



AULT BLOCKCHAIN™

Licensed Infrastructure for the Future of Finance & AI

AULT™

BLOCKCHAIN

1. Executive Summary

The Ault Blockchain is a Cosmos-based, EVM-compatible Layer 1 designed to support scalable applications, with interoperability pursued through EVM-compatible bridging and cross-chain messaging integrations to deliver a scalable foundation for financial markets, decentralized applications, and AI-driven analytics. It is purpose-built as a compliance-aligned foundation for institutions, combining financial-grade performance with governance safeguards that support long-term adoption. Its native asset, the AULT token, powers settlement, governance, and protocol level transaction fees. Distribution is tied to licensed network participation rather than speculative issuance, aligning incentives with long-term contributors.

Economic Model:

- **Validators** secure the network under CometBFT and are compensated through (i) the gas-fee market and priority tips, with a portion of fees allocated to the DAO Treasury, and (ii) commission on staking rewards. Staking rewards are funded from a fixed emissions allocation equal to **5% of total emissions**, and validators earn a configurable commission (e.g., 10%–20%) from the staking rewards attributable to their delegators. Validators stake AULT to qualify; no license is required. In early phases, security is supported by delegation and Treasury-driven adoption programs while transaction activity scales.
- **Licensed Mining Nodes** perform verifiable off-chain services (VRF randomness at launch) and may expand to other roles such as oracles, indexing, and AI services over time. Licensed Mining Nodes participate in a predictable, multi-year emissions schedule defined by the protocol. Total emissions are allocated across protocol reward programs, including Licensed Mining Node rewards (95% of total emissions) and staking rewards (5% of total emissions)

Ecosystem sustainability is additionally supported by external reinforcement mechanisms, described in Section 2.

This separation of emissions (Licensed Mining Nodes) and gas fees (Validators) ensures incentive clarity while rewarding participants who operate in both roles.

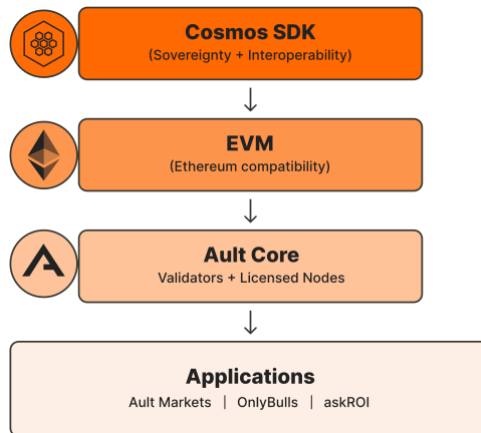


Figure 1: What is Ault Blockchain?

Why Licenses Matter

Node Licenses are scarce digital infrastructure rights that provide:

- **Protocol Emissions:** Access to a pro-rata share of the token distribution defined in the protocol.
- **Governance:** One license = one DAO vote (with caps to prevent dominance).
- **Scarcity:** Fixed supply, \$1,500 per license, non-transferable for two years.
- **Future Roles:** Licensed nodes may expand beyond randomness to additional verifiable services such as oracles, data indexing, and AI workloads.

This structure anchors licenses as scarce participation rights essential to the network's operation and growth. Participants can also engage by securing the network as validators or delegators, building on the EVM stack. In addition, non-operators may participate through delegation, ecosystem partnerships, or secondary markets, ensuring accessibility without the need for direct infrastructure operation.



Figure 2: Key Differentiators (Compliance, Security, Liquidity, AI)

Governance:

Oversight of the blockchain and native token is exercised through the Ault DAO, composed of licensed, KYC-verified Miners. Governance is decentralized with capped voting power and on-chain transparency.

Ecosystem Roadmap:

At launch, the network will be anchored by licensed nodes, validators, and the DAO Treasury. Over time, core applications will expand utility, including:

- **Ault Markets:** tokenized real-world assets and derivatives,
- **OnlyBulls:** decentralized financial data feeds,
- **askROI:** distributed AI compute and analytics.
- **Ault DEX:** Decentralized Exchange native to the Blockchain

Treasury resources will be deployed toward grants, liquidity, and partnerships that accelerate this growth, and will also be used to attract more applications to the network, ensuring early adoption is actively supported. Alongside this, developer grants and integrations are planned to attract early applications, with the goal of establishing transaction demand as soon as possible after launch.

Launch:

Genesis is expected in March 2026, marking the start of a compliant, performance-driven blockchain ecosystem that integrates structured Tokenomics, real-world reinforcement, and cross-chain interoperability to support the next generation of financial and AI applications.

2. Introduction

The rise of digital assets, decentralized finance, and AI has revealed enormous opportunity, but most existing blockchains remain unsuitable for institutions. They struggle with regulatory uncertainty, fragmented infrastructure, and economic models that rely on speculation rather than sustainable value. Performance limitations further prevent these networks from handling financial-grade workloads or AI-driven applications.

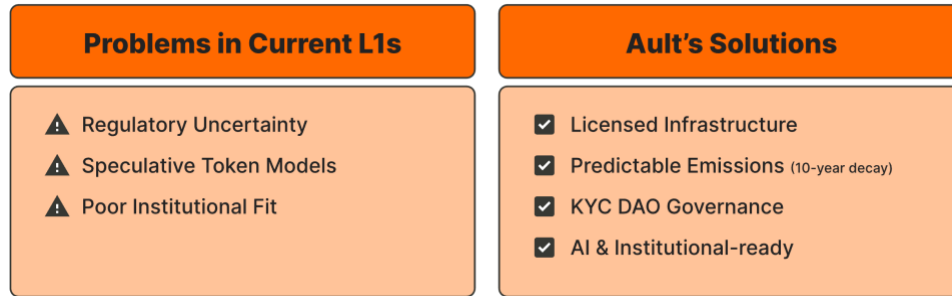


Figure 3: Problem vs Solution Split Diagram

The Ault Blockchain is designed to solve these challenges by fusing traditional finance, AI services, and DeFi into a sovereign, compliant Layer 1 network. Built on the Cosmos SDK with full EVM compatibility, Ault combines the sovereignty and modularity of Cosmos with the broad developer ecosystem of Ethereum, achieving 1-second block times, fast finality, and throughput engineered for financial and AI workloads.

