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General Update

As Q1 comes to an end, it is time for some important releases, updates the community has been eagerly waiting for, stock taking at our end on the progress so far and the course forward.

This announcement will go through the releases that go out today and the ones planned in the next couple of weeks. This will cover key roadmap items and some significant changes that will be coming in the near future.

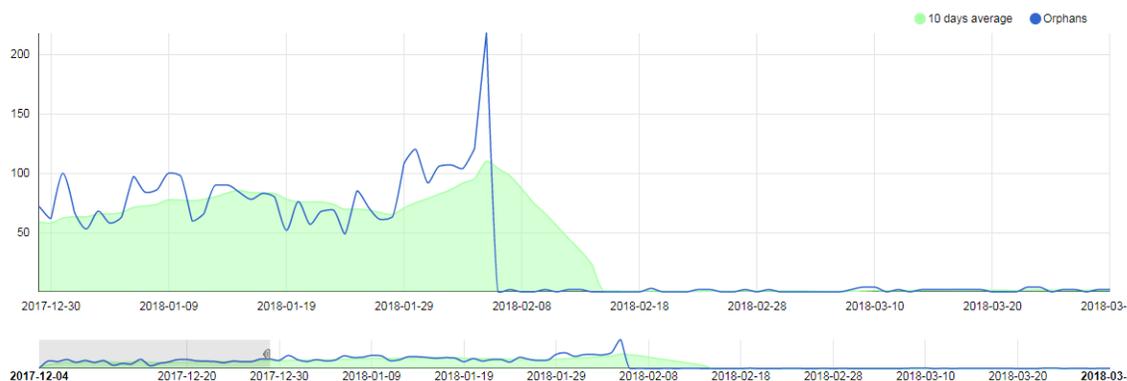
We also go into the details of new legal requirements, exchange listings and the Technical Paper release. Further, we look at upcoming reward change, coin-burn, marketing plans and advisor onboarding.

Also, do not forget to check out the interview with our CEO, Brian Oliver when most of the team met up for a meeting in San Francisco, USA : <https://medium.com/@LUXCORE/lux-in-san-fran-an-interview-with-luxcore-ceo-brian-oliver-b135443c7ec5>

Release Update

The network attack we were subjected to in Q1 had put hard brakes on our progress as it forced us to re-prioritize and the immediate goal was to ensure security, stabilize the chain and perform a smooth transition to a new wallet. While this was achieved with the 4.2 QT release, some measures had to be put in place to effectively monitor and securely sustain the network. These, taken in the best interest of the chain, had an impact on introducing reward structure change and on PoS reward timing and maturity for example.

While 4.2 had its minor quirks like coin-control issues and run time errors, the wallet ensured we were in a new PoS era, keeping the number of orphans at an all-time low.



A few pool related side-chains led to some stability issues with blockchain data and so the transition to the 4.2 required some work-arounds. The support team had to work day in - day out to ensure the end users were minimally impacted or when impacted, had support readily available. Taking all aspects into



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consideration, work was going on in full swing to fix some of the known bugs in 4.2 and release an updated wallet version with improved staking timing.

This has now been achieved with the latest release, QT Wallet 4.3

Release can be found here: <https://github.com/216k155/lux/releases/>

QT wallet 4.3

Wallet 4.3 aims to fill the gaps 4.2 left in its wake. Apart from changes to the stake time window, the wallet addresses all runtime errors and other issues like data corruption, effectively. This has undergone major testing and fixes the following:

- 1) PoS mechanism and reward issue.
- 2) Coin control issue
- 3) Random crash bug.
- 4) Wallet Crashing on closing bug
- 5) Wallet freezing on closing bug
- 6) Memory leakage on encryption wallet
- 7) "Backup wallet" dialog opens and closes immediately
- 8) Runtime error after a long period of idle time.
- 9) Fix 'hot key is not working' issue
- 10) Fix socket leakage
- 11) Long sync time.
- 12) Improve the stability and security of POS network
- 13) Fixed 'System error while flushing' issue
- 14) Use openssl instead of Libressl on Mac high sierra
- 15) Added smart contract feature to QT.
- 16) InstantTx isn't sending (takes over an hr)
- 17) Multisend issue.



