



NFTS 101

PREPARED ON 11/11 BY EMILY SCHULTZ

(TWITTER: @emilyaschultz)



Agenda

- | | |
|---|--------------------|
| 1 | Historical Context |
| 2 | NFT Mechanics |
| 3 | Project Essentials |
| 4 | Questions |

During today's meeting I hope to achieve several key objectives to create an in-depth understanding of the NFT market and space

Key Objectives for Understanding

- How cryptocurrency has progressed to NFTs
- Why NFTs are the future of the internet
- What is required to “mint” an NFT
- How to determine which projects will “moon” and which will fail



Disclaimer

This is not financial advice, do your own research so that you can feel comfortable investing!



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Bitcoin was created in response to the fragility of financial institutions and strives to be better than gold through scarcity, decentralization, and transportability

Motivating Factors¹



2008 Financial Crisis
Reality of fractional
reserve banking, bank runs

Fiat Currencies
Backed by faith, loss of the
gold standard



Inflation
Avg. of 3.2%, money is half
as valuable every 20 years

Bitcoin¹
aka better digital gold

| Issues with Gold/Fiat Currencies | How Bitcoin Solves Them |
|----------------------------------|--|
| Always changing supply | <ul style="list-style-type: none">• Bitcoin is controlled by code (one-way functions)• Bitcoin mined digitally on a carefully regulated schedule• Max of 21 million bitcoins |
| Centralized | <ul style="list-style-type: none">• Trustless• No central authority |
| Non-Transportable | <ul style="list-style-type: none">• Dramatically cheaper to transfer• Completely intangible, can go anywhere• Globally transactable |

*For more information about the technical details: visit this [white paper](#)

Sources: 1. Cryptocurrency 101. <https://medium.com/@intenex/cryptocurrency-101-7197684775fd>

There are several aspects of cryptocurrency that contribute to its growth and usability

Components of Cryptocurrency

Smart Contract

Self-executing contract with the terms of agreement between buyer and seller being directly written into lines of code



- Contract that requires **no trust** or **middleman** to mediate, rather **contractually executed through code run on the blockchain**
- Code clearly specifies the conditions of the contract and **automatically enforces conditions**



Blockchain

A ledger that contains a record of every transaction made with bitcoins or any other cryptocurrency



- When a miner mines bitcoin, they add a **'block' to the 'blockchain'**
- Miners add a **coinbase transaction** to the beginning of the block they mined, which contains the **brand-new bitcoin** they created
- Miners may also **send a transaction fee**, which is sufficient for **incentivizing** miners to continue mining

The creator of Ethereum compares bitcoin to a pocket calculator whereas he sees Ethereum as a smartphone

| |  Bitcoin |  Ethereum |
|--|--|--|
| Decentralized | ✓ | ✓ |
| On the Blockchain | ✓ | ✓ |
| Powers tamper-proof decentralized financial contracts and applications | | ✓ |
| Contains executable code | | ✓ |
| Intended as a medium of exchange & store of value | ✓ | |
| Intended as a platform to facilitate immutable, programmatic contracts and applications | | ✓ |
| Can creates smart contracts to power dapps | | ✓ |

*Ethereum has a **built-in programming language** to create an infrastructure for an internet that **is not maintained by any single authority***

The creation of Ethereum has allowed for the evolution of the internet from web 2 to web 3

Web 1

The first stage of the world wide web
“Read-only”

- **Few content creators**, majority are consumers of content
- Personal web pages
- Mainly **static pages** hosted on web servers **run by internet service providers**
- Content delivery network which enables people to showcase information on the websites

Web 2

The internet as we know it today
“Read-write”

- Highlights **user-generated content**
- **Interaction and collaboration** is allowed in a social media dialogue
- Dynamic content that is **responsive to user input**
- Information flows between site owner and site users

Web 3

The internet's future
“Semantic web”

- **Data is owned by individuals, not corporations** to create more intelligent, connected and open websites
- **Democratization** of the platform
- **Connected, trustless, accountable** network for delivering value
- Enables computer and people to work in cooperation

*For more information on web 3 and the metaverse: <https://www.youtube.com/watch?v=WJecbZWSbVs>

Sources: 1. <https://www.geeksforgeeks.org/web-1-0-web-2-0-and-web-3-0-with-their-difference/>. 2. <https://cointelegraph.com/news/how-nfts-defi-and-web-3-0-are-intertwined>.

