

Degen Animls White Paper

Introduction

The digital asset space is evolving beyond static collections and speculative tokens. Degen Animls introduces a new frontier: a living ecosystem powered by a community-driven AI model, where NFTs are generated in real time by users. Unlike pre-minted collections, each NFT is created on demand through direct interaction with our AI model, making Degen Animls the first NFT collection that grows organically with community activity. At the center of this ecosystem is Danimls-V1, a tokenized AI model on Alpaca Network AI's modelz.io platform, funded by the Alpaca community. This structure enables users to generate, trade, and own digital art while simultaneously powering rewards for \$PACA stakers and NFT holders.

Ecosystem Overview

The Degen Animls ecosystem is built on three core components: 1. Danimls-V1 Token: the tokenized representation of the AI model. It serves as the backbone of the Degen Animls community and is required for premium generations as well as future ecosystem utility. 2. Degen Animls NFT Collection: every NFT is generated in real time through the Telegram Bot, Website, Discord, or future frontend integrations. Each piece is created through live user interaction with the AI, ensuring a dynamic and ever-expanding collection driven entirely by community activity. 3. Alpaca Network AI Integration: inference is provided by Alpaca's infrastructure. Each generation incurs a small fee (10,000 \$PACA), and Alpaca charges a modest inference fee that is redistributed back to \$PACA stakers. This model aligns incentives across both the Alpaca and Degen Animls ecosystems.

NFT Generation and Minting

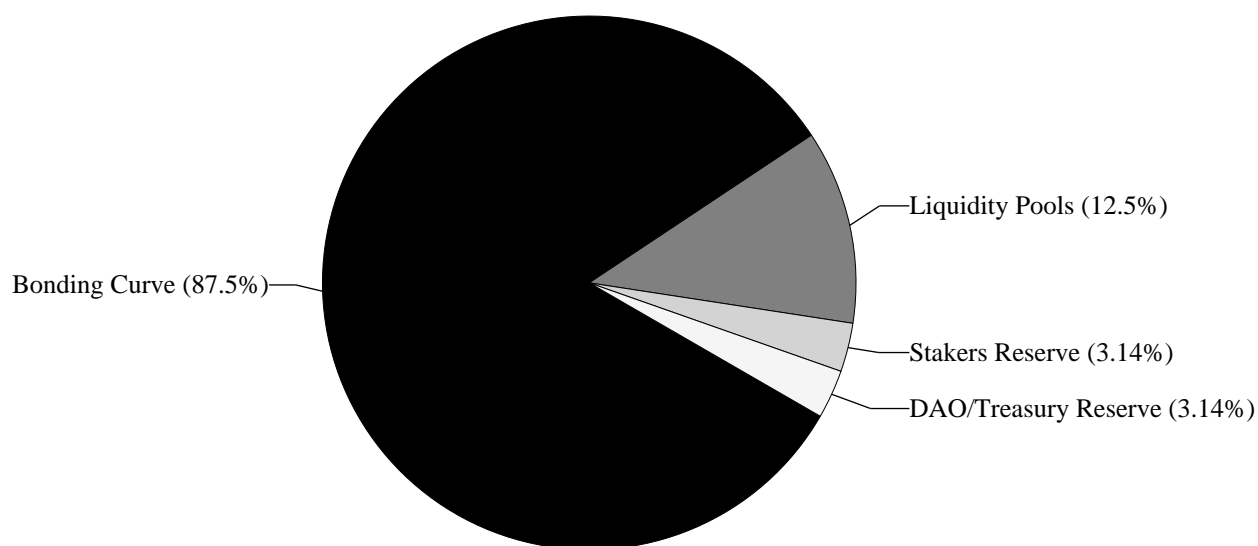
Standard Generations: users receive two images per generation, with both animal and style selected randomly. Premium Generations: users who hold 5 million \$DANIMLS-V1 unlock the ability to choose both animal and style, creating meaningful utility for the token. Minting: users may mint with ETH or \$DANIMLS-V1. Mint proceeds are split, with a portion allocated to the NFT Reward Wallet.