Licensed Participation Model

Ault introduces a licensed infrastructure model to incentivize active participation. Up to one million Licensed Miners may operate within the ecosystem. These Miners are not consensus validators, but service providers for the blockchain that perform verifiable tasks such as randomness generation, data indexing, oracle services, and in the future, distributed AI computation. This structure eliminates gossip overhead while enabling the network to scale participation broadly.

Compliance by Design

Institutions require trust and legal certainty. Ault integrates compliance features at the protocol level: KYC-verified DAO membership, capped voting rights, quorum requirements, approval thresholds, and a minority veto mechanism. Governance proposals are decided exclusively through on-chain voting, requiring a minimum quorum of 20% participation approval by a simple majority, and allowing any proposal to be vetoed if 33.4% or more of participating voting power votes “NO with Veto” in opposition.

These parameters ensure that while governance remains decentralized, no single actor or coalition can unilaterally impose changes that would threaten network integrity, institutional participation, or long-term stability. Rather than relying on centralized approval or compliance vetoes, Ault’s governance model distributes protective power across the network itself.

The use of a state-registered DAO LLC provides a legal and operational framework for contracting, development, and ecosystem support, enabling the network to interact with traditional institutions without compromising decentralized governance.

Financial Reinforcement

Sustainability is strengthened by mechanisms that recycle real-world value into the ecosystem. Ault Lending LLC, a licensed lender operated by Ault Capital Group, deploys proceeds from license sales into short-term lending markets and other financial activities. A portion of outputs from these activities may be directed to ecosystem support such as Treasury contributions, liquidity initiatives, or service payments for providing service on the blockchain. These mechanisms are external to the protocol and serve as optional reinforcement, complementing the on-chain model. The protocol operates independently of Ault Lending; these contributions are supplementary and not required for network function. This flexible approach ensures resources are deployed where they have the greatest impact on long-term network stability and growth.

AI and Financial Expansion

Over time, additional ecosystem modules will extend utility:

- **Ault Markets** – tokenized real-world assets, spot and derivatives markets, and regulated market infrastructure bridging traditional finance and decentralized systems.
- **OnlyBulls** – financial interface and integrated DeFi wallet serving as the primary user gateway to the Ault ecosystem, enabling asset custody, trading access, data visualization, and future financial applications.
- **askROI** – distributed AI compute, analytics, and autonomous agents powering decision support, workflow automation, and data intelligence across the ecosystem.
- **Ault Spot DEX** - a high-performance on-chain spot exchange enabling permissionless trading of digital assets with deep liquidity, low-latency execution, and native settlement on Ault Blockchain.

Licensed nodes may power elements of this roadmap, such as running decentralized AI workloads and verifying financial data oracles. This can create future layers of utility for license holders beyond emissions. These modules will be introduced in phases following Genesis, ensuring the ecosystem expands on a measured, sustainable timeline.

3. Technology Architecture

The Ault Blockchain is built on the Cosmos SDK with full EVM compatibility, combining the sovereignty and modularity of Cosmos with the Ethereum ecosystem's reach.

Full EVM Compatibility & Precompiles

The EVM execution environment supports the Ethereum Yellow Paper specification, ensuring Solidity and Vyper smart contracts run unmodified. While AULT serves as the sole protocol-level asset for gas, staking, and network security, the network supports a broad range of EVM-compatible assets and applications at the application layer. These may include, but are not limited to, tokenized representations, payment instruments, and other smart contract-based systems, all of which remain distinct from the protocol-level token and do not participate in network security or governance. Certain applications may implement application-level fee abstraction mechanisms, allowing users to pay transaction fees in non-native assets while underlying protocol gas and validator compensation remain denominated in AULT.

Consensus & Finality

Ault uses CometBFT, the successor to Tendermint, as its consensus engine. Validators secure the chain by producing blocks, validating transactions, and finalizing consensus with **1 second** block times and fast finality. Validators are incentivized by gas fees and tips and may also earn commission from staking rewards. Staking rewards are funded from a defined emissions allocation equal to 5% of total emissions; validators do not receive a separate emissions bucket beyond the staking-commission mechanism.

Licensed Mining Nodes

Licensed Mining Nodes are licensed participants providing off-chain work.

- **At Genesis:** Their sole function is VRF randomness generation, powering the randomness beacon used in governance, oracle fairness, and contract-level entropy.
- **Scalability:** Because they work off-chain, the network can scale to 1 million nodes without consensus bottlenecks

Gas Fee Market (EIP-1559)

Ault employs an EIP-1559-style dynamic gas fee mechanism via the Cosmos EVM Feemarket module. Gas is paid in AULT, with a base fee adjusting each block and optional tips for prioritization. Unlike Ethereum, where base fees are burned, Ault redistributes them:

- 90% → Validators & Delegators
- 10% → DAO Community Pool

- 0% burned
This ensures all transaction activity directly reinforces security and governance.