NFTs, or non-fungible tokens, are the ticket to web 3 and can provide utility

NFTs have value because...

They are on the blockchain

- Can store certifications that an asset is the original true copy of something in a **globally public, permanent, and verifiable manner**, preventing forgery
- They are defined and created ('minted') by **smart contracts**, a piece of code on the Ethereum blockchain which **ensures permanent scarcity**, all information about the asset is stored permanently in the blockchain
- The blockchain will likely exist forever, meaning that **NFTs will be here forever**

They are original & unique

- Originality is cherished in our society; this is the reason that people will spend lots of money on a photograph
- NFTs are perfectly limited and scarce in supply and will only continue to **rise in value** as people join and **want membership into the communities**, which are heavily invested in perpetuation continued success

They provide utility

- NFTs and digital assets will one day eclipse physical assets as the **metaverse grows** (virtual reality), NFTs are globally accessible
- Dramatically **reduce inefficiencies** and **increase equitable access**, every piece of art can be identically purchased with the same series of button clicks
- Artists are **paid royalty** every time their art sells, which is programmed directly into a smart contract & **middlemen are removed**

*For more information on NFTs and the metaverse: <https://www.youtube.com/watch?v=ANO29CzQXUA>

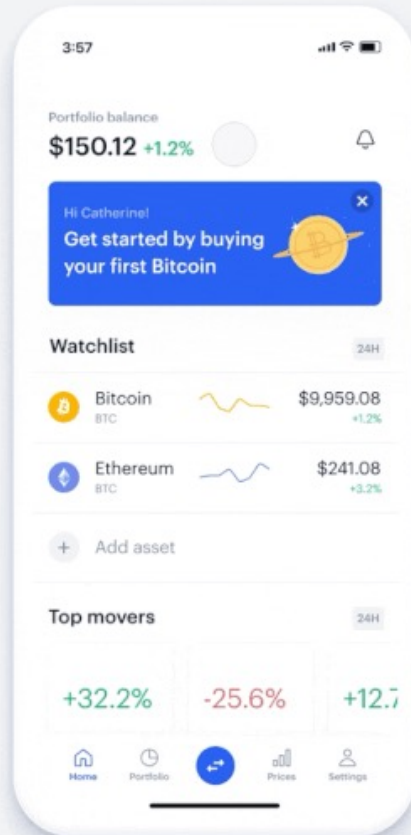
Sources: 1. <https://medium.com/coinmonks/nfts-101-why-nfts-are-a-generational-innovation-4626ae803e3b>.



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Coinbase is an application that can be used for buying, selling, and sending cryptocurrency



What is it?

- An application that can be used to **buy cryptocurrency**
- Considered to be the most **legitimate and trusted exchange**

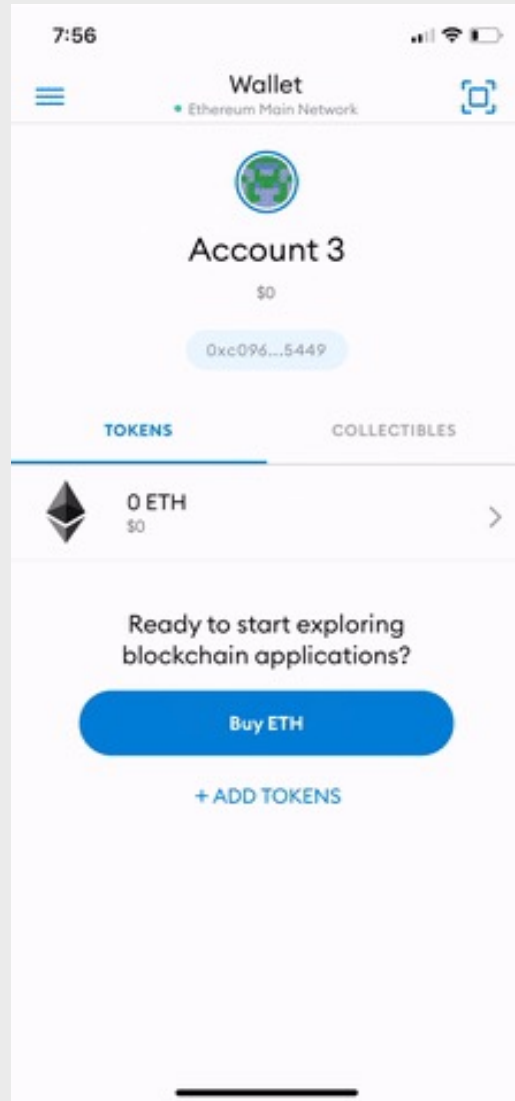
How can you get it?