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18) + a lot of minor fix and improvement

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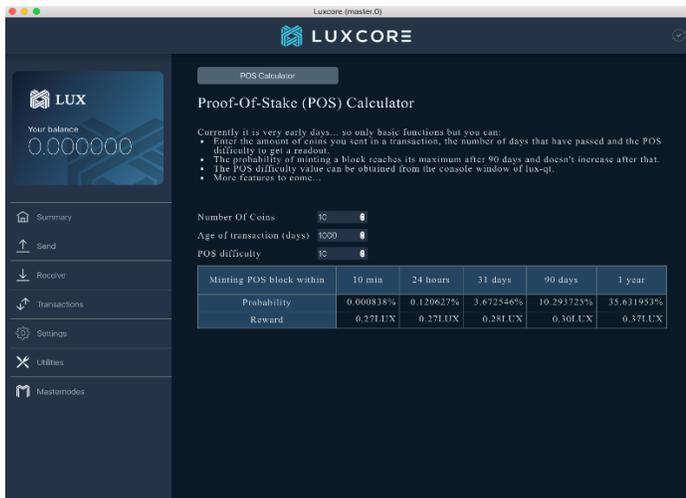
Both Tran and 216K155 has been tirelessly working to get these improvements and fixes to the community. They were ably supported by our test team running numerous checks on top of their daily operational activities. We can't thank them enough!

Important: All users and pools will need to upgrade to 4.3 by block height 225000. This upgrade is for additional chain security. Failure to do so will result in errors on your old wallet.

LUXtre v1.0

Luxcore aims to deploy Smart Contracts, LuxGate and Parallel Masternodes as part of its technical and business roadmap. A QT based wallet supporting these modules brings its own share of complexities in terms of scalability of the platform, ease of adding additional plug-ins, dApps and functionalities.

LUXtre (a take on the latin word, Lustre, meaning – *to brighten*) a hierarchical deterministic wallet client was born out of this desire to simplify both the end user experience and enhance the technical capabilities. Based on Daedalus, LUXtre goes one step ahead to enable hybrid coin support and Masternode features.



It combines Javascript, HTML and CSS as it is built on the Electron platform (<https://electronjs.org/>). While it opens up the amazing capability of adding multiple home-grown and other plugins, it also ensures secure API connectivity.

LUXtre is platform agnostic and will form the base for our upcoming technical features like LuxGate and ParallelMasternodes, while actively supporting Smart Contract functionality

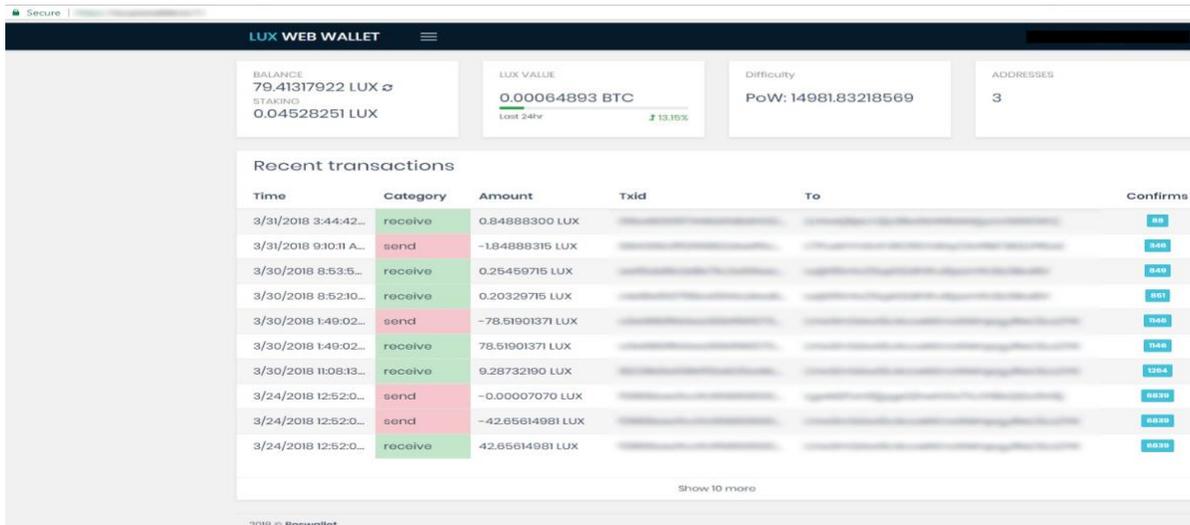
PoS Enabled Web Wallet

The *first of its kind*, PoS Enabled Web Wallet has been under Beta test for over three months. This was to ensure all possible security aspects were covered and that we have a stable product worthy of release. As this will be the first commercially viable *product* out of the Luxcore stable, no stones were left unturned in ensuring this passed the test of fire before being released to the community.



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Built on AWS backend and having passed multiple pen tests, this web wallet maintains all the key features of the QT and lets the end user perform all wallet tasks while on the move without having to keep the wallet open.

Special care has been taken to ensure the wallet does not break the cardinal rule of node-decentralization. High-level details of how this is achieved will be shared in the Technical White Paper v1.0.