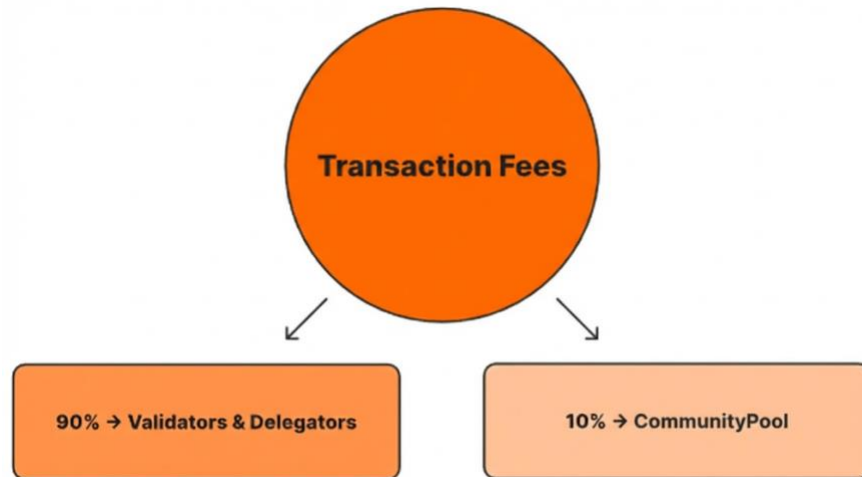


Figure 5: Gas Flow

Cross-Chain Interoperability

Ault is designed to support interoperability through EVM-compatible bridging and cross-chain messaging integrations

MEV Mitigation

The protocol incorporates transparent fee markets and fair-ordering mechanisms to minimize Miner Extractable Value (MEV). As Cosmos EVM evolves, Ault will integrate additional protections to preserve fairness for institutional users.

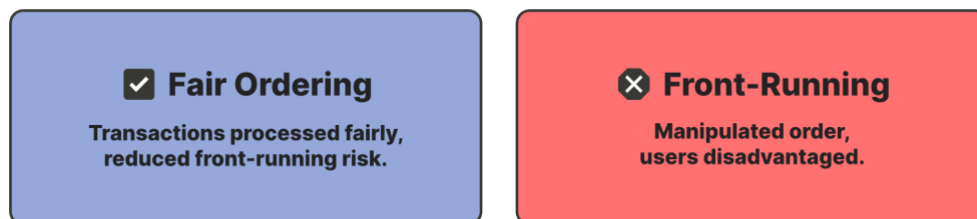


Figure 6: MEV Mitigation

Planned Integrations

Future integrations are planned with:

- **Oracle networks** (e.g., Chainlink) for expanded data feeds.

- **Block explorers** (Etherscan-style) for transparency.
- **Custody and compliance providers** for institutional adoption.
- **Analytics and monitoring tools** for operators, developers, and governance participants.

Why Cosmos + EVM?

This architecture gives Ault fine-grained control over its economy and governance (thanks to Cosmos sovereignty) while tapping into Ethereum’s network effects. It ensures compatibility with familiar tools while enabling innovation through custom modules, precompiles, and compliance features.

4. Tokenomics

The AULT token is the native digital asset of the Ault Blockchain, used for transaction fees, validator staking, Licensed Mining Node emissions, and governance participation.

Supply & Emissions

- **Total Supply (Genesis Mint): 100,000,000,000 AULT** are minted at genesis.
- **Genesis Bootstrap Allocations (Reserved at Genesis): 100,000 AULT** total are reserved at genesis for bootstrap purposes:
 - Genesis Validator Seeding: 10,000 AULT
 - Initial Validator & Ecosystem Bootstrap: 90,000 AULT (0.00009% of total supply)
- **Emissions Supply (Protocol Rewards Over 10 Years):** The remaining 99,999,900,000 AULT are allocated to protocol emissions distributed over a ten-year schedule.
 - Licensed Mining Node Rewards: 95% of the Emissions Supply
 - Staking Rewards: 5% of the Emissions Supply. Validators earn compensation via a configurable commission on staking rewards (e.g., 10%–20%); the remainder is distributed to delegators.

“Percent allocations in this section (95%/5%) apply to the Emissions Supply only, not to the bootstrap reserves.”

- **Distribution Schedule:** Daily emissions taper over ten years, with ~9–10% annual decay.

- Year 1: 15.0B (~41.1M/day)
 - Year 5: 10.1B (~27.6M/day)
 - Year 10: 6.2B (~16.9M/day)
- **Adjustment Note:** Year 10 may be fine-tuned slightly to ensure cumulative distribution = 100B.

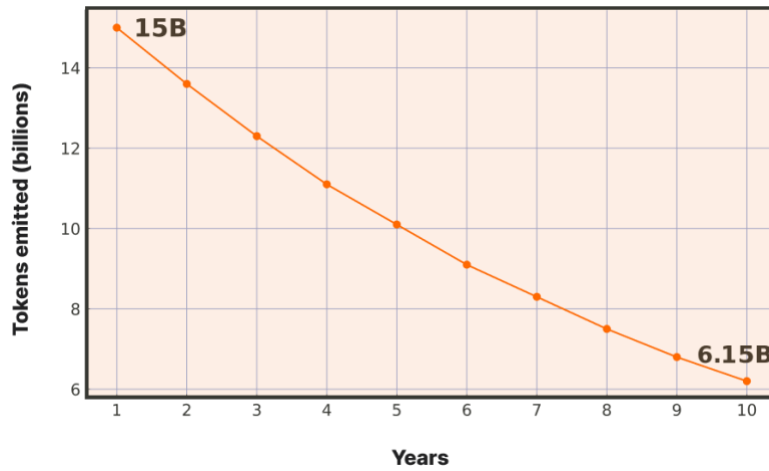


Figure 8: Emission Curve Line Graph

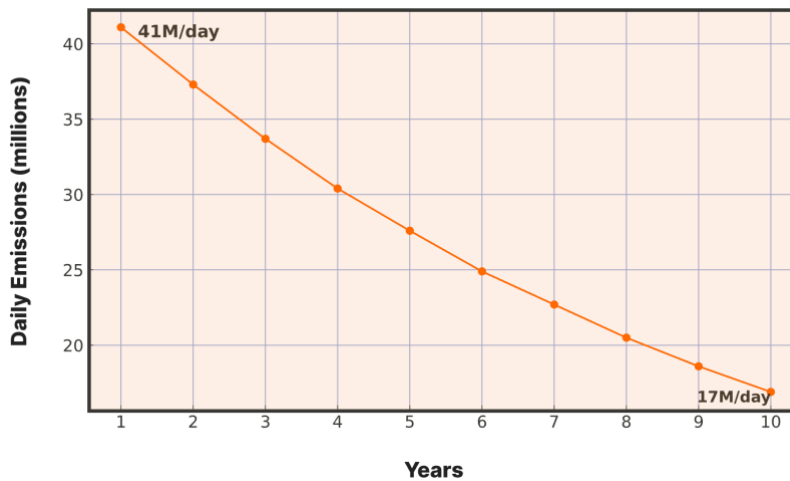


Figure 9: Daily Emissions Taper

Figures 8 and 9 illustrate the total emissions schedule; the protocol allocates emissions across reward programs, including Licensed Mining Node rewards and staking rewards (5% of total emissions).

