

Purple Paper

19 April 2022

Abstract

The goal of this paper is to establish a value proposition for PURPLE and CANLAB, both tokens on the Juno Network. CANLAB is an established token providing value as a store-of-value and governance token for cannabis-based businesses on Juno. PURPLE will be a new token with utility as payment for cannabis products. PURPLE and CANLAB tokens work together to create a holistic approach to a cannabis business on blockchain.

CANLAB

CANLAB has a supply of 1,001,000 and is permanently capped. No more CANLAB will ever be issued. CANLAB serves as a store-of-value and governance token for CannaLabs, a New York based cannabis company.

Deflationary pressure will be applied to CANLAB through planned mechanisms, including NFT mints using CANLAB tokens as payment, and periodic burning of DAO funds.

The token is well-suited as a store-of-value given its low supply and deflationary pressure – low and permanent supply combines with deflationary pressure ensures that the token is always decreasing in supply, leading to an increased price, even with constant demand. We plan to mitigate against falling demand by introducing new initiatives and projects often; we hope this will motivate current owners to hold, and prospective owners to purchase tokens.

CannaLabs DAO is a decentralised autonomous organisation where governance takes place through voting; votes are dependent on the number of CANLAB tokens held by a given address.

PURPLE

PURPLE is a to-be-issued token that primarily serves as a transactional token; in addition, PURPLE will be able to be redeemed for cannabis products in-person at CannaLabs dispensaries.

The distribution of PURPLE, as planned today, is as follows:*

Allocation	Number of tokens (percent of total)
DAO treasury	25,000,000 PURPLE (50%)
Airdrop to CANLAB LP providers	8,000,000 PURPLE (16%)
Decentralised exchange liquidity & incentives	14,000,000 PURPLE (24%)
Team rewards	3,000,000 PURPLE (6%)

**This plan is subject to change at any time.*

25,000,000 PURPLE tokens will be given to CannaLabs DAO for use where deemed fit.

14,000,000 PURPLE tokens will be used to provide liquidity and incentives on three decentralised exchanges: JunoSwap, Osmosis, and Pupmos (when Pupmos launches).

PURPLE's main purpose is to be used between users, and to be spent at dispensaries – we believe that a dual-token model is in the best interests of our users. Under a dual-token

model, CANLAB can continue to appreciate without having to price potential-everyday users out, as those users would primarily be using PURPLE.

Value genesis thesis

Our valuation genesis will be driven by community adoption of CANLAB & PURPLE as not only stores-of-value and tokens, but also as a payment system for cannabis products. Over time, we plan to introduce a partner program to support more dispensaries than just CannaLabs native dispensaries. This will help generate value by providing additional utility for both tokens; ultimately, our goal is to create an open, decentralised, secure future for cannabis companies across the globe.**

Through 2022, CannaLabs plans to open two dispensaries and one warehouse, as well as a ISO 17025 certified testing laboratory in 2023. The leases and funding for these locations are already secured; barring any otherwise unknown cause, they will open. These locations will provide not only a physical home for the CANLAB and PURPLE tokens, but will also return revenue back to the DAO and token holders.

Over the upcoming six months, many initiatives are planned for both CANLAB and PURPLE, including a potential NFT series, the PURPLE drop, the launch of incentivisation on CANLAB and PURPLE liquidity pools, and the hiring of a new content-generation team to continue to build community. Other plans include launching charitable efforts, diversifying DAO assets, and the election of the Finance Committee. Overall, our plans for CANLAB remain strong, and we're exciting to be bringing some truly incredible ideas to the table soon.