THE ULTIMATE NFT E-BOOK

A BEGINNER’S GUIDE TO NFTS
HOW THEY WORK, AND HOW TO MAKE MONEY OUT OF THEM!
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The information in our E-Book is published as an effort to help anyone with zero knowledge. Hence, to gain all the basics as soon as possible. It is intended for general educational information with good intention. Our priority is to keep you in the loop with the highest quality information. We take our time to identify, research and create educative content that is useful for readers. Any action the reader takes upon the information found in this E-book is strictly at their own risk.
You may have heard the three letters NFT tossed around in conversations or online. No need to feel the pressure of scouring the internet to understand what NFT actually means. This NFT E-Book is specifically crafted as a tool to keep you in the loop about everything NFT-related. Trust that you won't be the same person after reading it. The information in this E-book will equip you to carry on any NFT conversation in the future! Even better, it may open unseen opportunities to invest in NFTs, and make tons of money. Who knows, you may even feel encouraged to launch your own NFT collection!

The first part of understanding what NFTs are is having basic knowledge of blockchain technology.

What is a blockchain? How does blockchain work? What problems do blockchains solve? And how are blockchains related to NFTs? So, consider this your inauguration to the world of non-fungible tokens, starting with blockchains!
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CHAPTER I: What Is A Blockchain?

A blockchain is basically a literal chain of blocks full of information in the form of data. This is a technology that dates back to the year 1991 when it was developed by a group of researchers. In fact, blockchains were initially created to timestamp digital documents to avoid backdating, tampering, or hacking. You can think of it as a digital ledger or a notary of data. But people didn’t actually use it!
However, in 2009, Satoshi Nakamoto adopted blockchain technology to create the digital cryptocurrency, the Bitcoin. It should also be noted that, although this was a breakthrough moment, it was also the beginning of a crypto-legend. This is because Satoshi Nakamoto is not the actual name of the Bitcoin creator but a pseudonym. The identity of the billionaire with the rumor million Bitcoins has never been verified. A total legend!

Once the blockchain was put to use, it became similar to an open, public ledger that anyone could access. And the most notable feature of this ledger had to be the fact that it was unchangeable. Any type of data that has been put on or recorded inside a blockchain is SUPER complex to alter. In other words, changing data already existing on the blockchain - within a block - is virtually impossible. And so, this brings us to the matter of the actual blocks on the chain.

**How Are Blocks Created?**
If you take a closer look at each individual block on the chain, you'll better understand how the blockchain works. So, each block contains three things: information in the form of data, the hash of the block, and the hash of the block before it. A hash is a form of identification for each block and all the data - a unique ID. You can think of it as a fingerprint - no two are ever the same! Once a block is created and added to the blockchain, it automatically gets a hash number. In the Bitcoin blockchain, hashes are 256 bits or 64 characters.

But, here's where things get interesting. If you change any of the existing data inside the block, the hash instantly changes. In essence, it becomes an entirely different and new block! This is incredibly useful for people who want to detect changes to blocks which eliminates tampering. Fun Fact: the very first block on the chain does NOT point to a previous block because there is none! This block is thus called the Genesis Block, aka the very first block!

Furthermore, the type of data stored within each block usually depends on the type of the blockchain itself. For example, the Bitcoin blockchain features blocks storing information about transactions which include: the sender, the receiver, and the number of tokens.
Hacking & Tampering with the Chain

One of the most crucial parts of a blockchain and how it works is that it is unchangeable. As we've mentioned before, any changes to ANY data within a block on the blockchain transform the entire block into a whole new block. To explain it more, let us refer to the blockchain below.

INFOGRAPHIC OF BLOCKCHAIN WITH 3 BLOCKS | 3 HASH NBRS | 3 PREV HASH NBRS
Let's assume that Block (2)'s hash number is 6BQ1.
So, here we’re considering a chain of 3 blocks: block (1), block (2) and block (3). Each individual block has a hash number and the hash number of the prior block. Therefore, block (3) contains the hash of Block (2). And then, Block (2) contains the hash of Block (1). But, Block (1) does NOT have any previous hash because there are no blocks before it, aka the **Genesis Block**.

Assume that you change data or tamper with Block (2), causing the hash to change. This means that Block (2)’s hash changes from 6BQ1 to 9H6K, for example. This creates a chain action - like an actual Domino Effect - that makes all the blocks following Block (2) invalid. Since the previous hash on Block (3) changed, they become completely invalid. But, these
days, there are computers fast enough to recalculate and validate hundreds of thousands of hashes per second. So, this is where proof-of-work comes into action.

**Proof-of-Work Mechanism (PoW)**

To prevent or slow down computers from recalculating and validating a tamper chain, we have proof-of-work. This mechanism is used on the blockchain to slow down the creation and addition of new blocks to the chain. Of course, this includes trying to recalculate a chain after tampering. If we're considering the case of the Bitcoin chain, it takes 10 minutes to calculate the required proof-of-work. So, it takes 10 minutes to add a new block to the chain.
The mechanism of how a blockchain works thus requires recalculating proof-of-work for all the blocks following a tampered one. And this is where blockchain security comes to play in the form of hashing and proof-of-work mechanisms. But, there is still one more method that blockchains secure their data which is using a **peer-to-peer** network!

**Peer-to-Peer Network (P2P)**

So, other than using hashing and proof-of-work mechanisms, blockchains use something called peer-to-peer networks to secure themselves and their data. The concept behind this network is NOT using a central entity to manage the chain. Instead, they use a peer-to-peer network that is open for all - as in, anyone can join.

The way this works is that whenever someone joins this network, this person gets a full copy of the blockchain. This makes the blockchain distributed instead of closed-off. Each person or computer is referred to as a **node** on the blockchain that verifies and validates everything. For example, when a block is created on the blockchain, this block is distributed to every node on the network. Each individual node verifies and checks the block for any possible tampering. Once everything is in check, the node then adds this block to its own blockchain. And then, once all the nodes on the network come to a consensus by agreeing that the block is valid. If they find that the block has been tampered with, they reject the block. In short, to successfully tamper with an entire blockchain, you need to do the following:

- Tamper with all the blocks on the blockchain
- Recalculate the proof-of-work for every following blocks
- Have 50% of the peer-to-peer network validate the tampered blocks

ONLY THEN will the tampered blocks actually be added to the blockchain. And, only then will someone be able to tamper with a blockchain. In other words, virtually impossible to do! And with the constant evolution of blockchain technology and the creation of **smart contracts**, it becomes even more difficult by day. We will be discussing smart contracts extensively in Chapter X.
After you've established a basic understanding of what a blockchain is, we have to go to the topic of interest: cryptocurrency and NFTs. But, for now, we will be explaining in-depth how cryptocurrency actually works. This will also build a better foundation for understanding how NFTs work. And to do that, we will begin with the five stages of the evolution of the currency system!

**Stage 1**

So, the concept of a currency system is not a time-old concept. As a lot of you might know, there was a time when the world depended on a trading system. This was Stage 1 of the monetary system! Before money existed, people used direct trade for goods and services. You would trade three bags of rice for a bag of coals, for example! But, of course, that was a very flawed system because it depended a lot on what you had to offer. If the other person did not want your rice, you would not get coal!

**Stage 2**

And this is when Stage 2 of the monetary system began with the usage of the currency. People started using the currency in coins made out of precious metals like gold, silver, and copper. This gave people something that both parties in any trade would be interested in. They had reassurance and confidence in the value of these currencies. And this is precisely what leads to the evolution of currencies into Stage 3, which is a paper currency.

**Stage 3**

Stage 3 came with establishing banks and governments taking control of currencies. People were no longer required to carry a bag of heavy coins to complete transactions. Instead, they resorted to something a lot more convenient (and a lot lighter), which is paper money! However, the value of this paper money did not come from the material as the coins did. Instead, the paper money had value because the governments gave it value.

In other words, a 10-dollar bill is valued at 10 dollars because the U.S. government says so! You would notice the statement, “This certificate is legal tender for all debts” on all dollar bills. This means that you MUST accept Federal Reserve Notes as payment of a debt, aka transactions. Otherwise, the debt is considered paid under the law. But, with the evolution
of technology, there was something even more convenient than paper currency—the evolution of the currency system into **Stage 4**, credit cards, and online shopping.

**Stage 4**

At this point, lugging around a wallet full of cash money was also not the most convenient option out there. In fact, people found an even more convenient way of storing and trading products and services. This is Stage 4 of the evolution of the currency system that involved online transactions and using credit cards. In other words, using money that you cannot actually see is no longer about money notes. Payments became simple entries on a spreadsheet handled by banks where it records all additions or withdrawals to your account. This is the stage that paved the way for **Stage 5** to come into existence: Cryptocurrency.

**Stage 5**

Having a bank handle all your funds was not enough for security and convenience. People wanted more... And so the most convenient way to handle transactions became using cryptocurrency and blockchain technology. A currency system that is 100% virtual and wholly based on the transfer of digital assets. The same concept of a gigantic spreadsheet or ledger keeps every transaction using a specific currency.

And as we have explained before, this giant ledger is the decentralized blockchain that records all transactions. There are endless copies of the same ledger that anyone a part of the network has access to. This is what we previously referred to as a **node**! In short, this system is the most convenient and trustworthy because it records open, traceable transactions.

Also, using the cryptocurrency system might just be the more straightforward solution for many people! The traditional banking system requires a lot of paperwork, documents, and human resources. With crypto, you eliminate the need for banks, you eliminate distances, and you eliminate exchange rates. Instead, every transaction is recorded on the blockchain (as a block) at any time, from any place, and for any amount! But, with thousands of cryptocurrencies in existence, which one are you supposed to choose?

**Investing in Cryptocurrency**

So, the main issue with investing in cryptocurrency has to be **volatility**. There are so many different cryptocurrencies, with more coming out every day. However, the volatility comes from the concept being entirely new and scary to some people. This is because they are entirely digital, and not everyone understands the technology behind them. Therefore, no
one really knows what their value should be or what their value truly is, which causes tons of speculation.

And, with speculation comes many ups and downs for the crypto prices. This is also the reason why a single Tweet from Elon Musk could bring the market to its knees. Or even bring a cryptocurrency out of the ashes! However, regular currency also heavily relies on the supply and demand chain. So, this also makes it susceptible to volatility!