Roles & Incentives Summary

Role	License Required	Function	Rewards	Governance Rights
Validator	✗	Consensus, block production (CometBFT PoS)	(i) a defined share of gas fees and priority tips, and (ii) commission on staking rewards.	✗
Licensed Mining Node	✓	Off-chain verifiable work (VRF at launch; future: oracles, AI, indexing)	Daily emissions	✓ (KYC DAO)
Delegator	✗	Stake AULT with validators	Earn staking rewards (funded from 5% of total emissions) net of validator commission; delegators may also receive a share of fee-based rewards where applicable.	✗

Validator Incentives

- **Active Set:** Top 100 by stake weight.
- **Minimum Self-Bond:** 10,000 AULT.
- **Rewards:** 90% of gas fees + 100% of tips, (per protocol fee distribution), plus commission on staking rewards.
- **Delegators:** Earn staking rewards funded from 5% of the Emissions Supply, net of validator commission. Fee-based rewards (gas fees/tips) are shared with delegators only where the protocol explicitly supports it.
- **Slashing:** Downtime, double-signing, and censorship penalized.

Licensed Mining Node Incentives

- **License Model:** list price \$1,500 at issuance; non-transferable for 2 years.
- **Work Mechanism:** Each epoch (~1m), randomly selected licensed nodes submit a VRF output gated by micro-PoW; winning outputs contribute to the randomness beacon and earn work credits
- **Distribution:** emissions allocated pro-rata by work credits.

- **Equal Opportunity:** All licenses have equal selection chance; uptime and correctness matter, not hardware power.

Gas Fees & DAO Treasury

- **Fee Model:** EIP-1559 (Cosmos EVM).
- **Illustrative Costs** (at Genesis BaseFee):
 - Transfer (~80k gas): ~0.01 AULT
 - Staking (100–120k gas): ~0.0125–0.015 AULT
 - DEX swap (150–250k gas): ~0.019–0.031 AULT
 - Smart contract call (200–500k gas): ~0.025–0.063 AULT
- **Fee Distribution:** 90% → Validators/Delegators; 10% → DAO Community Pool; 0% burned.
- **Staking Rewards (separate from gas fees):** Staking rewards are funded from 5% of total emissions, with validators earning compensation via commission on staking rewards (e.g., 10%–20%); the remainder is distributed to delegators.
- **Treasury Usage:** Community-governed; may fund grants, liquidity, buybacks, burns, etc.

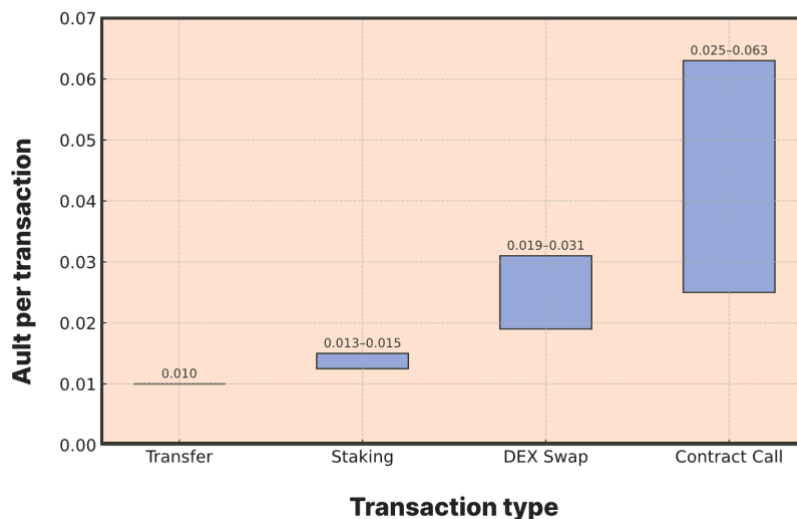


Figure 11: Transaction Cost Examples

Token Metrics

Metric	Value / Policy
Token Name / Symbol	Ault Token / AULT
Total Supply	100,000,000,000
Emissions Allocation	99,999,900,000 to Licensed Mining Nodes (95% Licensed Mining Node rewards / 5% staking rewards; ~9–10% annual decay)
Genesis Validator Bootstrap	10,000
initial validator and ecosystem bootstrap	90,000
Validator Rewards	Validator Rewards: Gas fees and priority tips (per protocol rules), plus commission on staking rewards. Staking rewards are funded from 5% of total emissions.
Delegator Rewards	Delegator Rewards: Staking rewards funded from 5% of total emissions, distributed to delegators net of validator commission (e.g., 10%–20%).
Community Pool Funding	10% of gas fees
Minimum Validator Self-Bond	10,000 AULT
License Requirement	List price \$1,500/license; non-transferable 2 years

5. Governance

Governance of the Ault Blockchain is exercised through the Ault DAO, a Wyoming DAO LLC operating under a [formal Constitution](#). This design combines on-chain voting with real-world compliance protections, ensuring decentralization with institutional safeguards.

Membership & Eligibility

- **Licensed Mining Node Ownership:** Only holders of valid Node Licenses may participate in governance.
- **KYC Verification:** Members must complete identity checks to comply with regulatory standards.
- **Constitution Adoption:** Members must formally acknowledge and adhere to the DAO Constitution.

This ensures governance authority is tied to active infrastructure participants rather than passive token holders.

