

Project Name:

Elk.Finance

Author Name:

Thundercat

Number of OP tokens requested:

140,000 \$OP

L2 Recipient Address:

0xE1c0e5AC8aB0Dab88E682B9a8653Bc7a943fB80F

Relevant Usage Metrics: (TVL, transactions, volume, unique addresses, etc.)

Overall, the ElkNet has helped 52,000 Unique addresses transfer value, facilitating 324,597 transfers totaling 119,383,245 \$ELK. Our multi-chain TVL sits around 3.1M, with a volume of around 400,000.

On Optimism, since May 4th, the ElkNet has facilitated 470 transfers, totaling 323,636 \$ELK. Our Optimism TVL sits around 70,000, with a volume of around 3,000.

Optimism alignment (up to 200 word explanation):

Elk.Finance's Optimism journey started on May 4th, 2022. Two deployments went live. Firstly, a decentralized exchange, including single staking and farms with custom impermanent loss protection. Secondly, our proprietary cross-chain bridging infrastructure, ElkNet, not only connected the Optimism to 18 other blockchains but also provides a "Swap for Gas" feature which allows users to obtain gas as part of the bridging process. It is efficient and safe, having maintained 100% uptime with every ELK successfully sent and received since its inception.

Our support does not stop at deployment. ElkNet will inherit all performance upgrades, new network deployments, and cross-chain products on Optimism.

We aim to provide the Optimism blockchain with three things:

- A safe, scalable, decentralized alternative bridging solution, with additional developments such as CHFT (an over-collateralized cross-chain stablecoin).
- Additional bridging connections through our deployment on other EVM and non-EVM blockchains.
- Foster the growth of the Optimism ecosystem by being an active participant in future Optimism campaigns and leveraging our team's experience to highlight protocols through our active business development and marketing initiatives.

Proposal for token distribution (under 1000 words):

The tokens will be distributed to support the long-term development of our cross-chain infrastructure, grow protocol-owned liquidity to support low-friction transactions into Optimism, and provide some incentives for users to come and explore the ecosystem.

60% Team 84,000 \$OP

The Elk.Finance team is committed to building novel advancements to further the growth of decentralized finance. This year we aim to develop our SDK for developers and platforms to build on ElkNet; add Cross-Chain Swap functionality; release Alpha and Beta versions of Bridging-as-a Service, integrate onto non-EVM blockchains, and create \$CHFT, a cross-chain over-collateralized stablecoin. All developments will be supported on ElkNet Optimism.

35% Protocol Owned Liquidity 49,000 \$OP

While liquidity mining incentives are exciting, we believe that a more sustainable solution is protocol-owned liquidity. Our proposal is for \$OP tokens to be paired with \$ELK to support higher base liquidity for ElkDEX, allowing for better value transactions. This will provide a better and more predictable experience for users entering Optimism and signal a more long-term approach to network and protocol health.

5% Liquidity mining incentives 7,000 \$OP

A small allocation of liquidity mining incentives will be used strategically to bring awareness to Elk.Finance, Optimism, and its ecosystem participants.

How will the OP tokens be distributed?

Team

As for team allocations, the 84,000 \$OP tokens will be deposited into a smart contract that will allow, approximately, a monthly 17% claim. (distributed over 6 months)

Protocol Owned Liquidity

49,000 \$OP paired an equal amount of \$ELK, locked as protocol-owned liquidity to support the transfer of value into Optimism through \$ELK.

Liquidity Mining incentives

The distribution of these tokens will be used strategically within the Elk platform. They could be emitted to support our NATIVE(ETH)-ELK, pair to bolster the bridge liquidity for Cross-Chain Swaps, or added to our single stake pools for our users to be exposed to \$OP.

How will this distribution incentivize usage and liquidity on Optimism?

As we develop, enhance and innovate our infrastructure and cross-chain mechanisms, the inflow of users and value to Optimism will increase. Elk.Finance's unique value proposition is its ability to scale: to deploy on and connect to many blockchains easily. Today, ElkNet supports the transfer of value through the ELK token to many EVM networks, but in future, we will allow protocols to build atop our ElkNet, bridge many tokens, and support non-EVM networks too. Our SDK will provide an easy on-ramp for non-native projects (including NFT projects), to utilize and migrate to Optimism as it grows.

Providing funds for ELK LP bolsters our POL, strengthens our bridge, and makes viable a base transaction of about \$500. Outside of emissions, users can expect a more predictable swap into Optimism from myriad other blockchains.

Allocating a portion of tokens for liquidity mining allows Elk.Finance to be versatile in its approach to bringing users across to Optimism from other networks, as well as acquiring new users from within the Optimism ecosystem.

Why will the incentivized users and liquidity remain after incentives dry up?

Users will stay because the plan does not rely heavily on liquidity mining incentives. Creative initiatives, education materials, and technology advancements, accompanied by reasonable \$OP rewards, should result in a higher user "stickiness" rate.

Over what period of time will the tokens be distributed?

\$OP tokens will be distributed over 6 months. \$ELK will be distributed over 365 days.

How much will your project match in co-incentives?

For the 60% team allocation, we will match 1:1 by:

Elk.Finance will distribute 160,000 ELK over 365 days between the ETH-ELK, OP-ELK, and Stable-ELK pairings on Optimism.

We will match the 35% of \$OP for POL 1:1

48450 of \$OP with 98425 of \$ELK

We will match the 5% allocation 1:1

6767 \$OP with 12857 \$ELK