- Downloadable on the app store
- Sign up for Coinbase using my link and we can each get \$10 in Bitcoin:
https://www.coinbase.com/join/schult_vef?src=ios-link

Next Step

- Buy some Ethereum

Metamask is a wallet for storing cryptocurrency and buying NFTs



What is it?

- An application that can be used to **buy NFTs and store Ethereum**
- This wallet and the number associated with it becomes your identifier and stores all of your NFTs

How can you get it?

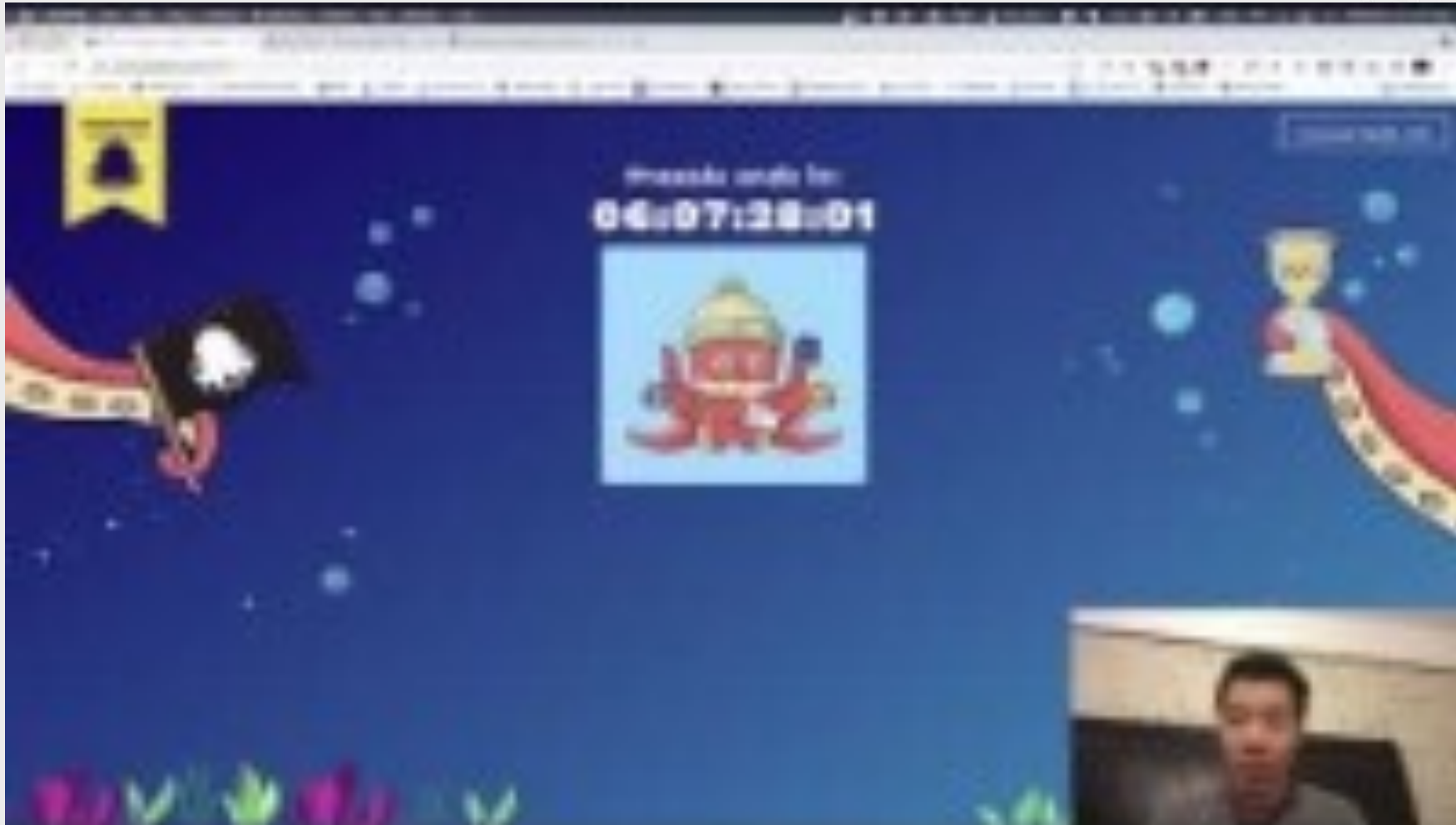
- Go to [MetaMask.io](https://metamask.io) and download the Chrome extension, then set it up
- ****Keep a hard copy of your seed phrase in a secure place****