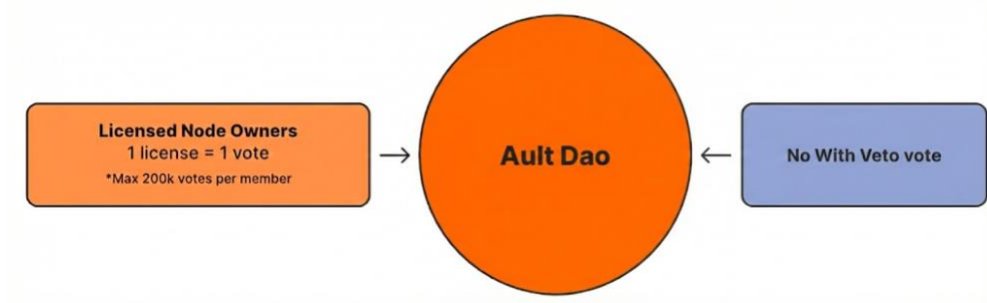


Figure 12: Governance Model Diagram

Voting Rights

- **One Node = One Vote:** Each licensed node confers one vote in governance.
- **Voting Cap:** Maximum of 200,000 votes per member, regardless of total node holdings.
- **Non-Transferable Period:** Node Licenses are non-transferable for the first two years, preventing vote-trading during the launch phase.

Proposal & Voting Process

- **Proposal Stake:** Minimum 500,000 AULT to submit a proposal.
- **Default Voting Window:** 10 days.
- **Quorum:** 20% of eligible votes.
- **Threshold:** Simple majority (>50%).
- **No with Veto Vote:** 33.34% of eligible votes NO with Veto

- **Transparency:** All votes and results are recorded on-chain.

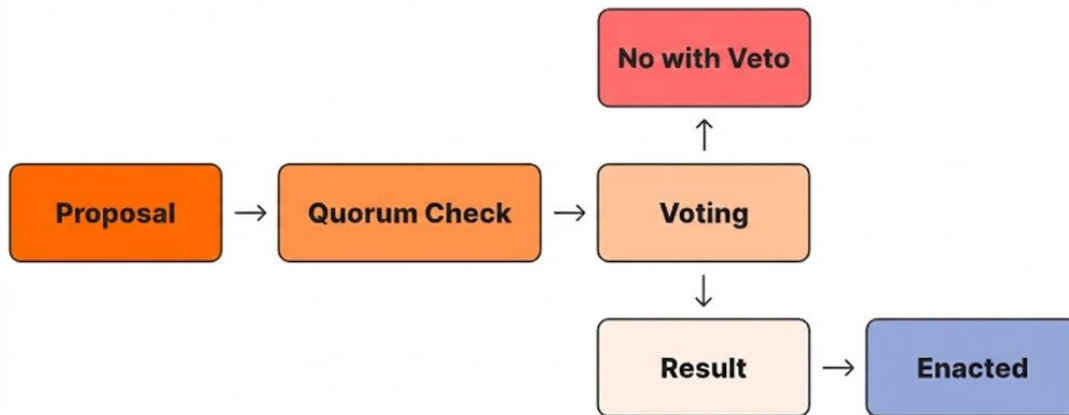


Figure 13: Voting Process Flow

DAO CommunityPool Oversight

- **Funding Source:** DAO **CommunityPool** receives 10% of all gas fees.
- **Spending Authority:** Allocations require successful DAO proposals.
- **Use Cases:** Grants, liquidity programs, buybacks, burns, and ecosystem and community support initiatives.

Governance Philosophy

The governance framework balances decentralization, compliance, and transparency:

- Licensed Mining Node operators, as the backbone of emissions and services, control protocol direction.
- Checks and caps prevent concentration of power.
- No with veto vote ensures long-term institutional trust without undermining DAO sovereignty.

6. Ecosystem Roadmap

Launching a blockchain is only the first step. The Ault Blockchain roadmap is designed as a phased rollout, balancing innovation, compliance, and ecosystem growth. Each phase builds on a secure

and auditable foundation, with features introduced progressively to align with legal, technical, and regulatory readiness.

Genesis Launch – Q1, 2026

- **Core Network:** Mainnet launch with CometBFT consensus, validator bootstrap (three initial validators seeded, including Ault Capital Group), and Licensed Mining Nodes providing VRF randomness.
- **Allocations:** 100B AULT minted, with ~99.9995% to the Emissions Vault, 10k AULT for Genesis validator seeding, and 90k AULT for initial validator and ecosystem bootstrap.
- **Functionality:** Cosmos EVM stack live ERC-20/ERC-721 token deployment, smart contracts, operational from day one. Alongside this, developer grants and integrations are planned to attract early applications, with the goal of establishing transaction demand as soon as possible after launch
- **DAO Activation:** Ault DAO live from Block 1, enforcing governance rules (proposal stake, quorum, veto).
- **Safeguards:** Genesis allocations audited during the first 30 days; 4-day settlement lag applied to early emissions per the DAO Constitution.
- **Testing:** Public testnet and devnet in late 2025 to validate infrastructure before Mainnet.

Phase 1 – Core Modules & External Asset Integration (H1 2026)

- **Applications:** Initial versions of OnlyBulls, and askROI (beta analytics) deployed.
- **DAO Governance:** First DAO proposals executed; early Treasury-funded developer grants launched.
- **Liquidity Access:** Following mainnet launch, AULT is expected to pursue initial DEX liquidity pools and begin the process of centralized exchange (CEX) engagement, subject to compliance and market conditions.
- **External Asset Bridges:** Through LayerZero Integration with Ethereum to support USDC, USDT, and other leading stablecoins/DeFi tokens. These assets form liquidity pools and trading pairs on Ault Markets.

- **Infrastructure Integrations:** Block explorers, RPC providers, and monitoring tools deployed; Chainlink or equivalent oracle integration begins.