Also, you have to consider that cryptocurrency is not a worldwide accepted form of payment. In most places, you still cannot pay for certain products or services with cryptocurrency. Not all companies have adopted or supported this type of payment. Many companies have rejected the idea of Bitcoin or cryptocurrency because of environmental concerns.

Remember when we mentioned the P2P network? Well, that requires a whole lot of computing power with countless computers. Which, of course, requires a lot of electricity and much energy! BUT, there are newer coins in the making with better technology and are more energy-efficient. So, we can not refute the role of cryptocurrency in our future.

But, moving on to one of the main concerns: other types of security. Laws and regulations enforced on the people on the blockchain? There is no real police in a virtual world at the moment. This ultimately opens the way for many possible criminal activities to occur. Here is what you should know about that.

**Criminal Activity on the Blockchain**

We have already established that tampering with or hacking a blockchain is virtually impossible. But, that does not mean that no type of fraudulent activity can happen on the blockchain. We are talking about illegal crypto transactions, phishing, and basic trickery.

According to Chain Analysis, about 0.34% of crypto transactions are considered criminal. At the same time, 5% of the standard transactions are criminal. In short, this is something that you would face whether you are using banknotes or cryptocurrency. In other words, just because it is a digital coin does not mean it will be more susceptible to criminal activities. This is because there is a HUGE misconception that transactions on the chain are anonymous, which is very far from the truth. Pseudonymous, yes, but never anonymous. This means that the person's actual details are not visible, but the public key (your ID) is! It is permanently engraved into the blockchain and every transaction that you do.

Therefore, cash is definitely a much easier and harder to trace outlet for most criminal activity! So, really all that is left is figuring out which cryptocurrency to invest your money in!
Types of Cryptocurrency

Once you have finally decided to put your money in crypto and buy some currency, you will start feeling overwhelmed. This is because there are thousands of thousands of cryptocurrencies out there, with more coming out every day. But, of course, not all cryptocurrencies are made the same.

The thing that sets apart each cryptocurrency is the digital ledger or blockchain that records the transactions. Therefore, this means that every different currency belongs to a different blockchain. But, they ultimately behave in the same way. However, despite behaving the same way, they do not have the same worth on an open market. So, we are going to give you an insight into the top-performing cryptocurrencies. This is based on market capitalization or the value of the coins currently in circulation.

You should note that the following values are susceptible to constant change due to market change and outside factors. Therefore, these are the values at the time of writing with reference to data from CoinGecko.com. However, these do give a good indication of the direction you might consider taking in your crypto endeavor.

#1 Bitcoin (BTC)
Market Cap: 549 Billion

As we mentioned before, this coin was created by Satoshi Nakamoto in 2009, and it is the original cryptocurrency. It runs on the Bitcoin blockchain and has the highest market cap of all cryptocurrencies in existence. The price of a Bitcoin at the time of writing this is $28,488.45.

#2 Ethereum (ETH)
Market Cap: 214 Billion

Next, we have got the Ethereum coin running on the Ethereum blockchain. This cryptocurrency has so many potential applications to it, like smart contracts and non-fungible tokens (NFTs). This is the currency that is most widely used to perform non-fungible transactions. The price of an Ethereum coin is $1,733.88.

#3 Tether (USDT)
Market Cap: 72.5 Billion

The Tether coin is a bit of a different form of cryptocurrency since it is a stable coin. In other words, the Tether coin is backed by fiat currencies like the U.S dollar or the Euro. So, it keeps
a value equivalent to one of these currencies. This makes the Tether coin very consistent—more than others—and thus much more popular. The price of a Tether coin is $1.

**#4 USD Coin (USDC)**
**Market Cap: 54 Billion**

Similar to the Tether coin, the USD coin is also a stable coin backed by the U.S. dollar. The USDC is powered by the Ethereum blockchain, and you can use the USD coin for global transactions. The price of a USD coin is $1.

**#5 Binance Coin (BNB)**
**Market Cap: 51 Billion**

The Binance Coin is another form of cryptocurrency that you can use for transactions on the Binance chain. It is one of the largest crypto exchanges in the world, launched in 2017. You can also trade BNB coins for other forms of cryptocurrency like Bitcoin or Ethereum! The price of a BNB coin is $299.37.

**#6 XRP (XRP)**
**Market Cap: 19 Billion**

And then, there is the XRP coin created by the same founders of the digital technology and payment processing company Ripple. You can use XRP to speed up exchanges that use different currencies. The price of an XRP is $0.383562.

**#7 Binance USD (BUSD)**
**Market Cap: 18 Billion**

Binance USD is another stable coin founded by Paxos, and Binance is backed by the US dollar as well. This also means that it is a more stable currency that maintains its value. Paxos holds an amount of US dollars equal to the total supply of BUSD. This coin gives its holder the ability to go through exchanges with other crypto assets with a low risk of volatility changes. The price of a BUSD coin is $1.

**#8 Cardano (ADA)**
**Market Cap: 16 Billion**

Also, we have got the Cardano coin which is one of the most notable coins on the market. One of the newest coins has used the Proof-of-Stake (PoS) validation system. They use this
to expedite transaction time and decrease energy usage to reduce environmental impact. Something that platforms like Bitcoin do not have! The price of an ADA coin is $0.453625.

#9 Solana (SOL)
**Market Cap: 14 Billion**

The Solana coin launched in 2020 and was developed to power decentralized finance (DeFi) uses, decentralized apps, smart contracts, and more. It runs on a mix of proof-of-stake and proof-of-history systems. The price of a Solana coin is $41.03.

#10 Polkadot (DOT)
**Market Cap: 11 Billion**

Finally, there is the Polkadot coin which is classified as a Software platform under CoinDesk's Digital Asset Classification Standard (DACS). It is the native cryptocurrency of the Polkadot blockchain that was founded in 2016. It is a shared blockchain that connects different chains together in a single network which allows transactions in parallel. You can also exchange data between chains without worrying about security. The price of a DOT coin is $9.27.
Chapter III: Brief Explanation About NFTS

In this part of the e-book, you'll discover exactly what NFTs are, why they are valuable, and how to acquire them.

A non-fungible token, often known as an NFT, is a form of digital token or asset.

A typical comparison is to think of these as digital trading cards or digital paintings. When you purchase an NFT, you are essentially purchasing the rights to that specific asset. Non-fungible means that it cannot be changed once it is created, it cannot be split up, and it must be distinguishable from something else.

For example, one bitcoin is the same as another bitcoin; however, NFTs are never the same; they are always different. It's simply a little bit of data that you own collectively, and an NFT is a token that you possess that doesn't change over time.

But, in technical terms, what precisely is an NFT?

Well, NFTs are just a piece of data held by an address, and whoever has the password to that address owns that piece of data.

This data may be purchased and sold to multiple addresses, and it is validated on a blockchain, which you can verify. With an NFT, the owner history is always trackable.
For example, the famous CryptoKitty that sold for $600,000 is essentially simply a little URL held by an address. That person's only possession is a sliver of data. Now that piece of data links to a server someplace that generally hosts a picture, and whoever controls that server technically has the ability to change the image.

It is critical to understand what you are purchasing when you purchase an NFT. You are purchasing a piece of data that links to a server that holds either an image or a gif. You should be aware that the server, as well as the picture and gif, may change. It is the exact bit of data that you own on the blockchain, not the access to the server or the picture or gif, but rather that little piece of data that refers to the server.
In a way, when you purchase an NFT, you are purchasing a little bit of data that symbolizes something greater.

When you buy a stock, you're not buying the entire company, and unless it's a dividend stock, you're not getting anything in return. This begs the question, why would you want to buy an NFT?

There are numerous reasons, but the major reason most people are purchasing right now is that they consider NFTs as collectibles in the investment category. So, let's go over the four key reasons why an NFT is useful:

**FIRST NFT**

So, just as bitcoin is valuable because it was the first cryptocurrency, the first NFTs of certain founders or companies will be valuable as well.

Pokemon cards, for example, are swiftly gaining popularity, and the most costly cards are those made in the initial edition. Assume you have the first United States NFT. It will most likely have some perceived worth.

**UTILITY**

The usefulness of an NFT, or its real-world advantages, is the second factor that contributes to its value.

Let's assume Elvis Presley was still alive and sold 50 NFTs. Now, if you own one of them, you will get lifetime access to any of the programs in which he has appeared. Because of their real-world benefits, these NFTs would rapidly become popular and quite expensive.

**UNIQUE and RARE**

The third factor that determines the value of an NFT is whether it is unique or rare.

Consider the Mona Lisa: everyone can have a duplicate of it in their home, but only one individual, or a museum, in this case, can display the original artwork by Leonardo da Vinci for all to see.

The same may be said about the original United States Constitution or a Babe Ruth autographed baseball; both are extremely rare.
OWNERSHIP HISTORY

To better understand the ownership history and influence on the value of any NFT let's take for example a piece of clothing someone famous has worn. Even though your favorite actor might have paid for the jacket $200 you would pay much more to own it after him.

The same principles can be applied to NFTs. **Some people are willing to pay millions of dollars to own something previously owned by a celebrity.**

What Makes an NFT Valuable?

If an NFT is the first of its type, has a real-world benefit, is rare, and was owned by someone influential. These are the questions you should ask yourself while valuing an NFT.

For example, does paying $2.5 million for Jack Dorsey's first tweet fulfill any of these criteria?

- Yes, it is the first NFT in that category.
- Second, does it have utility? No, you can't edit the tweet and you can't advertise your business or anything like that.
- The third is a one-of-a-kind? Yes, it is one-of-a-kind.
- Finally, what is its ownership history? Yes, this is Jack Dorsey's first tweet, but no notable person has truly bought the exact NFT yet.

In this case, it only checks two of the conditions, so if you purchase his initial tweet, you're essentially wagering that someone else will want to buy it for a greater price in the future.

Because retaining that NFT serves no use, there is no utility. You're purchasing it as a novelty or an investment until Jack Dorsey declares that whoever possesses that NFT he'll have lunch with once a month, in which case the value will rise.