Next Step

- Copy your metamask address, then move over to the coinbase app and send your Ethereum to the wallet address (double check that it is the right number)
- Once you see the eth in your metamask wallet you are ready to mint!

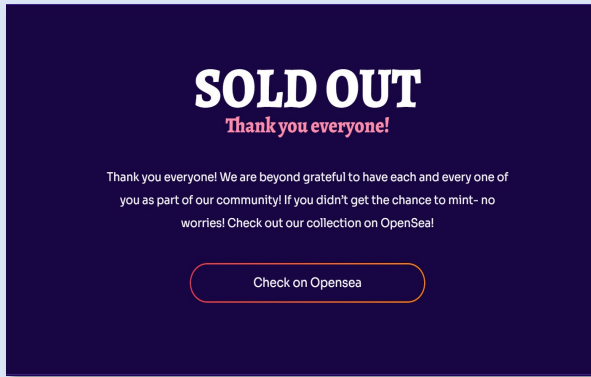
You will have to pay gas fees!

Here is a step-by-step video detailing how to mint an NFT



You can mint NFTs on project's websites and you can buy NFTs in secondary sales on opensea

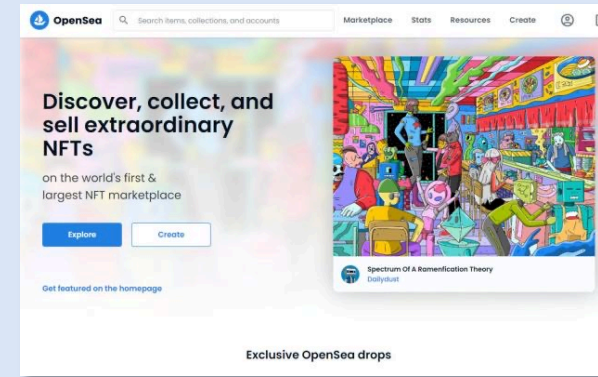
Project Website



Projects will create websites that contain the “roadmap” as well as a **webpage to mint**

Once you click on the “mint” button, a pop-up will prompt you to **connect your wallet**

Opensea



A project's **whole collection** can be viewed on opensea, along with the **floor price, and listings**

Once you connect your wallet to opensea you will see your NFTs under your profile and can **buy/bid on other NFTs** that are listed or not listed

Discord and twitter provide information on projects and help foster a community among holders of a collection



How to get an account?

- Navigate to twitter.com and sign up for an account!

Next Steps

- Start following NFT influencers



How to get an account?

- Download the discord app or navigate to discord.com and sign up for an account

Next Steps

- Conduct the safety quiz outlined in the next slide
- Start clicking on discord link in projects you are interested in to learn more about the communities

There are many scammers in the NFT space, and it is important to be extra careful

Read [this article](#) and take this [quick quiz](#)

In general:

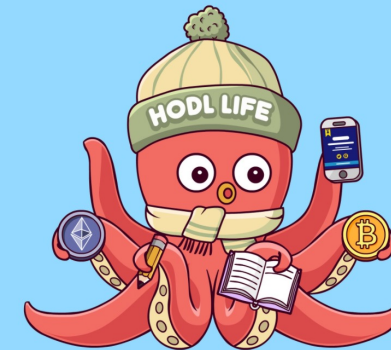
- Never open links that are dm'ed to you in discord unless you know the sender
- Never give anyone your seed phrase and try to minimize where you put your wallet number
- Never click on an NFT that is randomly sent to your wallet
- Be extra cautious!!