Phase 2 – Ecosystem Expansion (H2 2026)

- **Ault Markets:** Expanded support for regulated real-world assets (tokenized equities, commodities, potentially real estate).
- **DEX Expansion:** More pairs and liquidity; PERPs platform launches with risk controls.
- **Ault Lending:** Initial lending pools (AULT ↔ stablecoins) deployed.
- **Custody/Compliance Partners:** Institutional custody integrations and compliance providers onboarded.
- **Ecosystem Fund:** DAO Treasury commits liquidity and developer incentives to accelerate dApp ecosystem growth.
- **Cross-Chain Expansion:** Bridges extended to Solana, Avalanche, and L2 ecosystems.

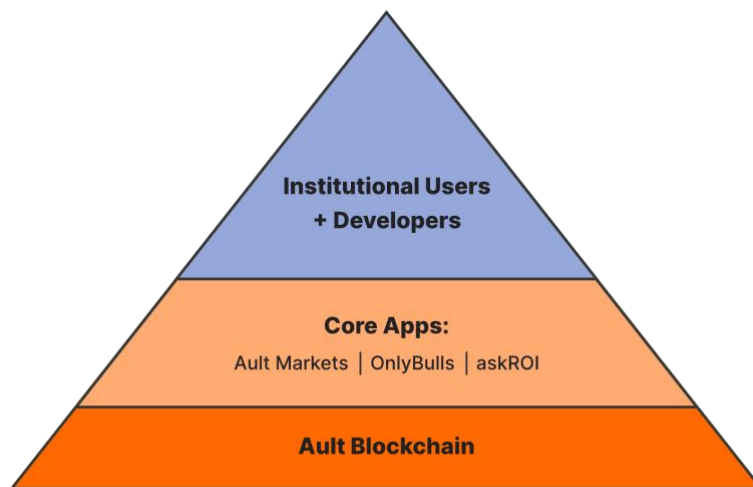


Figure 15: Ecosystem Stack

Phase 3 – DeFi & Institutional Growth (2026–2027)

- **Ault Lending Protocol:** Full-featured on-chain borrowing/lending with AULT and tokenized assets as collateral.
- **Institutional Adoption:** Partnerships with custodians, exchanges, and compliance firms deepen institutional integration.

- **DAO Reviews:** Beginning in this phase, the DAO periodically assesses token emissions, miner incentives, and governance parameters, with authority to adjust as needed.

Phase 4 – AI Integration & Refinement (2027 and beyond)

- **askROI Expansion:** AI marketplace for third-party models launched; Licensed Mining Nodes take on AI workloads in addition to randomness.
- **Advanced Use Cases:** AI-driven portfolio managers, robo-advisors, and smart contracts leveraging on-chain analytics.
- **Licensed Mining Node Evolution:** Nodes may expand into oracle services, indexing, and compliance/identity modules as ecosystem demands evolve.

Long-Term Vision (2028–2035)

Ault aims to become a financial cloud: a compliance-aligned hub for financial settlement, data analytics, and AI services. Institutions may operate private whitelisted Ault chains or connect directly to the public chain for rapid settlement and AI analytics.

Governance may continue to decentralize as regulatory clarity improves, with DAO members adjusting KYC requirements over time. The end of the 10-year emissions schedule in 2035 will be anticipated well in advance; the DAO may vote on sustainability measures such as modest inflation or higher fee splits to ensure ongoing miner incentives.

Guiding Principle: At every stage, Ault prioritizes compliance and trust. New asset types, AI services, and dApps are introduced only after legal, custody, and ethical review, ensuring sustainable growth for real-world adoption.

7. Legal & Disclaimers

The Ault Blockchain and associated ecosystem are designed with compliance and transparency as core principles. However, as with all blockchain networks, participants should carefully review the following disclaimers before engaging.

Nature of Node Licenses

- Ault Node Licenses are infrastructure rights that allow participants to operate Licensed Mining Nodes within the Ault Blockchain.
- Licenses are not investment contracts, securities, or shares in Ault Capital Group, Inc. or the DAO.

- License holders may earn protocol rewards for verifiable participation in network operations (e.g., randomness generation today, oracles and AI workloads in future phases).
- Licenses are granted by Ault DAO LLC (or its selling agent) pursuant to applicable Terms and Conditions.

Nature of the AULT Token

- The AULT token is the native utility token of the Ault Blockchain.
- Tokens are not sold by the protocol; they are earned through:
 - Licensed Mining Node emissions (protocol rewards).
- Validator and delegator rewards (gas fees, priority tips, and staking rewards funded from 5% of total emissions; validators may earn commission on staking rewards). The token's primary uses are: payment of gas fees, participation in governance, staking, and serving as collateral in future DeFi modules.
- The token is not guaranteed to have monetary value, nor is it offered as an investment product.
- The DAO will govern the utility of the token, and can create new use cases in the future.
- Governance is set forth in the DAO Constitution, which may be amended from time to time by DAO members following the proposal protocol set forth therein.

Forward-Looking Statements

- The roadmap, features, and milestones described in this whitepaper are forward-looking and subject to change.
- Market conditions, legal requirements, or technical challenges may alter the sequence or timing of planned deployments.
- No representation or warranty is given that all features described will be delivered on the stated timeline.

Regulatory Considerations

- Participants are responsible for complying with all applicable laws in their jurisdictions, including those relating to digital assets, financial services, taxation, and data protection.
- Regulatory treatment of digital assets varies across jurisdictions and may change over time.

- The DAO Constitution requires KYC verification and acknowledgement of the Constitution for governance participation to meet compliance requirements.

Risk Factors

Participation in the Ault Blockchain involves risk, including but not limited to:

- Governance risks including insufficient participation by node owners to develop and grow the protocol, defend against bad actors, or maintain the technology stack.
- Growth risks including a failure by the DAO to take over maintenance of the protocol.
- Business risks including a failure for the protocol to gain adoption due to a bad product/market fit, fierce competition, a bear market, or other factors.
- Market volatility and token price fluctuations. The digital asset market has historically had strong bull markets tempered by bear markets that can reach drawdowns as high as 70-90%.
- Technical risks such as software bugs, cyberattacks, or validator downtime.
- Regulatory actions that may impact the operation or legality of digital assets or node licenses.
- Legal risks including litigation. There is insufficient legal certainty in the U.S. or elsewhere to fully mitigate the risk of private or government litigation against the DAO, node owners, the blockchain, blockchain applications, or other participants in the protocol. Moreover, DAO members could take legal action against each other if, for example, they disagree on governance decisions for the protocol.
- Economic risks if emissions or fee structures do not generate sufficient rewards for participants.
- Additional risks set forth in the Node Terms and Conditions



**Node Licenses =
Infrastructure Rights**
(no securities)



AULT = Utility Token
(earned not sold)



Compliance by Design.

