BITGUILD

BLOCKCHAIN GAMING PLATFORM

WHITE PAPER

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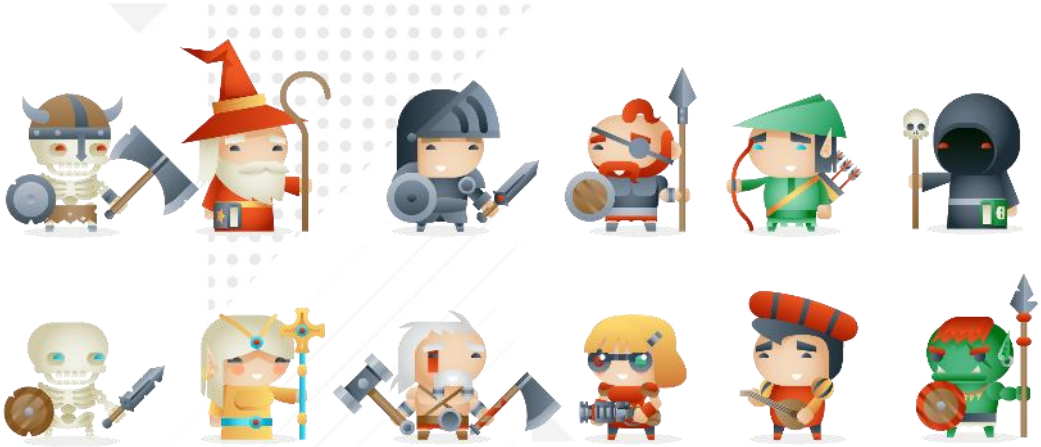


Abstract

BitGuild's mission is to revolutionize the $100+ billion a year gaming industry by creating a platform for a new class of games that live on the blockchain. Blockchain games completely redefine the relationship between players and developers by allowing for:

1) **True ownership of in-game characters and assets**
2) **Cooperative/competitive global play**
3) **Cheap and safe game item trading**
4) **True microtransactions**
5) **Cross-game compatibility of items and currency**
6) **Development of robust in-game economic systems**
7) **Zero fraud**

BitGuild's team is made up of cryptocurrency and gaming veterans with decades of experience building international large-scale gaming platforms and communities.

BitGuild will be launching an ERC20 token on the Ethereum network called *Platinum* (PLAT). This token will be used to play BitGuild games, trade on the BitGuild Marketplace, support projects in the BitGuild Design House and more.

As the BitGuild ecosystem and blockchain games in general require cheap, nearly-instantaneous microtransactions, BitGuild will consider migrating to a different blockchain sometime in 2018. Should we do so, PLAT holders will receive an equal

number of tokens on the new blockchain as their current balance at the time of migration.

As proven by the success of *CryptoKitties* in late 2017, **gaming has a strong chance to become the first non-financial, mass-adopted real-world use case for the blockchain**. Gamers have historically been eager to adopt new technologies, and game developers excel at advancing those technologies' inherent entertainment values. **We believe that blockchain gaming will be the biggest revolution to the game industry since free-to-play.**

BitGuild aims to host the best blockchain games and the largest blockchain gamer community online.

The Evolution of Gaming

Gaming is one of the oldest forms of human social interaction, with archaeological evidence of crude games dating back over 5,000 years. Electronic video games first appeared in the 1950s, and achieved initial commercial success in the 1970s with the *Atari* gaming system and games such as *Pong* entering homes across the world.

Video game technology, graphics, and design have improved by orders of magnitude over the past 50 years. What was once considered part of "geek" or "nerd" culture has evolved into a part of everyday life. It is difficult to find anyone born after 1990 who is *not* a regular gamer, while games like *Farmville*, *Candy Crush*, and online slots have been hugely successful with an older, primarily female audience. Collectively as a species, we are spending more and more time with our eyes glued to the screens of our TVs, computers, mobile phones, and tablets. Behind many of those screens, are games.