How not to be scammed in NFTs

 Mai Akiyoshi Oct 4 · 17 min read



Soon after I got into the NFT space, I was astonished by how many scams are in this space and how elaborate they are. Hearing from friends who are new to NFTs that they got scammed on day 1 and seeing tweets from people who got scammed and lost all their money and assets, this space can feel really scary for newcomers. And because of these stories of people being scammed, many people think all NFTs are scams, which shouldn't be the case. So I wanted to write an article to showcase what the most common scams in this space are and what to do/not to do to protect yourself so that



Can you win against scammers?

This is an official scam test provided by Curious Addys' Trading Club.

The first 200 people to pass this will get a free whitelist spot, and everyone will get a special NFT Scam Proof Certification Badge on completion!

[I can win this](#)

press Enter

● Takes 3 min



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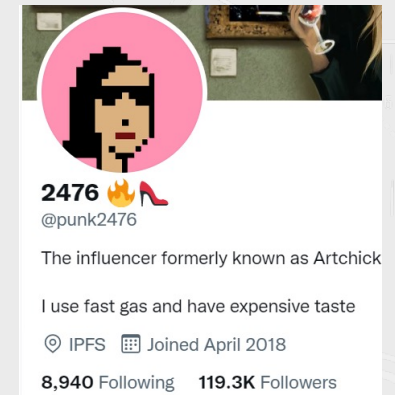
Roadmaps, the amount of hype, and the level of utility associated with a project can all be signs of success

Roadmaps outline how a project can bring you utility...



- **Outline the plans** for the project post-mint
- Can include all types of things: charity donations, in person events, virtual games, airdrops, etc.
- A **strong and realistic** roadmap is the sign of a great project

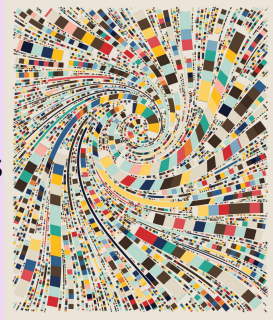
...and nft influencers can cause hype to create demand



Ultimately, find projects that align with your interests and foster communities that you want to be apart of

Famous projects...

Generative Abstract Art



Fidenza
@tylerxhobbs

Floor price: 90 E ~\$423,000

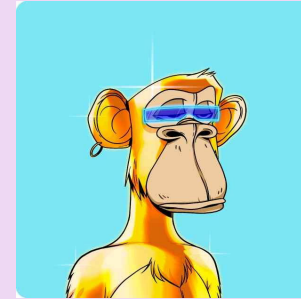
Generative Pixel pfp Art



Cryptopunks

Floor price: 85 E ~\$400,000

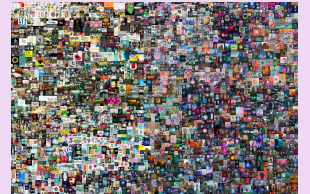
Generative detailed pfp Art



Bored Apes
@BoredApeYC

Floor price: 32 E ~\$150,500

One Off Art Piece



Beeple
@beeple

Price: 69 M

*Find your niche and
invest in projects with
founders that you trust!*

For More Resources:
<https://www.curiousaddys.com/resources>



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APPENDIX



There are several key phrases and acronyms used in the NFT space

Key Phrases

| | |
|---------------|---|
| Floor (price) | The cheapest listed NFT in a collection |
| Ceiling | The highest sale price of an NFT in a collection |
| Moon | When a collection's floor skyrockets |
| Token | The T in NFT, a jpeg, or piece of a collection |
| Mint | The act of paying Ethereum/solana to be the first owner of a token |
| Alpha | A noun meaning smart information, ex. Here's some alpha for you" |
| DAO | Decentralized autonomous organization, decentralized company |
| Gas War | When there is a lot of hype and demand for an NFT mint often whoever increases their gas (transaction fee amount) the most will end up being successful |
| Dutch Auction | An auction where the price starts at a high price and lower over time |
| Whitelisted | Often used as a reward for early adopters, get to mint before everyone else/for a lower price |
| Shill | The act of promoting a project |

Key Acronyms

| | |
|------|-----------------------------------|
| gm | Good Morning |
| gmi | Gonna make it (financially) |
| wgmi | We are going to make it |
| ngmi | Not going to make it (non-NFTers) |
| dyor | Do your own research |
| pfp | Profile picture |
| Ath | All time high |