Most Valuable NFTs

- CryptoPunk 6965 - 800 ETH
- CryptoPunk 4156 - 650 ETH
- CryptoPunk 2890 - 605 ETH
- Dragon CryptoKitties - 600 ETH
- CryptoPunk 6487 - 550 ETH
- Decentraland LAND - 514 ETH
Can Someone Copy an NFT?

So, another crucial thing to ask regarding NFTs is, can someone reproduce your NFT?

Yes, an NFT may be copied like any other piece of artwork, however, the original NFT address can be traced back to the original author since all NFTs keep a log of their transaction history.

It's also worth noting that someone may make a new NFT that points to the same hosting address as the original NFT, or they could direct it to a different location that has the same image or gif.

The value in an NFT is the individual bit of data, not the picture.

To better understand the concept imagine you could make a free throw and LeBron James could toss one in when 30,000 people are watching. One has far more worth based on what others think of it. You may be doing the same thing as LeBron, but people respect his free throws far more than yours.

Brief History of the NFT

The history of the NFTs is an interesting one, and the road map to success was not always so bright. Here are a couple of important moments to know about:

- An initial notion of NFT originated in 2012 under the term “colored coin”. On top of Bitcoin, colored coins were a way to represent and manage real-world assets. Unfortunately, it never took off.

- In 2014, a digital artist named Kevin McCoy created the Quantum NFT on the Nemcon blockchain. Crypto art was born, but it wasn't labeled as an NFT, and no one noticed.

- A subset of famous Pepe memes became known as rare Pepe in 2015, and some rare Pepe were mined into Bitcoin blocks in 2016. As the market of rare Pepe began to grow in 2017, Lava Labs launched the famous CryptoPunks, a collection of pictures.
mined into Ethereum blocks. There were 10,000 distinct CryptoPunks and the limited number of NFTs attracted more people and creators.

The same year, another company named Dapper Labs released Cryptokitties, one of the first Ethereum games in which users could adopt, breed, and trade virtual cats. The popularity of Cryptokitties was so big that the Ethereum network failed to complete requests for some time. Some virtual pets were even selling for thousands of dollars.

Following all of these triumphs, a standard known as ERC721 was developed, and it was the first time the word NFT was used. With ventures like NBA Top Shots, public awareness of NFTs grew, but it wasn't until 2021 that NFTs became popular and successful.

Some earlier NFT efforts, such as CryptoPunks, were rediscovered and valued enormously and the largest NFT platform, Opensea, has attained a trading volume of $10 billion.
Some modern NFT projects have become quite popular, such as the Bored Ape Yacht Club, which has massive advertising in Times Square in New York. There were some huge NFT sales, such as Beeple selling their digital artwork for $69 million, and major corporations such as Nike, Pepsi, Visa, and Budweiser began to acquire NFTs and establish their own.

Although many believe there is an NFT bubble, NFTs are here to stay and drastically impact the art and gaming industries, as well as help establish new ones such as metaverses.

**Types of NFTs**

The NFT market is exploding, and as it expands, more and more varieties of NFTs arise. So let’s look into some of these intriguing types of NFTs created so far and how they influenced the crypto market.

**Collectibles**

Collectibles are the first and most common sort of NFT. We can compare them to collections of playing cards, coins, or other worldly assets. Just like there were once famous sports cards we now have NFT collections and people who want them all.
Collectibles are a grouping of NFTs that usually have a common topic. However, each NFT in that collection has various characteristics that make it rare or unique. In the past, collectibles like CryptoPunks have sold for millions of dollars. Since then there were many collections on the market such as Bored Ape Yacht Club, CryptoKitties, and Beeple's “Everydays: The First 5000 Days”.

![CryptoPunks Collection](image)

**Art NFTs**

The art NFTs represent more traditional world objects such as photos, paintings, and drawings become NFTs. But there are also new types of art, such as programmatic art, in which individuals create art using code and information from the blockchain.

Art collections have always been interesting for the public, and just as there are some valuable Picasso paintings on the market we now have the NFTs from famous artists just in digital format.

**Music and Media NFTs**

Here, NFTs are helping musicians to generate additional money by allowing them to make music videos and even music video NFTs. They can even earn royalties from their songs if they want to.

Many famous and new performers are looking into NFTs as a new way to distribute music.

**Gaming NFTs**

NFT gaming entails playing games to earn NFTs as well as playing games to level up your character, which is generally also an NFT. In contrast to traditional gaming, everything you acquire while playing games is yours to keep in perpetuity.

These NFTs have become one of the most popular in recent months and with great utility, they look like the future option for many creators.
Virtual Worlds - Metaverses

Virtual worlds are another type of NFT often referred to as Metaverses.

People can be seen here developing digital copies of Earth or even totally new worlds. In a virtual world, you may own your own property or land and then do whatever you want with it, such as holding events, playing games, and even advertising.

Everything owned in the metaverse such as Decentraland or SandBox is essentially an NFT.

Domains

Domains are the final category.

With domains, you can just hold an NFT and utilize a service like Unstoppable Domains to register and own a domain name.

Smart Contracts

Smart contracts (also known as distributed applications) are becoming increasingly popular. But what are they, and how do they address problems we encounter in the NFT universe?

In the beginning, Nick Szabo used the phrase "smart contract" in 1997, long before Bitcoin was formed. He is a computer scientist, lawyer, and cryptographer who sought to create a distributed ledger to record contracts.

Smart contracts are now treated the same as traditional contracts. The only distinction is that they are absolutely digital.
In reality, a smart contract is a small computer program contained within a blockchain. This program contains all the information needed to automatically verify and clear transactions.

How Do Smart Contracts Work?

To further understand the concept of smart contracts let's consider the following example: You've probably heard about Kickstarter - the extensive funding platform. Product teams can use Kickstarter to create new products, develop a project, establish a funding target, and begin collecting funds from people who believe in the concept.
Kickstarter is essentially a third-party funding platform that sits in the middle of product teams and supporters. This implies that they must both have faith that Kickstarter will properly manage its funds.

If the project is funded successfully, the project team anticipates receiving funding via Kickstarter. Supporters, on the other hand, want their money to contribute to the project if it was financed, or obtain a refund if it has not met its goals.

The product team and supporters of the mentioned project have to trust Kickstarter. Using the same logic we can create a similar system with smart contracts. A system that does not necessitate the use of a third party similar to Kickstarter. This smart contract
should allow people to invest and be safe in volatile marketplaces such as the ones that make NFT transactions.

**How Are Smart Contracts Made?**

We can program the smart contract in such a way that it *retains all collected money until a specified date or until a certain goal has been met.*

The *project's supporters can now transfer funds to the smart contract.* If the project is completely financed, the contract immediately transfers the funds to the project's creator. And if the initiative falls short of its target, the funds are instantly returned to the supporters. And because smart contracts are maintained on a blockchain, everything is fully distributed. With this method, no one has control over the money.
Every NFT has a smart contract that manages the transactions and records the history of ownership. This is why NFTs are considered a safe investment even if you don’t hold the actual physical property in your hands and only have a digital asset online. The smart contract and automation make all the difference.

Why Should We Trust a Smart Contract?

Smart contracts have several fascinating qualities simply because they are stored on a blockchain.

Smart contracts are:

- **Immutable** - Because smart contracts are immutable, they cannot be modified once they are created. So no one can tamper with the code of your contract behind your back.

- **Distributed** - Because your contract is distributed, its output is verified by everyone on the network. As a result, a single individual cannot compel the contract to release the cash since other users on the network would notice and flag the effort as illegitimate.

  Smart contract tampering becomes nearly impossible.

How to Use Smart Contracts?

Smart contracts may be used for a variety of purposes other than crowdfunding.

It can be used by:

- Banks to provide loans or arrange automated payments
- Insurance firms to handle certain claims
- For payment on delivery by postal firms

In terms of new blockchain technology, there are now a few blockchains that enable smart contracts, the largest of which being Ethereum considering it was conceived and designed primarily to enable smart contracts.

They can be programmed using the Solidity programming language. This language was designed exclusively for Ethereum and has a syntax similar to Javascript. Ethereum blockchain is also the main way to mint, buy or sell NFTs so smart contracts are naturally used to manage the non-fungible tokens as well.
It's worth mentioning that Bitcoin includes smart contract functionality as well, but it's far more limited.

**NFT Gas Fees**

NFTs are always associated with certain gas fees either for minting, buying, or selling. But, gas fees are not just a price for the transaction, there are many variables that influence the amount and it’s one of the notoriously difficult things to understand about NFTs.

To simplify and fully comprehend the complicated gas fees, let us use the analogy of a bus for your NFT gas fees.

**Consider each bus to be a series of transactions.** As a result, there may be a certain number of transactions, say 200 or 150. This bus, which we refer to as a block in crypto terminology, is a candidate for transferring your transaction to the chain.

When you wish to buy something on the marketplace, such as an NFT, or go through the minting process, **you must put your transaction on the bus, and the bus driver will deliver it to the main chain (blockchain).**

If you want a safe trip to the blockchain you need to make sure your transaction goes into this bus. That's when the gas fees kick in, making things a little more difficult but also extremely secure.

So, just as the bus spends gas to go from one place to another, your transactions on the blockchain cost money because the information needs to be stored and maintained.

**Base and Priority Gas Fees**

The gas fees are not always the same, and there are several ones to consider. If we use the same bus analogy you can pay for the ticket to go on the bus, but you can also tip the driver to let you in first.

Let's analyze:

First, **you must pay a basic price for the bus, which is the overall cost of this transaction.** But the way it works is that the more people who want to ride the bus, or in our case, make transactions, the higher the fee.

Other users on the blockchain who wish to perform transactions or mint NFTs fight with you for a seat on the bus, bidding varying amounts for the bus driver to accept their order first. But, as if this wasn't complex enough, there are several more buses and drivers waiting in
line. And, although this may appear to be a good thing if you want to get on the blockchain, in fact, you need to be on the first bus if you want to, say, mint an NFT.

The first block, or bus in our analogy, is the fastest to send your transaction to the chain, which is why so many individuals are prepared to pay even higher fees to be on that first bus. There is a sense of urgency to get into block number one, so you may wish to pay an additional price, sort of a tip to a bus driver number one, to ensure that your transaction is the first.
When you and everyone else approach the bus driver at the same moment, he will favor the one who pays him the most money. The same goes for NFT transactions. People who are willing to pay more will get a seat on the imaginary bus and safely travel to any destination.