Figure 18: Callout Icons

No Guarantee of Rewards

- Neither Ault Capital Group, Inc. nor Ault DAO LLC make any promise of financial return, profit, or appreciation of token value. No node owner should rely on either entity to take any action for the purpose of creating profits for node owners.
- Emissions (including staking rewards funded from 5% of total emissions) and validator compensation (including commission on staking rewards) are mechanical outputs of protocol rules, not discretionary distributions. Rewards are earned only through active operation of nodes or validated staking participation.

Appendices

Appendix A: Emissions Schedule (Exact)

The Ault Blockchain issues a fixed supply of 100,000,000,000 AULT at genesis. After bootstrap allocations (10,000 AULT for genesis validator and 90,000 AULT Initial Validator & Ecosystem Bootstrap), the remaining 99,999,900,000 AULT (~99.9999%) comprise the Emissions Supply, distributed over ten years under the emissions schedule

Emissions are released daily over ten years using a constant geometric decay. The Year-1 emission is fixed at 15,000,000,000 AULT, and the decay factor (r) is solved so the 10-year cumulative sum equals exactly 99,999,900,000 AULT.

Emission Formula

$$E_y = E_1 \cdot r^{(y-1)}$$

Series Sum Across 10 Years

$$\sum_{y=1 \text{ to } 10} E_y = [E_1 \cdot (1 - r^{10})] / (1 - r)$$

Constraint (Vault Balance)

$$[E_1 \cdot (1 - r^{10})] / (1 - r) = 99,999,900,000$$

Solved Decay Factor

$$r = 0.9057263343897231$$

Annual Decay (Reduction)

$1 - r = 0.0942736656102769 \approx 9.427\%$

Carryover (Retention)

$r = 90.573\%$

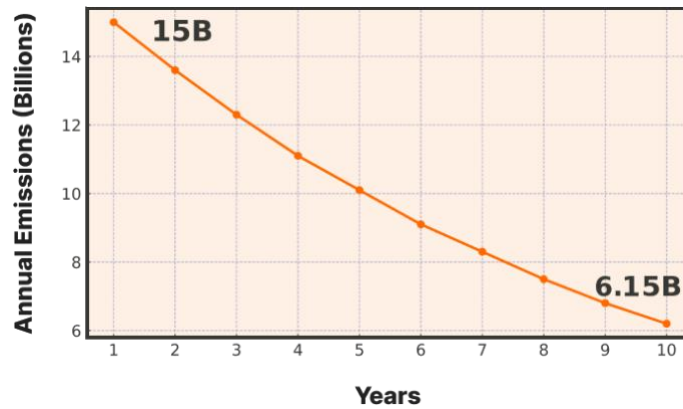


Figure 19: Emission Schedule Curve

Year	Annual Emissions (B AULT)	Daily Emissions (M AULT)	Cumulative (B AULT)	Decay %	Carryover %
1	15.000000	41.095890	15.000000	–	100.000000
2	13.585895	37.221630	28.585895	9.427367	90.572633
3	12.305103	33.712611	40.890998	9.427367	90.572633
4	11.145057	30.534401	52.036055	9.427367	90.572633
5	10.094377	27.655828	62.130432	9.427367	90.572633
6	9.142741	25.048606	71.273174	9.427367	90.572633
7	8.280818	22.687172	79.553992	9.427367	90.572633
8	7.500152	20.548363	87.054144	9.427367	90.572633

Year	Annual Emissions (B AULT)	Daily Emissions (M AULT)	Cumulative (B AULT)	Decay %	Carryover %
9	6.793080	18.611178	93.847224	9.427367	90.572633
10	6.152678	16.856653	99.999900	9.427367	90.572633

Of the Emissions Supply distributed under this schedule, 95% is allocated to Licensed Mining Node rewards and 5% is allocated to staking rewards.

Key Properties (Exact)

- **Decay factor (r):** 0.9057263343897231
- **Annual reduction:** 9.427%
- **Annual carryover:** 90.573%
- **Genesis bootstrap allocations:** 90,000 AULT for initial validator and ecosystem bootstrap and 10,000 Genesis Validator seeding
- **Emissions Vault distributed:** 99,999,900,000 AULT (exact reconciliation)
- **Daily taper:** 41.095890 M/day (Year-1) → 16.856653 M/day (Year-10)
- **Deterministic schedule:** Rewards fixed by formula; no discretionary changes

Appendix B: Gas Parameters (Genesis)

The Ault Blockchain employs an **EIP-1559-style fee market** via the Cosmos EVM Feemarket module. Gas fees remain predictable under normal load, rise sharply during congestion, and align validator incentives with network sustainability.

Genesis Parameters

- **BaseFee (minimum gas price):** 125 AULT-gwei per gas unit.
- **Block Gas Limit:** 400M gas per block.
- **Target Utilization:** 200M gas (50% of block limit).
- **Elasticity Multiplier:** 2 (block size can expand under congestion).
- **BaseFee Adjustment:** ±12.5% per block depending on utilization.

Fee Distribution (BaseFee + Priority Fee) Illustrative Transaction Costs (at genesis BaseFee)

- **Transfer (~80k gas):** ~0.01 AULT
- **Staking operation (100–120k gas):** ~0.0125–0.015 AULT
- **DEX swap (150–250k gas):** ~0.019–0.031 AULT
- **Smart contract call (200–500k gas):** ~0.025–0.063 AULT

Fee Distribution (BaseFee + Priority Fee)

- **90% → Validators & Delegators** (pro-rata by stake).
- **10% → DAO CommunityPool** (community-controlled).
- **0% burned.**

Network Objectives

- Maintain ~50–70% block utilization under normal conditions.
- Recover BaseFee equilibrium within 20–60 seconds after congestion.
- Spike BaseFee aggressively during spam, protecting liveness.