While the source will remain closed, the product will be available for Lux community to use from the 2nd of April. The project team of Sebi, Brian and the community testers has been pivotal to the success of this product and its release. Take a bow, team!

New Regulatory requirements

Given the recent scrutiny on exchanges and listings, one key new requirement of Tier 1 exchanges is the need for documented legal *opinion* that specifies the virtual coin being traded is a *not* a security. This is not only a SEC requirement now, but also increasingly adopted by EU and APAC governing bodies.

In this regard, thinking ahead of the curve, Luxcore has initiated the required legal engagement to secure a No Objection Certificate (NOC) from the governing bodies. Based on the legal advice we have received, this is soon expected become a pre-requisite for any traded commodity in the US and other regions will soon follow suit. The expected timeframe for this NOC could approximately be around 2 months.



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Exchange Listings

As mentioned in the roadmap, Luxcore has been working very hard to get listed on a Tier 1 exchange (high quality, reputable, high volume, high visibility, good customer service). While this is a work in progress, some details cannot be divulged at this time due to the NDA we have signed.

To be as transparent as possible to the community, we had already reached an agreement with the other party on the listing schedule and a series of promotional activities. The agreed listing date was for mid-March and requirements were met for the package we had chosen.

However, dates provided to us were revised and new conditions were asked of Luxcore. Although, these new conditions were agreed by Luxcore, due to internal changes on the exchange end our listing has been rescheduled and will now require a new submission. At this moment, we don't have a concrete date to provide for this listing.

In addition to the above exchange, we are in touch with a few other T1 exchanges and have already submitted our application: This includes:



This is a *Binance approved image to use when **application is in progress*** and is used here to inform our community of the status. This does not, in any way, mean Luxcore's application has been accepted or that we will be listed. We are still awaiting news on this front.



Currently Luxcore team is working with the Komodo team on adding LUX to BarterDex (<http://barterdex.supernet.org/>).

BarterDex is the native decentralized exchange of the formidable Komodo platform, where one can directly ensure liquidity for listed coins and trade against dozens of coins without risk of central exchange. In Beta phase, BarterDex is expected in Q3 and already has 100+ coins listed.



Luxcore had reason to cheer in Q1 as we were listed on CryptoBridge Decentralized exchange. We would like to thank the CryptoBridge team who supported us through the listing process and for opening its doors to the Lux community.

CryptoBridge uses a multi-signature federated gateway software used by a dozen trusted gateways, operating on multiple continents, enabling trust-reduced issuing and withdrawing of the supported virtual coins.



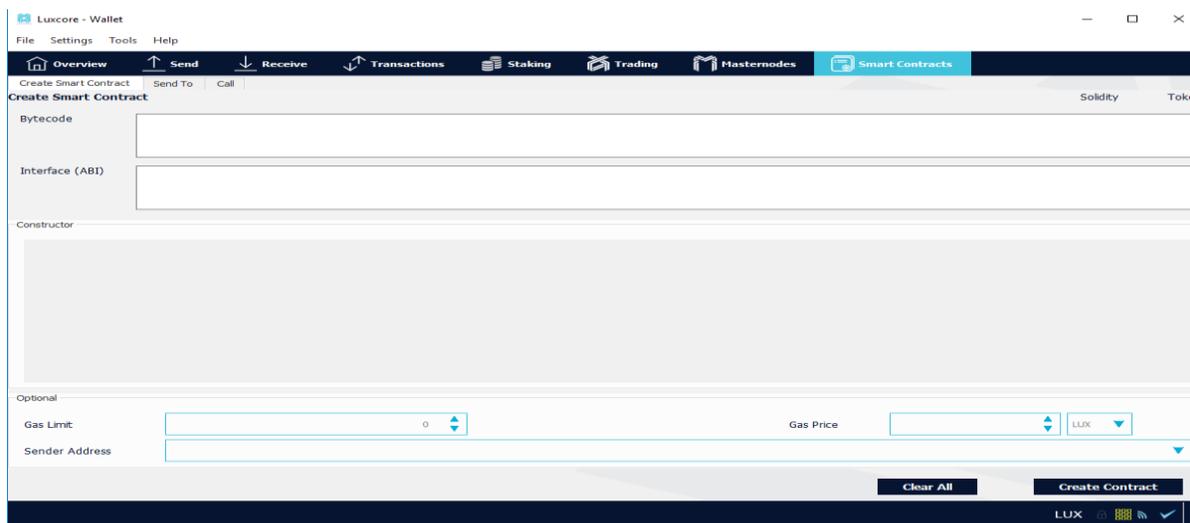
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In the coming weeks and months to engage and continue our discussions with exchanges to get listed on more exchanges. While costs, in some cases, are well outside our initial assessment, this will be a priority and requisite allocation will be done to meet this goal.

