

# NuCypher KMS: Mining

Michael Egorov\*

*NuCypher*

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This paper describes mining mechanisms and economics in NuCypher KMS. It includes inflation rates, mechanisms to incentivise long-term stakers and estimates of number of coins generated by nodes running in typical modes. Also, optimal strategies for stakers who may be affected by market volatility are proposed.

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\* [michael@nucypher.com](mailto:michael@nucypher.com)

## I. INTRODUCTION