Video game business models have also undergone significant changes over the years. In the early days, computer and console games were one-time purchases, typically costing $50 to $60. Arcade games were pay-to-play, with gamers inserting a coin or

two into machines and playing until they ran out of lives, after which they'd be forced to insert more coins to continue or start over from scratch.

The Internet allowed gamers to connect and play with each other for the first time online. MMORPGs (*Massively Multiplayer Online Role-Playing Games*) such as *Ultima Online*, *EverQuest*, and *Asheron's Call* drove revenues by implementing a subscription-based model, where gamers not only paid to purchase them, but an additional $10 to $20 in monthly subscription fees as well. In exchange for these monthly fees, developers would release updates to the game, advancing their content, story, and features. Before the Internet, it was impossible to modify a game after its release.

At about the same time, in countries such as China, where recurring credit card billing was not an option, game companies began selling "time cards" for their games. These cards, which cost around $5, could be purchased in convenience stores and other locations and exchanged for a certain number of hours in-game. Once the card was used up, a player was blocked from accessing his/her account until another time card was redeemed.

It was not much longer before Eastern game developers invented an ingenious and increasingly controversial new business model called "free-to-play." Free-to-play games required no initial purchase and no monthly fees. Game developers monetized their products by setting up virtual item shops within their games, where players could purchase equipment and power ups for their characters with real money. In countries like China, where software piracy was a major concern, this became the preferred business model used in game development. It wasn't until several years later that Western developers realized that, with a much lower barrier to entry for new players and the ability to charge premiums to "whales", free games had the potential to be vastly more lucrative than paid games.

Today, a majority of the top-grossing games worldwide, such as *Candy Crush*, *Clash of Clans*, and *League of Legends*, are all free-to-play.

The Dark Side of Free-to-Play

While free-to-play has been one of the most successful innovations in game design history, both commercially speaking and in terms of the number of new gamers it has brought into the market, it is also highly controversial. Free-to-play game design assumes that a majority of players, (in many cases 90-99%), are not going to spend a penny. The entirety of a game's revenues must come from a small portion of its user base: whales. While some great games have found ways to be profitable through selling cosmetic items only (i.e. skins in *League of Legends* and *Counter Strike: Global Offensive*), many others have resorted to selling character power for money. These games are often referred to as being **pay-to-win**.

In pay-to-win games, the more money a player spends, the stronger his/her character becomes. A player who has put a significant amount of time and energy in a game who spent $20 will find it nearly impossible to beat a lesser-skilled player who spent $200, who in turn will be slaughtered by the player who spent $2,000. In addition, while it may only take a couple of bucks to improve a character early on in the game, it will become exponentially more expensive as play progresses. Free-to-play game designers are masters of psychology and know where the "bugs" in the human brain can be found.

As players advance through free-to-play games, they often find themselves at the point where the habit simply becomes too expensive to carry on. While there is nothing to stop them from playing for free, this drastically reduces the fun-factor of the game, ultimately leading to the player quitting.

While this "dark side" of free-to-play can be partially blamed on predatory game design and game designers, the unfortunate truth is that the gaming industry is incredibly competitive, and third-party platforms like Apple (up until recently) have made it a point to emphasize game revenue as a key metric with their "Top Grossing Board." The higher you rank on these leaderboards, the more organic traffic your game receives, and the more you save on marketing. At the same time, when venture capital firms are looking at gaming companies (and when gaming companies go public) they are judged solely by the revenue and profitability of their games. This forces game designers to value profit above all, making short-term design decisions which can be detrimental to their very own customers.

Unfortunately, in every video game on the market today, when a player quits, he/she loses each and every virtual coin, character, and item he/she worked so hard (and spent so much money) on to acquire. Nothing can be taken out of the game.

Many of the top mobile and PC games out today are not so much games as they are digital cigarettes.