Smart Contracts, Reward Change & SegWit

Some of the code based updates and QT drawbacks prompted the need for a wallet that fully supports and scales functionality from a Smart Contract usage and creation perspective. LUXtre's development was envisaged keeping this in mind and had to be released prior to Smart Contract release. Consequently, the target date has been pushed back a little for Smart Contract release as this requires a hard fork. Although built into 4.3 QT wallet (see below), it is now in closed-group dev team testing and testnet will be open to the community in a few weeks. This release will follow a Beta-Alpha-Final release approach.



The **reward structure change** announced in the last wallet release - the new **PoW-MN rewards** are yet to be introduced. This will be combined with the Smart Contract release hard-fork.

With the introduction of PoW-MN rewards, there will be change in reward structure. This is detailed below.

PoW Reward : 10 Lux

New Miner Reward from PoW: 8 Lux (previously 10)

New Masternode Payment from PoW: 2 Lux (previously 0)

PoS Reward : 1 Lux New Stake Reward Payment: 0.8 Lux (Previously 0.6)

New Masternode Payment from PoS: 0.2 (Previously 0.4)

SegWit introduction will be performed through yet another Hard Fork and technically it has been assessed to be pushed through after the final release of SC. A stable well tested SC functionality will be the first goal as the benefits of SegWit are not critical given the size of our network at the moment.



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Technical Paper Release V1.0 Update

The recent changes to the core code, PoS re-enablement has effectively changed key aspects of our code. Technical Whitepaper release is currently delayed to incorporate these changes. We expect to complete this following the current release in the upcoming weeks.

This paper will include details of the hashing algorithm, efficiency parameters, Technical architecture of LUXtre and PoS Web Wallet specifics.

Coin Burn

The 10% coin-burn promised at the beginning of this year was a community-trust building initiative rather than a market ploy which has long lasting impacts on the budget (calculated based on a speculative value).

The overall market situation in the past few months has definitely put a strain on the budget available to the team. In that regard it is fair to assume that there has been a strategic rethinking on the burn from a pure business perspective considering costs, including that of listings.

That said, 85% of coins set to be burned are secured in a wallet and has not be touched since. We are committed to proceed with the initial promise, although we believe it is in the best interest of the growth of the company that we keep a close eye on the overall market before we perform a burn to please the market. While we don't expect to deviate from the plan, this will be tied to one of the hard forks and in all probability, to SegWit introduction. Date and time for this procedure will be announced in due course.

Marketing & Advisor Update

Luxcore's Q1 saw a very staid approach to marketing as we did not venture beyond initial news channels and some basic signature campaigns. This was also a planned approach as we steadied the ship and from a business perspective, there was little value or ROI to pursue a grander marketing scheme given our product release timelines.

In early Q2, Luxcore is excited to announce that we will be changing gears in the marketing area. As many would have read in the interview with our CEO, Brian Oliver, Luxcore will be soon featured in a technology segment in FOX Network and CNN. Shooting is yet to commence, but all preparations are complete.

We will also up the ante in reaching out to social media influencers to take our voice and products to a larger spectrum of audience. Some adjustments will be made given the recent changes to policies of social media and search engine companies.

Regarding Advisor onboarding, we haven't made much headway given the focus on core development we had in the first quarter. While we are in touch with a couple of industry figures, we are yet to reach any contractual agreements. This will also be in focus during Q2.



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Q1 Roundup & Next Steps

The first Quarter has been a mixed bag for Luxcore. While we made solid strides in getting to a stable release of the wallet, the commercial white paper, the brand new LUXtre wallet and PoS Enabled Web Wallet, through some unnerving network destabilization attempts, we have missed meeting some of our roadmap goals. As we enter Q2, our primary aim will be to address these unmet objectives and generate enough momentum and trust in the community to carry our work forward.

Although the stress levels been really high, these three months has helped forge a great team as we welcomed some new faces to our fold who has done some exceptional work, not just in development, but also in operations and support. The highlight was indeed the first ever team meeting in San Francisco with key members flying in from the other end of the world. Key issues plaguing us and improvement areas were discussed, suggestions, feedback and next steps were reviewed.

In Q2, we will also be moving offices and relocating our HQ to a more conducive geography. The work is currently in progress as we untangle the legalities required for the same. Details of this change will be shared once we have completed the contracts.

Before we sign off, we extend our sincere thanks to the community for their continued faith and support in this project and tip our hats to the amazing team we have, without whom none of this would have been possible.

Thank You and Happy Easter!

Luxcore Team