**How to Change Gas Fees?**

Now that we are familiar with the gas fees you need to understand the best way to use them to your advantage. Fees are notoriously high in the NFT universe, but when you want to mint that rare NFT and sell it afterward you need to be prepared to pay more than the price mentioned besides the NFT.

**Each NFT has the price and the gas fees.**

There are two fees: the base fee and the priority fee. Using the same bus analogy, you want to ensure that your “tip” for the bus driver is big enough to be considered a priority for the ride.

Because when everyone is merely trying to get on the first bus, the gas price skyrockets.

As a result, if you set it too low, you will not get onto the block and your current transaction will most likely become stuck. This may be a major issue if you are dealing with time-sensitive transactions, such as minting NFTs, because you would miss out on purchasing the digital asset if your fee restrictions are set too low.

If you're sending a transaction to a friend and it's not a time-sensitive transaction, such as a transaction that will be completed in two or three minutes, you don't need to change the charge or pay high rates to be prioritized.
How to Buy an NFT With Fee Adjustment?

Because gas fees and fee modifications are critical for NFT transactions, we'll now learn how to modify and adjust the fees for the greatest outcomes.

When purchasing an NFT on sites like OpenSea, you must first link it to your wallet. For most markets, MetaMask is the preferred and recommended wallet, therefore we'll use it in this example.

When you click "Buy" on an NFT you like and go to checkout, a pop-up of your MetaMask will appear on the right.
MetaMask displays a proposed gas charge by the network, which is based only on the most recent block price and is only recommended by the network to be submitted. It doesn't imply you have to follow this instruction when you mean NFT; in fact, many experienced crypto and NFT traders do not advocate you do so.

Because when minting occurs, there are thousands of individuals vying for the same block, this will certainly skyrocket, and recommendations will be unable to keep up. Instead, you should **click “Edit” to view gas restrictions such as maximum priority fee or maximum charge total.**

The gas fee is normally not adjusted, but you can vary the maximum priority fee to improve your chances. There are several options for the maximum priority fee, including low, medium, and high.

**The suggested rates are always changing based on network input.**

To get a better understanding of average gas costs, use the "Gas Now" extension and see how many offers are available on the network. This is how many people are attempting to board the aforementioned "first bus." You may then try to forecast the charge and enter it into the MetaMask max priority box.

The general rule of thumb is to go 30% over the suggested high cost to guarantee a seamless transaction. There is no certain way to tell if this is enough for the transaction to be a success, but it's the most recommended fee by many experts.

**NFT Marketplaces**

**NFT collections and non-fungible tokens can be found on the original website from the creator or secondary marketplaces.** These marketplaces are the best way to find, purchase or sell an NFT or create one if you are an artist or a developer.

Since NFTs became extraordinarily popular the number of marketplaces has increased, but there is just a handful that is completely safe and easy to use.

Here are the best and most popular NFT marketplaces you need to know about:

**OpenSea**

**OpenSea is one of the oldest and most popular NFT marketplaces on the market today.**

The platform also supports NFTs from many chains like Ethereum, Solana, Klaytn, Polygon, and others. Which is considered a great advantage in the world of different NFTs.
For over three months at the beginning of this year, OpenSea had a monthly volume of more than two billion dollars. At the moment the volume on OpenSea is approximately $500 million each month. And in the previous 30 days, 500,000 individuals have exchanged NFTs on OpenSea.

The NFT market is now consolidating, and few individuals are investing in NFTs. But at its peak, OpenSea had over a million users trading on their platform, and they had over three billion dollars in monthly trading activity.

To purchase an NFT on OpenSea, you must first link your Metamask wallet. Metamask is a Google Chrome extension wallet that you can get from the Google Chrome store. After you've filled your Metamask wallet with Ether, you'll need to set up your account and import your keys before you can buy any NFT.

OpenSea is a great marketplace if you are seeking to buy those collectibles, which profile image NFTs, and if you are trying to flip these NFTs.

Even metaverse NFTs, such as Decentraland NFTs and Sandbox metaverse NFTs, are easily available on OpenSea. You may also purchase BAYCs, Crypto Punks, Doodles, and other key NFT collections.

Recently, there have been several issues with OpenSea since the help system is quite sluggish. They may potentially launch a token in the near future, so if you are an active OpenSea user, you may be eligible for a token airdrop.

Even if you are an artist, it is a really simple interface to make NFT on OpenSea. It's considered one of the best platforms for inexperienced users but it doesn't lack additional features the experts might need.
LooksRare

LooksRare is the second NFT marketplace you should look into.

**LooksRare is an Ethereum-based NFT marketplace.** It's also a decentralized NFT marketplace that requires you to link your MetaMask wallet before you may purchase and sell NFTs.

LooksRare was founded by enthusiastic people who were NFT collectors and this project and platform are slightly different because of that. Last year this team established the NFT marketplace while also having their own token LOOKS, which are accessible on decentralized exchanges such as UniSwap.

LOOKS also has a staking program in which you may buy and stake LOOKS and receive an interest rate of almost 40% to 50%, which is high when compared to other token staking programs. LooksRare's user interface is on the other hand considered a bit confusing for newbies.

The trading volume on LooksRare is approximately $30 million, while the total trading volume is 1.5 billion dollars. The sole advantage of LooksRare is the token staking program;
when you purchase and sell NFTs or LooksRare, you will receive LooksRare tokens as a reward, so that is a type of added benefit.

**Magic Eden**

**If you enjoy Solana and want to purchase profile picture NFTs that can truly grow in value, you should go with Magic Eden.**

Because this is a Solana-based marketplace, you will need to connect your Phantom wallet or Sollet wallet to Magic Eden before you can access this marketplace and purchase and sell Solana NFTs. Because Solana NFTs have just undergone a large volume increase, this is considered a big advantage for Magic Eden.

Magic Eden also raised funds in this current market at a value of 1.6 billion dollars, and they started about 10 months ago, so this is a significant thing, and they are receiving a lot of attention from all of these individual investors.

Many new individuals joining the NFT sector these days are using Solana-based NFTs, and while there are many different NFT collections on Solana, 99 percent of these NFT collections are useless. **When purchasing these NFTs on Magic Eden, you must exercise extreme caution, particularly throughout the minting procedure.**
Magic Eden's monthly trade volume is approximately $75 million, with an all-time high trading volume of 1.5 billion dollars and over 188,000 members. They are second in terms of the user base behind OpenSea, and they are witnessing an incremental increase in terms of the user base.

**Foundation**

*If you want to collect excellent digital art and art from amazing artists in real life, Foundation is the place to go.*

On Foundation, you will find a great collection of digital art from artists all around the world. Foundation is a great site to go to if you are a genuine collector and if you truly appreciate and love art. It is one of the top digital art collectible marketplaces out there.

Because it is solely focused on art, you can find a wide range of digital art treasures on Foundation. Again, because it is an Ethereum-based marketplace, you will require Metamask to purchase these NFTs on Foundation.

The only drawback this platform has are the **high fees for selling and purchasing the NFTs**. The gas fees are much higher than on OpenSea or LooksRare, so be careful about the final price of the token.
SuperRare

Just like the previous marketplace, we mentioned - **SuperRare is for people who are serious art collectors but love more expensive and unique pieces.**

So, if you want to acquire any really costly or extremely wonderful art pieces, you may also browse Super Rare. It's an Ethereum-based platform so appropriate wallets need to be connected, but it's very user-friendly and easy to navigate.

The only thing you need to think about when choosing SuperRare is high commission rates as 15% for the initial sale is quite high compared to marketplaces like OpenSea and Rarible. The 3% buyer's fee is also higher than Rarible's, while OpenSea does not charge buyers a fee at all.

Objkt

Objkt is a site featuring innovative and economical NFTs for collectors on a tight budget. **Objkt.com is a marketplace on the Tezos blockchain** that is also an outstanding and extremely popular marketplace where many people collect wonderful art.
At moderate pricing, you will find outstanding, insightful, and meaningful art. This is one of the many reasons why, despite being built on Tezos, this marketplace is getting increasingly popular.

Objkt has a monthly trading volume of 1.2 million, and 14,200 individuals have used it in the last 30 days, indicating a healthy user base.

**Rarible**

*Rarible is a user-friendly non-fungible token platform that will appeal to both novice and professional traders.* It not only has a diverse selection of NFTs, but it also supports many blockchains, allowing customers to minimize gas fees.

Users can purchase, sell, and mint numerous sorts of NFTs, such as art, gaming, metaverse, and others. Furthermore, the RARI token allows the community to engage in governance and make decisions regarding the course of this NFT platform.
Making or minting an NFT can be costly, particularly on the popular Ethereum network. But **Rarible's lazy minting mechanism allows creators to avoid these costs.** It effectively postpones the process of registering the piece's data on the blockchain until after it has been purchased. This also lowers environmental expenses. However, it does imply that the buyer must pay further transaction costs in order to completely mint the item.

So, Rarible is one of the best options if you are looking for a way to mint your NFTs for free, but keep in mind that if you want to burn the said NFT you will have to pay all the gas fees.

**Nifty Gateway**

**Nifty Gateway is a unique NFT platform that combines crypto-technology with collectible artwork to create a diverse portfolio of high-value, transferable assets, opening up a world of new investment opportunities.**

The platform is simple to use, allows for quick account setup, and accepts both fiat currency and ether (ETH).
The Nifty team has designed a unique marketplace for music and artwork called Nifty Gateway. Popular DJs and performers including Deadmau5, Carl Cox, Gramatik, Ozuna, and MC Lil Yachty have all had drops with sales in the hundreds of dollars.

If you enjoy digital art, Nifty Gateway is one of the greatest NFT trading platforms. Its collaboration with world-renowned artists makes it ideal for individuals seeking NFTs with financial potential. Although its payment alternatives are limited, there is still potential for development, Nifty Gateway is an excellent choice for NFT traders.

**NFT Utilities**

Utility simply implies how much value the team is willing to contribute to the project and what use cases exist for that NFT on top of the art. Of course, there are a lot of NFT projects that are just high art or curated art blocks where people buy it like they're purchasing a Picasso or a good piece of art for their house.