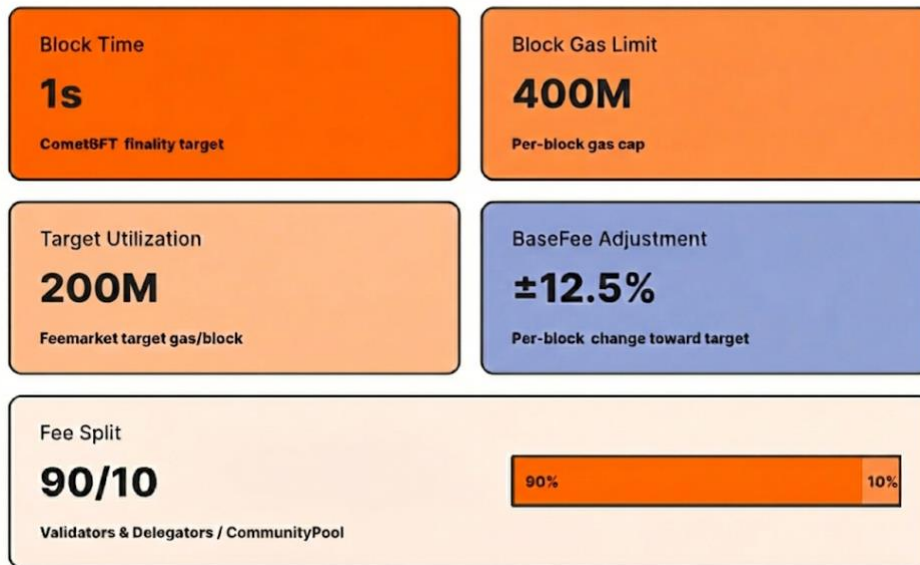


Figure 20: Gas Parameters Dashboard

Appendix C: Genesis Allocations

At genesis, the Ault Blockchain must seed certain modules and validators to ensure functionality from Block 1. These allocations are operational necessities and represent just 0.00053% of supply.

Allocation	Amount (AULT)	% of Supply	Purpose
Emissions Supply	99,999,900,000	~99.9999%	10-year Licensed Mining Node emissions
Genesis Validator Bootstrap	10,000	~0.00001%	Seed genesis validators for block production
Initial validator and ecosystem bootstrap	90,000	~0.00009%	initial validator and ecosystem bootstrap after genesis
Total Supply	100,000,000,000	100%	Fixed genesis issuance

Notes

- Validators are thereafter incentivized only by gas fees and tips and may earn compensation via commission on staking rewards.
- Bootstrap allocations do not alter the emission model; they are strictly for launch operations.

Appendix D: Glossary of Terms

- **AULT Token (AULT)**
The native digital asset of the Ault Blockchain. Used for transaction fees, validator staking, Licensed Mining Node rewards, and DAO governance participation.
- **Ault DAO**
A Wyoming DAO LLC governing the protocol. DAO membership requires holding a Licensed Mining Node, completing KYC, and adopting the Constitution. DAO proposals manage Treasury funds and protocol parameters.
- **BaseFee (EIP-1559)**
The minimum gas price per unit of computation on the network, dynamically adjusted

each block based on network utilization. Users may add “tips” to prioritize their transactions.

- **CometBFT**
Consensus engine used by the Ault Blockchain. Successor to Tendermint, providing Byzantine Fault Tolerant (BFT) consensus with fast finality (~1–2 seconds).
- **Cosmos SDK**
A modular framework for building custom blockchains. Provides sovereignty (independent governance, economics).
- **Custom EVM Precompile**
A mechanism that allows Ethereum smart contracts deployed on Ault to call Cosmos-native modules (e.g., governance, staking, oracles, AI services) as if they were Ethereum opcodes.
- **Delegator**
An AULT token holder who stakes tokens with a validator to earn staking rewards funded from 5% of total emissions, net of validator commission. Delegators do not require a license.
- **Emissions Supply:** The portion of total supply allocated to protocol emissions distributed over ten years under the emissions schedule. Of total emissions, 95% are allocated to Licensed Mining Node rewards and 5% are allocated to staking rewards.
Licensed Mining Node
A licensed participant that provides off-chain verifiable services to the protocol. At launch, nodes generate randomness through VRF; future roles may include oracles, indexing, AI workloads, or compliance services. Licensed Mining Node rewards are funded from 95% of total emissions
- **Node License**
A \$1,500 license (list price; non-transferable for two years) granting the right to operate a Licensed Mining Node and earn emissions rewards. Licenses also confer DAO governance rights (one license = one vote, capped at 200,000 per member).
- **Oracle**
A system that brings external data (e.g., stock prices, exchange rates) into the blockchain. On Ault, oracles will initially be handled by Chainlink or equivalent integrations and may later be operated by Licensed Mining Nodes.
- **Protocol Rewards**
Tokens earned automatically through protocol-defined mechanics (e.g., validator gas

fees, miner emissions). Rewards are not discretionary and are tied to active participation.

- **Randomness Beacon (VRF Beacon)**

An on-chain entropy source produced by Licensed Mining Nodes. Each epoch (~1 minute), nodes submit VRF outputs; winning outputs are aggregated into a bias-resistant random value used in governance, oracles, and applications.

- **Validator**

An entity that participates in consensus and proposes/validates blocks. Validators earn gas fees and priority tips and may earn compensation via commission on staking rewards. Minimum self-bond = 10,000 AULT; active set capped at 100 validators.

- **Work Credit**

A unit of verifiable participation by Licensed Mining Nodes. Earned by submitting valid VRF + micro-PoW outputs during epochs. Daily emissions are distributed pro-rata based on each node's work credits.