Rewards and Staking

NFT Holder Rewards: rewards are distributed weekly or bi-weekly from the Reward Wallet. A tiered system provides increasing benefits: - 1–3 NFTs = Base Rewards - 4–9 NFTs = Mid-Tier Rewards - 10+ NFTs = Premium Rewards \$PACA Stakers: stakers earn a portion of all generation fees and benefit directly from increased model usage. This dual-reward structure ensures consistent value flows to both \$PACA stakers and NFT holders, creating a sustainable and reinforcing incentive loop.

Tokenomics

Token Name: DANIMLS-V1 Max / Total Supply: 1,000,000,000 (1 billion) What is an IMO? DANIMLS-V1 launched through an Initial Model Offering (IMO) on Alpaca Network AI, the launchpad for tokenized AI models. In an IMO, community members directly fund model development. Once the funding threshold, known as Singularity, is reached, the model is tokenized and launched as a live asset. Contributors gain exposure to the model's potential upside while ensuring the resources are in place to support ongoing development. DANIMLS-V1 successfully reached Singularity and now powers the Degen Animls ecosystem as a fully tokenized AI model. Step-Curve Supply Schedule: 87.5 percent of the supply is released through a bonding curve, ensuring fair and progressive price discovery. Early participants enter at lower prices with greater risk, while later participants enter at higher valuations once the model is proven. 12.5 percent of the supply is paired with the PACA raised during launch to bootstrap liquidity pools (LPs), stabilizing day-one trading and reducing volatility. The 2π Reserve: Before the first purchase on the curve, 6.28 percent (2π) of supply is automatically allocated. 3.14 percent is reserved for stakers as perpetual incentives, and 3.14 percent is reserved for the DAO/Treasury to support long-term governance and sustainable ecosystem funding. This mechanism ensures ongoing support for both liquidity providers and governance participants, without placing additional burdens on later trades.



Future Utility: Alley Wars

We are building Alley Wars, a gamified expansion of the Degen Animls ecosystem. Concept: think of Risk meeting Clash of Clans on the neon-lit streets of Tokyo. Gameplay: NFTs act as soldiers in faction-based battles. Users can claim, fortify, or attack alleys on the map. Each animal and style carries unique strengths and weaknesses (for example, lions excel at offense, while rats specialize in capturing alleys). The energy-based system ensures gameplay is strategic rather than grind-heavy. Rewards: winning factions earn tokens (format TBD: faction tokens or \$DANIMLS-V1). Competitive dynamics will drive demand for specific NFTs and styles. Alley Wars will transform Degen Animls from a simple art collection into a strategy-driven, interactive experience.

Community Governance and Growth

Degen Animls is designed to evolve with the community. Members help decide which new animals, styles, and features are introduced. Frequent updates improve the AI and enhance the quality of generations over time. Collaboration opportunities with other communities on Base will allow Degen Animls to function as an NFT engine. Partner projects can commission NFT sets for their communities, with revenue from these collaborations flowing back into the Degen Animls ecosystem. This approach expands exposure and accelerates onboarding into the herd.

Vision

Degen Animls is more than just another NFT project. It is: - The first real-time, community-built NFT collection powered by a tokenized AI model. - A system that aligns incentives across token holders, stakers, and NFT owners. - A gateway for communities on Base to enter the NFT space through plug-and-play infrastructure. - A gamified ecosystem (via Alley Wars) that merges art, utility, and competition. Our ultimate vision is for Degen Animls to become the NFT engine of Base, uniting cutting-edge AI, community creativity, and sustainable tokenomics into a single living and evolving ecosystem.

Closing Note

This is only the beginning. As Alpaca's agent layer launches and the ecosystem expands through collaborations, gameplay, and community governance, the Degen Animls herd will continue to grow stronger. Herd Goes Hard.