We're hearing a lot of these terms called utility in the avatar profile picture category of NFTs, and there are a lot of buzzwords out there that a lot of bad actors are using to exploit, but
there are also a lot of projects that have been innovating by implementing these d5 mechanics in their NFT projects and community.

The NFT world is quite heavy in the community on these avatar profile image projects, which is why many of these projects with excellent intentions and ambitions should be incorporating these De-Fi mechanisms. A combination of art and utility is the best way to create lasting NFT projects.

This is where utility tokens come into play, making the NFT more entertaining and profitable. There are several utilities to be aware of, but here are the fundamentals and why they are important:

**DAO**

**A DAO is a community or organization that is decentralized and autonomous.**

When DAO members vote on how to spend pooled funds, smart contracts shift the cash automatically. DAO is built on the notion of decentralization, and in order to completely comprehend DAO, we must first grasp the distinction between centralized and decentralized networks.

- **Centralized network** - A centralized network is similar to a corporation or simply a business in that it has a CEO and a leading team that makes all of the decisions and then delegates all of the work to their team members to others in the organization. However, the individuals at the top make all of the decisions, while the rest of the employees simply perform the work.

- **Decentralized network** - A decentralized network has a large number of people making choices, yet they all have the same aim in mind.

This is why we call it a decentralized autonomous organization: it's decentralized, so there's no single central authority here; instead, there are several authorities, and these people themselves could be authorities if they wanted to. It is autonomous because no single person makes decisions; we are not reliant on people at the top to make decisions.

It is entirely autonomous since everyone in the community is making decisions for the greater good at the same time, and we are all voting together to make decisions for only one tiny group of individuals.
This is ideal for NFT communities since it is the identical strategy that the Ethereum network followed. This is how Ethereum, the blockchain, the platform, and the token were all constructed, thus these are not novel mechanics.

This is the purpose of a decentralized network, and DAOs just make it more optimized to make choices faster. But, DAO is only the beginning and a good way to implement a utility mindset into the NFT project.

**Token of Utility**
You may implement the utility token after you have the DAO, which is how you organize decision-making and offer people governance.

The more tokens you have, the more votes you may have, or you can simply use your NFT as governance, so if there are a hundred NFTs, each one represents one out of a hundred votes. You receive three votes if you have three NFTs with this simple logic.

**A utility token will produce value in the community.**

For example, if you mint a hundred NFTs for one ETH apiece, the entire amount will be deposited into the DAO. Each NFT is now merely governance, and the DAO now has 100 ETH.

Now we can divide that 100 ETH into a million of our tokens, so one of a million tokens is whatever fractionation we set it to be. This provides liquidity in the market, allowing you to obtain these tokens regardless of what you do.

You can be awarded these tokens for actions like producing a paper, developing an SOP, or doing any other important activities for the community.

The famous CyberKongz are one of the most well-known initiatives right now, along with Anonymize and stack toads, and a few more projects that are adopting DAO and utility tokens. Cyber Kong’s genesis collection is the greatest example. The BANANA token is their utility token, and if you have a CyberKong Genesis, you may obtain 10 BANANAS each day. The token is now priced at 84 dollars.

If you’re wondering why the token costs 84 dollars, it’s because all proceeds from the sale of Genesis Kongs, royalties from the Genesis Kongz, and any other funds raised or earned by the organization go into the DAO.

There are only a certain number of BANANAS, therefore as more money is put in and the number of bananas remains constant, each banana gets more valuable.
Fractionalization

As NFTs are getting quite expensive, many people are now interested in owning a fraction of the NFT instead of the entire token. Crypto Punks, for example, are currently quite valuable. The fractionalization of NFTs allows you to purchase 1/100 of an NFT, or in this example, 1/100 of the CryptoPunk, and now you possess a portion of that NFT or 1/100 of the Punk.

This is a pretty great and novel idea since it allows you to participate in blue chip NFTs even if you don’t have too much money to do so. It’s a safer investment since blue chips are a lot more likely to rise at a faster rate and be much more consistent investments, so it’s just safer than buying a brand new NFT with no pricing history.

To further understand fractionalization, we can take a closer look at the fascinating Mutant Cats project. The Mutant Cats are a pretty popular project right now, and what they’re doing with their DAO is buying these major blue chip NFT projects from the DAO, keeping them in the DAO, and then fractionalizing them.

![Mutant Cats](image)

This value is dispersed via their utility token, FISH. It’s a reward for staking your NFT.

So, staking your NFT implies you’re going to put your NFT into a staking liquidity pool or just a wallet. You submit your NFT to their wallet, and you’ll be rewarded with a specific number of FISH each day, or a certain number of their utility tokens per day, for pledging not to sell your NFT.
Because everyone is staking, they reduce the number of NFTs available, and they get paid for it in utility tokens. Because there is less supply, the floor of the NFT rises, but demand continues to climb, and as less becomes available, the price rises because more people want it.

Simple logic to get amazing utility tokens that will increase in value over time.

**Breeding**

Moving on to another really popular utility mechanism - breeding. This was one of the first mechanisms developed by the well-known CryptoKitties, in which you could breed two NFTs from the collection to make an entirely new one.

While this is an intriguing and entertaining notion, many crypto specialists believe it adds little value to any enterprise because you're simply adding another NFT to the supply.

**The Launch Pad**

Launchpads are fantastic methods to get new ideas noticed.

Launchpad is providing light to all of the new projects debuting on Cardano and other blockchains. So, if you have an idea as a company and you start working on it and you're beginning from nothing, you could go ahead and join a launch pad and offer supporters a lot of your ICO or IDO (coins).

From there, you'll offer early backers 20% of your supply, so people who get in on the ground floor gain since they're in on a successful project early on. Furthermore, you have an instant fan base of thousands of people.

**NFT Worlds - Metaverse and Play to Earn**

Metaverses are a relatively new but very exciting way to use NFTs. These virtual realities are completely based on blockchain technology, and everything in these worlds such as SandBox or Decentraland is an NFT.

This includes avatars, land, buildings, wearables and so much more.

The NFTs you can use to participate and build games in the metaverses have unique value and utility, and they are one of the most promising ways to use NFTs in the future. The play-to-win concept might not be completely new, but when joined with NFTs and blockchain the entire project is more lucrative.
Players have the opportunity to play and earn NFTs without any previous coding knowledge or too much experience with crypto in general. And the utility of these tokens is by far one of the best ways to participate in the NFT universe.
**NFT Road Maps**

With new NFT collections appearing on a regular basis, it might be difficult to choose profitable choices.

There are always a few things to consider when researching an NFT project, and besides investigating the Discord channel and Twitter to find out what the community likes, you should also **pay some attention to the NFT road map**.

A roadmap is a document that explains the plans and goals of an NFT project; it is where you see the project's path and where it's headed for the team behind the project; and in most cases, these roadmaps are arranged chronologically so that holders and investors in the project can check whether the plans are being executed or not in real-time.

For these reasons, roadmaps can play a huge role in helping you find a good project.

Most of the time roadmaps will be on the homepage of the official website of the project. This is a creative and engaging way to see how far the project has gone and what are the plans for the future.

But, keep in mind that there are a few high-quality NFT projects without a road map, simply because the development team decided to skip this part of the presentation. While a roadmap can be a good way to confirm the legitimacy of the investment you consider valuable, it's not the only thing you need to focus on when researching an NFT.

**NFT Red Flags**

**With so many new and exciting NFT projects on the market, it might be challenging to recognize the red flags and spot the scammers before investing.** This is why you need to know the most common red flags and pay close attention to each NFT project you plan to buy.

**Mint Price**

**Mint prices above 0.08 Ethereum are a red flag, indicating a cash grab.**

However, prices have risen, and many of them are justifiable. With so much demand in the NFT industry, these enterprises are charging more; yet, the market determines the price. So there are cash grabs where they charge exorbitant fees and then steal the money, but there are also legitimate ventures that collect more money. They know they can accomplish it because there is demand, and with these finances, they can genuinely help build the project and finish the blueprint.
Let's take for example the new NFT project called Cool Pets. This is a great CryptoKitty NFT project, and because of their brand and reputation, these are minted for 0.5 Ethereum. A mint for 0.5 Ethereum is incredibly costly, but in this case, for a CryptoKitty project, it was justifiable.

**There is no specific solution to this mint price red flag because it is dependent on the project.**

If we have an anonymous team about which no one knows anything, we don't know who the project directors are, we don't know who the artists are, and they have a minimum price of 0.3 Ethereum, that is a red flag. However, if a huge brand enters the sector, such as a highly popular person with a solid reputation or an artist with a wonderful reputation, and they have an NFT mint price of 0.4 or even 0.5 ETH, it is not a red flag.

Determining what is a red flag for an NFT mint price will depend on the project's reputation, but for all of these unknown anonymous initiatives, anything above 0.1, is a potential fraud and a red flag.

**Fake Social Media Support**

**NFT ventures that establish a large social media presence in a short period of time are seen as a major red flag.**

Many individuals are attempting to screen possible fraudsters by utilizing the Twitter audit tool to determine whether the followers are real or bots, but be cautious because the NFT project creators are willing to pay a significant sum for actual followers. As a result, employing certain Twitter features is not always beneficial.

In under two months, the Squiggles initiative had 211 tweets, 250,000 followers, and 400,000 in their Discord, and people were barred from asking questions. You can tell when an NFT project started their account and then all of a sudden they have a hundred thousand discord members anytime you see an NFT project.

Having a hundred or two hundred thousand Discord members was once a nice thing, but now that it's been pointed out, it's not so great unless it was built up over time, comes from a really popular project, or comes from someone with a strong reputation.
Anonymous Teams

There is no reputation and no accountability when you have an anonymous team.

So these NFT projects may defraud and rug pull with no repercussions. Anonymous teams may be successful, and some of the top ventures in the area began with anonymous teams. The Board Ape Yacht Club, for example, began with an anonymous team and was just thoroughly doxed.

But, due to greed and fraud in the NFT universe, everything has changed in the last few months, with individuals utilizing anonymous teams to take advantage of you. There is no responsibility.

