash's decentralised governance model rests on the existence of masternodes, which help secure the chain and enable the functioning of the entire governance model.

# Roadmap

Our initial ambition can be described by three distinct evolution phases. The Launch Phase will cover the creation of Osmium's essentials – the basic ecosystem. Expansion Phase shall primarily concentrate on forming the decentralised governance model, so we can prepare for fulfilling our vision. Innovation Phase shall launch community-driven initiatives.

## Launch Phase

- Testnet/mainnet launch
- Blockchain explorer
- Website launch
- Initial exchange listings
- Aggregator listings
- Initial marketing
- DAO Governance setup

## Expansion Phase

- Public governance platform
- More exchange and aggregator listings
- Community-driven proposals
- First innovation roadmap
- Setup of project governance team

## Innovation Phase

- Continuous community-driven project delivery

Specific timing of the roadmap will be communicated to the community as soon as it is available.

## Project governance

Creation of a fair and decentralised governance structure is one of the primary goals of the project. Osmium will initially be centrally managed by the project team so that the chain can be stabilised and the basic ecosystem developed. Once the community matures, project governance will become decentralised and integrated within the blockchain itself.

We expect to create a platform for financing further development of the ecosystem by community members, connected to a Decentralized Autonomous Organization (DAO). In this model the community votes on proposals and decides which initiatives get funded. The necessary votes are provided by masternode holders.

# Coin emission

## Premine and initial masternodes

In the current situation significant amounts of hashrate can be rented and applied to any X11 network. From our point of view that is a source of risk of a potential 51% double-spend attack. We wish to secure the Osmium network from the start so we shall create a decentralised layer of initial masternodes at mainnet launch.

We have therefore decided to pre-mine 8000 OSMI which represents roughly 0.66% of our maximum supply. We understand that premines are generally frowned upon as they could be misused by project founders. But rest-assured, most of these coins shall be immediately allocated to form the collateral of initial masternodes and exchange listing liquidity. Initial masternode collateral will be sold over-the-counter during the initial phase of the project. Since the masternode layer must be decentralised we shall limit the pre-sale to a maximum of one masternode per person.

In order to initiate the required masternode quorums correctly we shall set up all pre-sold masternodes by ourselves at the same time. This shall ensure the most fair distribution of initial masternode rewards and proper function of the chain. Once quorums are established we shall transfer the masternode collaterals to their respective holders. This process will be fully transparent and communicated in our Discord.

This step may seem unnecessary to some but we are fully aware of the fact that the vast majority of X11 forks do not have functioning masternode quorums and chainlocks. In such situations the network does not ban inactive masternodes and the entire masternode layer has zero value for the chain. Such networks are more vulnerable to 51% attacks.

Such a strict limit on the premine amount has one negative side effect – funds for various listing fees will become available to the team over time. Although we expect to fund some of the listing fees from our own investment fund, we shall need developer fees and potentially community fund-raising to be able to afford more expensive listings.

We are certain that this additional level of security for our investors outweighs a slower pace of listings. We believe that going forward, gradual and organic growth will benefit the entire community.

## Reward allocation

The reward of each mined block will be divided as follows:

- 45% – Masternode reward
- 45% – Miner reward
- 5% – Management fee
- 5% – Superblock rewards

We feel that the proposed revenue distribution offers a good balance. The majority (90%) of block rewards provides a revenue stream for both miners and masternode holders. The 5% management fee is designed to primarily finance infrastructure costs, chain maintenance, ecosystem development, marketing, listings, bounties etc. The remaining 5% superblock rewards will initially be used for expensive exchange listings but shall be redirected to project funding as soon as possible.

Masternodes will be created on the network using 500 OSMI as collateral.

## Emission

Osmium will have a maximum supply of 1.21 million OSMI. We will implement a steady decrease of block rewards roughly every 6 months to drive deflation and increase value of our limited supply over time. We have designed a reduction emission process which is indicated in the table below.

Block	Months	Block reward	Coins emitted	Supply proportion
0 to 172800	6	1	172801	14.3 %
to 345600	12	0.85719	157650	27.3 %
to 518400	18	0.78204	136908	38.6 %
to 691200	24	0.67914	117396	48.3 %
to 864000	30	0.58235	99978	56.6 %
to 1036800	36	0.49595	84762	63.6 %
to 1209600	42	0.42047	71625	69.5 %
to 1382400	48	0.35530	60370	74.5 %
to 1555200	54	0.29947	50777	78.7 %
to 1728000	60	0.25188	42634	82.2 %
to 1900800	66	0.21149	35743	85.2 %
to 2073600	72	0.17731	29926	87.7 %
to 2246400	78	0.14845	25027	89.7 %

Block	Months	Block reward	Coins emitted	Supply proportion
to 2419200	84	0.12415	20908	91.4 %
to 2592000	90	0.10372	17450	92.9 %
to 2764800	96	0.08656	14552	94.1 %
to 2937600	102	0.07219	12125	95.1 %
to 3110400	108	0.06015	10095	95.9 %
to 3283200	114	0.05008	8400	96.6 %
to 3456000	120	0.04167	6984	97.2 %
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## Sources

Dash project – <https://www.dash.org/>

Dash source code – <https://github.com/dashpay/dash>

Mitigating 51% double-spending attacks – <https://www.dash.org/blog/mitigating-51-percent-attacks/>