Balloonville, for example, tweeted, "all it needed was a few of paid actors, and bam we did it again y'all truly believe everything nowadays magic even NFT reimburse everyone we scammed since you were too stupid to ask for id which could have easily revealed we were a fraud."

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Balloonville 🛁 | Rug
@Bloonsville

all it took was a couple of paid actors, and boom. we did it again

y'all really believe anything nowadays

@MagicEden_NFT refund everyone we scammed cause you were too stupid to ask for ID which could’ve easily shown we were a rug

- doodled dragons 🌈

5:59 AM - 6 Feb 2022
Even if you have an anonymous team of nice individuals, it can still pose problems since there is no responsibility when your name is not attached to anything in life. You can have a genuine project that wants to create a wonderful NFT ecosystem and a fantastic plan, but things may get too difficult in the future and there will be a struggle. So, because there is no name associated with the account and no name associated with this NFT project, they can just quit and abandon the project.

These are not fraudsters or rug pullers; they might be honest people who want to perform a decent job but give up easily when their name is not on the line.

So, consider an anonymous team a red flag when looking into an NFT project.

**Unapproved NFT Derivatives**

**These are NFT projects that essentially replicate a blue chip NFT.**

The derivatives can try to copy Doodles, Board Ape Yacht Club, or even CryptoPunks, and a few more in this space, for example.

The notion is that these teams have entirely separate developers, and fully different marketers, everything is different except that they are taking the name and marketing of a blue chip company. It might be a bad endeavor, but they try to persuade the audience that they are the famous NFT project for a low price.

When we look at the Squiggles NFT again, we noticed that it had all of these red flags. It had a mint price starting at one Ethereum, extreme growth on social media in a very short amount of time, an unknown staff with no responsibility, and was a pure imitation of Doodle NFT.
Chapter IV: Minting and NFT Investment

The NFT minting process involves converting a digital file into a digital asset that is kept on the blockchain and accessible for sale or purchase.

Given that the majority of NFT projects run on the Ethereum blockchain, it's critical to understand that this is a proof-of-stake (PoS) network where new blocks are staked. In contrast to the proof-of-work (PoW) blockchains used by Bitcoin, where crypto is mined.

So, during the minting process, cryptocurrency is temporarily locked in a specific wallet in order to activate the program and become a validator for that blockchain.

While the language used can be complicated, the simplest way to comprehend minting is to think of it as putting the NFT "active" and available on the blockchain. This is true whether you wish to construct your own NFT collections or buy NFT art pieces created by other creators and developers.

When the NFT is minted, it becomes an official commodity that can be purchased and traded. Given that the NFT can be a digital file that holds music, art, images, and so on, once minted, it is changed into a digital asset that cannot be amended, erased, or edited once put into the blockchain.

Once the NFT is a digital asset, it may be distributed and sold via smart contracts.

How to Mint NFTs?

If you wish to buy an NFT from another creator, go to their official websites and track the project's progress. With so many outstanding projects on the market, you must stay current on trends and monitor social media platforms for accurate minting dates.

The best way to stay informed is to follow the Twitter account and Discord channel of the creator and developer you plan on minting. This way you will know the exact dates for mining and avoid scammers that will DM you with broken links and frauds just to get to your wallet and funds.

To mint an NFT follow the steps mentioned below:
Find the Official Website

When minting or purchasing an NFT it's crucial to follow only the legitimate links and find the minting date on the official developer's website. If you follow certain creators on Twitter or other social media they will most likely have links to their official websites.

This is a great opportunity to research the project even further, check out the NFT road map and find the minting dates.

Click “Mint Now”

The finest NFT projects will specify the precise time and date on which you can mint your NFTs. So, after you've found the official website and followed their updates, it'll only be a matter of time before the "MINT" button shows on the main page.

Connect Your Wallet

If you wish to continue with the minting process, you must link your wallet. You will also need the right amount of money depending on the blockchain.

Because you are linking your wallet, you must ensure that the site is legitimate and trustworthy. Don't click on suspicious links and always have enough in your wallet for all the gas fees.
Choose the Number of NFTs to Mint

You can select the number of NFTs you wish to mint based on the project.

Some creators will limit the number of mints and reduce the usage of NFT purchase bots, but others will not impose any restrictions on the site. The limitless minting is nearly gone in the most recent actions in the NFT world, and there are stringent limitations and regulations when it comes to this purchase phase, all for the sake of fairness and equal distribution.

Keep in mind that you should mint all of the NFTs at once to save money on gas. So, even if you're just minting two or three NFTs, do it all at once.

Confirm Purchase

When you're ready to mint your NFT, you must confirm the transaction in your wallet (the one you previously connected). This step is one of the reasons why so many people like MetaMask since it is the simplest way to purchase NFTs.

The transaction and the minting process will not be completed unless you confirm it in your wallet.

The NFT Is in Your Wallet

Once you mint the NFT and approve the transaction, your collectible will be in your wallet in seconds, or sometimes minutes. However, bear in mind that the actual NFT you received may take many weeks to reveal, so you don't truly know what you got.

This is dependent on your luck, and you may obtain wonderful and uncommon NFTs in this manner, and everyone has an equal chance in this "game-like" experience.

Depending on the project and its designers, the minting method may change. Some teams like creating whitelist minting chances, in which a portion of the collection is exclusively available to a few selected people to mint, while the remainder is available for public minting.

Creating a Wallet for OpenSea

If you're unsure about which crypto wallet to use, the easiest way to find out is to test out one of the numerous alternatives accessible! Although they all offer unique capabilities, many people choose MetaMask for desktop usage and Coinbase Wallet for mobile use.

OpenSea is one of the best and most versatile platforms you can use to manage the NFTs and there are many wallets to choose from such as MetaMask, TrustWallet, Venly, Dapper, Phantom, and others.
How to Set Up a Crypto Wallet?

- Locate a trusted platform (for custodial wallets) OR download the app/browser extension (for non-custodial wallets);
- Create an account by entering your email address, ID, and password (custodial wallet). Alternatively, register an account and obtain your private key (non-custodial wallet);
- Begin adding cryptocurrency to your wallet by purchasing it with fiat cash (custodial wallet). Alternatively (for non-custodial wallets), transmit coins and tokens from another wallet, even a custodial one, to your non-custodial wallet.

How to Create and Manage Your MetaMask Account?

MetaMask is a popular and free browser plugin that allows you to send and receive coins and tokens such as NFTs from your cryptocurrency wallets or utilize one of the numerous Ethereum blockchain-supported apps.

Furthermore, Android and iOS users may download the app and use the platform on their devices, even though the Safari extension is still unavailable. Mobile users, on the other hand, can see their NFT collectibles in the app but browser users cannot.

You can use MetaMask to:

- Buy, store, send and swap tokens and NFTs
- Explore the supported blockchain apps including OpenSea if you are an NFT enthusiast
- Secure and manage the shared information and data

Given the popularity of cryptocurrencies and non-fungible tokens, this platform is one of the finest venues for new users to explore the Web3, Ethereum blockchain, and NFT collections safely.

The MetaMask platform makes it simple and secure to connect to and use the decentralized web.
How to Create a Metamask Account?

The sign-up process for MetaMask and the processes for creating an account are simple.

Even if you're just getting started, the platform offers a fantastic user interface and is straightforward to navigate. Here are the actions you need to do to create and manage your MetaMask account:

**Download Metamask Extension**

MetaMask is supported by Chrome, Firefox, Edge, and Brave, but if you're an iOS user, you can still get the software because Safari isn't on the list.

The Chrome extension is the most popular among users, although the method is the same for other browsers.

To download the extension, click the "Download Now" button and choose your browser.
Create New Metamask Wallet

Once you are done with the installation of the extension you can choose to import your existing wallet or create a new one.

If you want to create a new MetaMask wallet there are a few steps you need to follow:

1. Click on the “Create a Wallet” button

2. Select which data you are willing to share with MetaMask and click “I Agree”

3. Create and confirm your MetaMask password
4. Remember your **recovery phrase**

**Secret Recovery Phrase**

Your Secret Recovery Phrase makes it easy to back up and restore your account.

**WARNING:** Never disclose your Secret Recovery Phrase. Anyone with this phrase can take your Ether forever.

**Tips:**

- Store this phrase in a password manager like 1Password.
- Write this phrase on a piece of paper and store in a secure location. If you want even more security, write it down on multiple pieces of paper and store each in 2 - 3 different locations.
- Memorize this phrase.

Download this Secret Recovery Phrase and keep it stored safely on an external encrypted hard drive or storage medium.
Set Up Your Metamask Account

After you have completed the initial setup of your MetaMask account, you may proceed to the optimization and customizing of your wallet and dashboard.

MetaMask dash is simple to use, and all of the choices you need to transfer, receive, purchase or trade cryptocurrency are immediately available. Furthermore, you may now buy and store NFTs on the platform.

By choosing "Settings" in the drop-down menu in the upper right corner, you may add a few additional settings to your MetaMask account.

Connect MetaMask and OpenSea

To connect your MetaMask wallet to OpenSea and begin trading the NFTs you need to go to the OpenSea platform and click on the wallet icon in the upper right corner. This will show you all the available options and you can choose the MetaMask wallet from that list.

Follow the instructions in the pop-up window and your MetaMask will be connected to OpenSea in a couple of clicks.

If the automated connection fails, you can connect to OpenSea manually using the MetaMask extension. To do so, launch the extension, tap the three dots, and then choose Account. Then, select the Connected Sites option before hitting 'Manually Connect To Current Site.'
How to Choose a Project to Invest in Before Minting

Choosing the right NFT project in today's market is not an easy thing, considering there are too many poorly executed projects, scams, or on the other hand massive popular projects that are already out of the average budget range.

However, the NFT market is booming and with a couple of guidelines, you can choose the best of the best, and ensure a more profitable investment. The main goals should be to not lose any money and invest in projects with the most likelihood of success.

Investing in NFTs is incredibly risky.

Not only do you have the volatility risk of crypto, but you also have the secondary risk of an NFT collection becoming less popular and the tertiary risk of lack of liquidity and being unable to sell the NFT you own if there are no buyers for that NFT since they are one of one. The technique we've developed helps to reduce the downside here, but there's still a high danger of losing money, especially if you're just starting out, so invest at your own risk and with caution.

To choose a project to invest in you should pay some attention to the following:

Blockchain

Most of the NFTs are stored on the Ethereum blockchain, but there are a few others to consider such as Cardano, Solana, Binance, and others. Especially because the gas fees are notoriously high on the Ethereum blockchain, many new NFT projects are based on other chains.

The blockchain technology used to develop and store the NFTs is not crucial for your investment, and it's more of a preference and budget at this point. Many amazing projects are not on Ethereum, so make sure to consider all the possibilities and focus on the rest of our list for the best results.

Specialized Tools

Some tools and platforms online will do most of the heavy lifting for you when you are looking for the next best NFT project to buy. For example, using rarity.tools is one of the best ways to find new and upcoming projects and use additional filters to discover the best investment opportunities.
If you go to their official website and click on the **Upcoming button at the top** you will be able to see new NFT projects, and from there do your own research. You can see that it displays items based on multiple blockchains such as Matic, Solana, and Ethereum, as well as numerous social networks such as Discord, Twitter, and a link to their website. There should also be a launch date and floor pricing for each project.

This is the best way to keep up with new projects, but you still need to discover all the additional information to be completely sure it’s legit and a wise investment.

**Social Media Channels**

Once you find a project that sounds and looks interesting you should **follow the links to their social networks, especially Twitter and Discord**. These two channels have become the most popular way to discover the engagement and the team behind every NFT project.

Look at the **number of followers and the real engagement on each post**. Considering there are many bots on Twitter you can’t solely rely on the number of followers and you need to open a few Tweets to see who is commenting, retweeting, and sharing.

Additionally, you should always join the Discord channel and take a closer look at the engagement rates there. Again, it’s not just about the number of people in the channel but rather the questions and answers, and overall engagement from the supporters and the developing team behind the NFT project.
One more thing to consider when researching the social networks of certain NFT projects is the ratio between **the number of followers and the number of NFT items that will be launched**. If there are on average 10,000 NFTs in the collection and there are about 5,000 followers you have better chances of minting and getting your hands on the NFT from the collection. Hyped and popular NFT collections with massive following sell out in seconds, so make sure to be realistic about your chances.

**Website**

*The next thing you need to look into before investing is the official website.* A good NFT project needs to have a decent website.

You should consider if:

- The links are working properly
- If there are many grammatical errors in the text
- Overall feel on the site and if it looks barely put together
- The road map
- The team behind the project

If the site looks poorly done, with broken links and an anonymous team it’s usually considered a red flag and an NFT project you might want to skip.

**Developers**

Because the NFT market is booming there are a lot of scams and rug pulls, and you can't be careful enough with your investments. **Most high-quality NFT projects have a reputable and public team of artists and developers behind the idea.**

Sometimes you can find all the information on the official website, but other times you need to visit their social networks to verify the identity. If we take for example the popular Bored Ape Yacht Club their team has just recently been doxed and real identities revealed.
The anonymous team behind the project can be a huge red flag as you don’t have the people working behind the scenes and the entire investment can become a rug pull. So, the best thing you can do to ensure you are buying the right NFTs is to find the people behind them.

In addition, the team needs to have experience in certain niches if their NFTs are sold as such. So, if the team claims that they will develop a game or a metaverse where you can use the NFTs but they have no experience or they are completely anonymous it’s not a wise investment.

**Art and Utility**

On a more personal preference note you should look into the art of the NFT and even the utility the token can bring. There are a lot of NFT projects that are simply JPEG imitations of some other popular NFT projects, and the value is questionable.

The NFT also should be unique and rare, because there are so many projects and the market is becoming saturated. Each NFT should be different and offer something unique that will increase the price on secondary marketplaces.

Consider the art, artists, community, and most of all the utility of the token before buying. If the art is from a reputable artist, there are a lot of fans and supporters, or the NFT is attached to a metaverse in development it might be your opportunity to make the best investment.
NFT Whitelist and Minting

A whitelist is not a new term, but it's recently becoming popular in the NFT community. The people on the whitelists are guaranteed to mint the NFT and this is why so many crypto enthusiasts want to be on it.

Chain analysis published an interesting report on this and found that users who make the whitelist and later sell their NFT profit 75.7 percent of the time, while those who do not profit only 20.8 percent of the time.
This means that you are four times more likely to profit if you get on the whitelist and avoid the gas war of bidding against other people to get a mint, which can cost you hundreds, if not thousands, of dollars.

Before you get started with the tips and tricks that will get you that whitelist spot we need to cover the basics first.

First, ensure that your Twitter and Discord accounts are linked in such a way that your profile photo on Twitter matches your profile picture on Discord, and vice versa. This is significant since we will be using both Twitter and Discord to gain access to the whitelist.

The second thing to remember before we begin, and this is a bit more general, is that the individuals who choose these whitelist positions are also humans, and you should consider what you would like to see someone else do if you were one of these people.

Showing support and passion for the NFT project is one of the best and most efficient ways to get on the whitelist and mint the NFT before everyone else.

Here are a couple of tried and true methods that will bring you one step closer to any coveted NFT whitelist:

**Discord Engagement**

Discord is one of the most used platforms to engage with new and upcoming NFT projects, developers, and like-minded people. But, if you want to be on the whitelist you need to make the engagement on Discord memorable and valuable.

To show your commitment to the project you should ask genuine questions, offer answers when you have them and communicate with other members about the project. This will draw the attention of the developing team and make you a desirable candidate for the whitelist.

Keep in mind that every NFT project is different and most have strict rules on Discord that can help you get on the list faster. If you don't have the time you can always hire someone to do all the engagement posts for you. This is a smart investment considering you will profit from the NFT in the future.
Twitter Engagement

Twitter is the number one social network NFT projects use to promote their art, so this is the place to be if you want to be whitelisted. While it’s crucial to increase engagement, you shouldn't spam thousands of different NFT profiles considering everything is public and your actions are visible on Twitter.

The best approach is to create engaging and creative threads that can get some attention and draw in more people. This way you will promote the NFT project and show the developers you are passionate about the idea.

Again, if you don't have the creative energy to write daily posts, you can always hire someone to do the research and create a few engaging posts to boost your chances of success.

Engage in Twitter Spaces

Spaces is a Twitter feature that allows for live audio chats.

Most NFT initiatives will have a daily Twitter space where they can chat about the project and get to know the community. The greatest method to get recognized is to go in there, ask questions, and make yourself distinctive since your voice will be far more memorable than a message on a Discord channel or a Tweet.

Enter NFT Whitelist Competition

Almost all NFT projects have a whitelist competition at one point with some rules on how you can enter. This might be the hardest way to get on the list, considering the competition and pure luck needed to be the winner.

However, considering you are already engaged in the project you might as well enter the competition and boost your chances of making it on the list. Even if you are not the winner you are still showing engagement and passion for the project, and thus you are more likely to get on the whitelist.

Create Fan Art

This method might not be suitable for everyone considering you do need certain talents to create fan art. But, in case you can draw or use digital media to support the NFT project make sure you post everything publicly.

This has become one of the best ways to make yourself noticeable and attract the attention of the NFT team that is in charge of the whitepaper. Everyone loves supporters, and those who are prepared to show passion through art are always rewarded in NFT communities.
Support Previous NFT Projects

Analyze prior NFT initiatives completed by the team or the founders. This is not always applicable, however, if the creators have previously owned NFT projects, they will reward those owners with whitelist slots for future projects.

Clonex from Artifact Studios is an example of this since they have previously published various NFT projects and the owners of these projects have been awarded a whitelist slot as a thank you for supporting their work.

Get In Early on the NFT Project

When you come across an NFT project in its early stages, they want to motivate its new members to talk about the project, and they reward them with whitelist positions for doing so.

You may accomplish this by looking for projects that people are talking about in their early phases on Twitter, Discord, and YouTube. There are also some amazing websites such as rarity.tools we mentioned in this e-book where you can get the latest information on all upcoming NFT projects and do your research from there.
Mint Project After Getting Whitelisted

Because of the flood of NFT users, NFT projects have used a mechanism known as "whitelisting" to limit presale minting access to just pre-approved crypto addresses. Whitelisting benefits both projects and users by reducing fraud and avoiding gas wars.

If you are lucky and persistent enough you can get on the whitelist of the NFT project and have a token connected to your wallet. This means you will be guaranteed to have at least one NFT from the collection, but it's not a guarantee you will make a profit. This will depend on multiple factors, but a whitelist can help you a lot.

Before you mint an NFT if you are whitelisted there are a few safety concerns to focus on:

1. Use a VPN

   This step is optional but advised by many crypto professionals on the market. When you plan on making financial transactions online it's better to be safe than sorry and thus using a high-quality VPN connection can help you a lot.

   This way your IP address and your online activities will remain hidden from any scammers or intruders, and your funds will be safer. While the NFT market might be volatile, it's important to be safe and keep your assets in a different location.

2. Connect your MetaMask

   Before you make any transactions and before you mint your NFT you need to connect your MetaMask wallet. There is a complete guide in this e-book explained above.

   With MetaMask connected you will be able to mint any NFT in just a couple of clicks. It's also the only way to get recognized by the smart contracts and go through with your whitelist position on the site.

3. Check the Discord Group

   Before you click that famous “Mint" button make sure to check all the announcements and comments on the official Discord group.

   This way you can be sure other whitelisted users have a great experience and you don't have to worry about the NFT project being a scam or a rug pull.
Mint NFT on the Website

The best and safest way to mint an NFT is on the official website of the developers.

Before the mining is allowed the developing team will make an announcement on the Discord channel and provide the whitelisted followers with the link to the minting page.

It's very important to click on the right and verified links because there are many scammers on the NFT market that will offer fraudulent links in your DM in order to obtain access to your wallet.

So, before clicking on any links and connecting your MetaMask wallet make sure other whitelisted users on Discord are not experiencing wallet draining and other scams.

Once you get the link and to the minting page you need to:

1. Click on the "Mint Now"
2. Choose the number of NFTs to mint
3. Verify the transaction in your wallet
4. Pay the gas fees

It is important to note that the gas price will change based on the overall blockchain network usage. Other minting sales or external events might sometimes have an impact on a whitelist sale. Some whitelist NFT projects even lower the gas fees with optimized smart contracts so it’s one more benefit of being an early supporter.
A beneficial aspect of the whitelisting concept for NFT projects is that if there is a high desire to join the whitelist, it generates enthusiasm and discussion about the release, project, and prospective future releases.

In addition, if the creators of the NFT project allow you to **mint multiple NFTs it’s very important to do all the minting at once to reduce the gas fees.**

### Mint NFT From the Smart Contract

If the project is really popular, the website might go down during the mint. If this occurs, you can mint straight from the smart contract of the project.

1. **Find the smart contract for the NFT project**
2. **Connect your wallet to the contract**
   
   For example, on Etherscan, pick the "Contract" tab, then hit the "Write Contract" button before tapping Connect to Web3 to connect your wallet.
3. **Locate the contract’s mint function**
   
   You should see a "Mint" or something similar function. Tap to expand it.
4. **Fill in the blanks and press "Write"**
   
   The price is the amount you pay to mint. If you don’t know the price, you can make an educated approximation. When you try to finalize the transaction, you’ll get a large gas tax if your pricing is too low. If your price is too high, any difference between the mint price and your price will be reimbursed to your wallet. In addition to the price, you must provide the quantity (the price multiplied by the number of goods) and your wallet address (to receive the NFT). Each project may have somewhat different fields, so attempt to get the assistance of someone within the project’s community.

This is a complicated and advanced way to mint your NFT and you should always ask for support from the development team to make all the transactions right. Because you are on the whitelist you are also guaranteed at least one NFT, and there is no need to rush the process.
After NFT Minting Process

Once you mint your NFT you will be able to see it in your MetaMask account and OpenSea if this is the platform you used. It usually takes a couple of minutes for the transaction to be complete but you will be able to see the exact NFT you got in a couple of weeks.

This waiting period might be a struggle for some, but it adds to the experience and makes the NFT market a bit more “gamified”. Everyone has a chance to get super rare and unique NFTs that will have increased value on the secondary marketplaces.

Keep in mind that when the pre-reveal occurs, the price is quite high, and when the reveal takes place, the price tends to fall slightly. However, with certain well-known NFT projects, like Azuki, the floor was two ETH, and after release, it nearly doubled.

NFT Flipping Summary

NFTs are one of the most lucrative opportunities to make substantial income if you know what to look for, when to purchase an NFT and when to sell it. The best prices you can get on NFTs are during the minting phase and if you are on the whitelist, as mentioned in this e-book previously.

But, even if you are not on the whitelist and you don't want to mint an NFT you can still make an income and flip for profit. The secret is - you need to find the undervalued NFT projects.
To find the best NFT project to flip there are a few things to consider:

**Find the Undervalued NFT Project**

Finding the NFT project that has decent prices and already launched the collection might sound more complicated than it really is. The NFT space is full of new and exciting projects, and many of them have affordable floor prices.

If you are new and don't want to spend too much money on your first flip make sure to explore other blockchains, not just Ethereum. This way you can save some money on the gas fee and tap into new marketplaces with undervalued projects.

Once you find a couple of interesting NFT projects try to focus your attention on one collection and learn everything you can about it, including the price, community, team, and engagement on social networks. The art has to be appealing, the team should be reputable and the community engagement strong - these are the best indicators that the price of the NFT in the collection will go up.

It's also a good idea to compare projects and make a better estimate about the price and potential earning opportunity.

So, for example, two collections from a single artist behind the project such as Smilesssvrs NFT and Creature World NFT are very similar with different floor prices, so if you noticed it on time you could have cashed in on Smilesssvrs before it became popular.
Track the Activity

Once you find an interesting NFT project you should focus on the activity. Even though the flipping NFT projects are smaller there should be an engaging community behind it and sales on the marketplaces.

You can check platforms like OpenSea for more activity information, and make your decision based on the recent sales and purchases there.
Make sure there are people talking about the NFT project and there are some interested buyers. This way you don’t have to wait for too long and you can make a profit almost instantly.

**Explore the Discord and Twitter Community**

As mentioned before, the Discord channel and the Twitter social network are your best sources of information when you want to find a project and when you are trying to make an NFT flip.

Once you find an interesting NFT project that seems undervalued but high-quality you should follow the buzz created by supporters and even influencers in the NFT community. What often happens is that someone will make a Tweet supporting an NFT project and in the next moment, the floor price has doubled.

**When you come across this positive sentiment on social networks** and you notice the community is building momentum, it’s a good moment to invest and purchase the NFT. It’s all about choosing the right moment for entrance and making the most income without being on the whitelists or minting.

**Buy and Sell the NFT**

Choosing the appropriate NFT project and purchasing the collectible at the right price is only half the battle. **To generate a profit, you must now select acceptable pricing.** If you want your digital asset to sell quickly, you should price it lower than the competition while still generating a profit.

When determining the price, consider the marketplace's purchasing and selling fees. You don't want to lose your entire profit to fees.

If you follow the right pricing tactics and the market conditions are right, it won’t be long before you receive a buyer’s request. Until then you need to keep your digital assets in your NFT wallet. You can sell on the same day, but it can take up to 3 days for your NFT to sell at your asking price.
NFT Terms You Should Know

The NFT universe is diverse and has a lot of specialized terms that describe different occurrences. To make things easier to understand here are the main terms in NFT you should know:

**Cryptocurrency**

Cryptocurrency (e.g. Bitcoin, Ethereum) employs cryptography to safeguard financial transactions and govern the creation of new coins. Decentralized currencies are not controlled by any organization or government. These are governed by and for the people. So, you are in charge of owning and storing them. As a result, their worth fluctuates.

**Blockchain**

Consider it an open spreadsheet to which everyone in the cryptocurrency world has access, and it records any changes or transactions. It is the location where users can confirm ownership. Blockchain is the technology that supports cryptocurrencies and NFTs.

A blockchain is a collection of data blocks. It generates a new block for each action performed on blockchains such as Solana or Ethereum. New data is recorded and previous blocks cannot be edited or deleted.

**NFTs & FTs**

NFT is an abbreviation for Non-Fungible Token. It's a one-of-a-kind crypto asset (which can range from art to music) held on a blockchain.

Fungible tokens (FTs), on the other hand, are more fluid and easier to move about. They have a set value for the same token for which they may be exchanged. Tokens of cryptocurrency are fungible. These are blockchain assets that differ from NFTs in that they are often only available for collection. They are either not traded or are the initial generation of NFTs.
**Noncustodial Wallets**

In a nutshell, these are the wallets that let you store and transfer blockchain assets. One example is MetaMask.

**NFT Airdrops**

New NFTs or cryptocurrencies are delivered to your wallet for free. This is a typical strategy in the crypto sector to recruit and reward early project users. Gas and airdrops conducted by NFT Projects are free of charge. Each has its own set of criteria.

**NFT Burn**

To get rid of an NFT, it must be completely destroyed. You may "burn" an NFT by sending it to the NFT contract address, which will destroy it and render it non-transferable. Typically, the burning process is employed to minimize the influx of tokens.

**DAO**

The majority of Block-chain operations are carried out through Decentralized Autonomous Organization. A DAO is one in which no single individual owns the company. Anyone with DAO power has the same level of authority as others. It may be referred to as a 'community-driven' approach.

**Governance tokens**

Cryptocurrencies serve as the primary utility token for Defi protocols and blockchain initiatives. Holders of governance tokens are also given voting power over the project's direction and development.

**Gas Fee**

The quantity of gas required by the network (in native cryptocurrency) for a user to make cryptocurrency transactions on the blockchain. When you engage with the Ethereum network, for example, you must pay gas in ETH.

**Minting**

Minting is the process of converting an asset into an NFT. It is frequently exchanged for 'selling' NFTs. With minting the NFT becomes something you can exchange, sell or purchase on the market.
Secondary Market

A secondary market, often known as the aftermarket, is a financial market in which investors exchange their assets with other investors rather than with issuing organizations. After minting, NFTs can be sold or acquired on the secondary market. OpenSea and Raribles are two prominent secondary markets.

NFT Staking

The procedure of storing tokens in a wallet for a set period of time in order to participate in transaction validation (for PoS blockchains). Stakers are compensated every few seconds or after a specified amount of blocks are processed.

Metaverse

A social connection-focused network of 3D virtual worlds. It is often a blend of numerous technological features, such as virtual reality, augmented reality, and video.

Blue chip

The most stable and well-known projects or tokens. CryptoPunks by Larva Labs is an example of a high-profile NFT project.

Doxxed / Doxed

When an NFT team member, developer, or creator's identity is public, known, or provable. When an NFT team gets doxed in the NFT market, it is typically a symbol of confidence and transparency for NFT collectors to assure they will not be defrauded by an anonymous developer.

Floor

A project's “floor” or “floor price” is the lowest price at which an NFT from the collection can be purchased on the secondary market.

Generative art

Art developed (in whole or part) with the assistance of an autonomous system. This autonomous system often requires little or no human interaction and can determine the characteristics of artwork on its own. All notable collections generated in recent years, such as Bored Ape Yacht Club, Cool Cats, and Pudgy Penguins, are examples of generative art.
**Presale**

A fundraising technique commonly used by businesses or project developers to obtain funds through an initial sale (such as an ICO, IDO, or IGO), in which investors and early adopters spend ETH (or other cryptocurrencies) to purchase new tokens/NFTs.

**Roadmap**

The collection of actions or plans for the development of an NFT project or P2E game. A project with a strong plan is often thought to have greater promise and sustainability and is intended to be there for the long haul than one with no anticipated updates.

**Rugpull**

A rugpull is simply a fraud in which the team behind an apparently legitimate product vanishes with all funds obtained shortly after launch. While you may receive a genuine NFT or the tokens you ordered, they are very certainly useless.
Conclusion

Your knowledge of the NFT world, and the factors that affect its value, artistic merit, and potential growth, have been greatly enhanced by this meticulously crafted and thorough e-book.

When you're just starting out in the crypto world, it's important to keep in mind that every NFT project is unique, although sharing the same foundational concepts; this will help you develop a keen eye for details and identify any red flags.

Once you have the information, you can start exploring the many avenues of NFTs and perhaps make a good living off of them.