The Case for Blockchain Games

Early Blockchain Games

Gaming on the blockchain is a fairly new concept. *Spells of Genesis*, a collectible card RPG by Everdreamsoft, was released in May of 2017. The game allows for the tokenization of cards, which are savable to players' digital wallets. While the game became popular within a small circle of blockchain aficionados, it was, unfortunately, not quite ready for mass adoption.

In November of 2017, a game was launched on the Ethereum blockchain that nearly broke it. That game, as anyone who follows cryptocurrencies is surely familiar with, was *CryptoKitties*.

CryptoKitties is a fairly simple pet breeding game that has enjoyed massive success, at one point generating nearly a third of the Ethereum network's daily transaction count.

The game is the first to utilize smart contracts to control core game mechanics. Code to key systems like breeding, trade, and new kitty issuance are publicly available, while the "secret sauce" which makes the game fun (in the case of *CryptoKitties*, the algorithms that determine the genetic makeup of newly-bred cats) is hidden out of sight.

The game is also unique in the fact that the "kitties" acquired are not stored on the developer's servers, but rather in the form of non-fungible ERC721 tokens in the player's wallet. They belong to the player, and the player alone. They cannot be revoked by the developer nor restricted in any way from being bought, sold, or traded. While this may not seem significant to some, it is game-changing (no pun intended) to the video game industry. Power is being put back into gamers' hands, and a handful of players have even been lucky enough to generate a financial return on their "kitty investments."

It has been said by some that *CryptoKitties* is the first true non-financial application to run on any blockchain protocol. While the game is entertaining, it remains difficult to say how it will perform over the long term. Regardless, it has opened the door to what is sure to be a massive new industry.

Blockchain-based games are able to resolve many issues that have plagued game developers and players alike over the past decade.

True Ownership of In-Game Characters and Assets

Before the advent of blockchain technology, it would have been difficult to conceive of players owning any digital asset inside of an online video game. Let's give an example:

> Johnny is an avid *World of Warcraft* player, over the past three years, he has logged over 2000 real-life hours of gameplay in the virtual world of *Azeroth* and maintained a $15-a-month subscription to the game (for a total of over $500 spent). Over these three years, he has leveled his Warlock character, *Jdaddy*, to level 100 and, through participating in countless *boss raids*, acquired

some of the best equipment in the game, notably the Tier 18 *Deathrattle Regalia* armor set and the *Skull of the Man'ari*. *Jdaddy* rides a legendary flying mount and is in possession of nearly 5 million gold pieces, which, based on auctions he's seen up on eBay, he knows are worth a pretty penny.

While Johnny may think that he "owns" his *World of Warcraft* character and associated items, nothing could be further from the truth. There are two primary reasons for this:

1) Johnny's characters and equipment are stored, at all times, on the *World of Warcraft* servers. The game's developer and publisher, *Blizzard Entertainment*, has complete control of these digital items. Should anything happen to the servers, the company, or for any other reason whatsoever, Johnny can and will lose his items, permanently.
2) Every time Johnny logs into the *World of Warcraft*, he is forced to agree to the game's *Terms of Service* (ToS) and *End User License Agreement* (EULA). These legal agreements state very clearly that players **do not own any of the assets they acquire in-game**. The game company, by operating the games' servers, is providing a service, and they have the right to terminate any account for any reason at any time without any warning.

Let's continue with an all-too-real example of how Johnny loses everything he *thought* he owned:

One day Johnny gets home from school, logs into the *World of Warcraft*, and decides to go hunting for treasure with his fellow guildmates. He needs to stock up on a few *Potions of Endurance* and *Scrolls of Attack Speed*, but doesn't have enough in-game currency to buy them because he ran out of gold while leveling up his blacksmithing skill last night. He switches over to his browser window and googles: "WOW gold." A few clicks later, he has just purchased a million gold on his server for $10. The gold is delivered to him in-game and he continues on his merry way, slaughtering kobolds and dragons for the rest of the night with his guild and having a great time while doing so.

The next morning, Johnny gets ready to login to *World of Warcraft* to finish up a quick quest before his 9 A.M. class. Upon entering his username and password he is met with a message that turns his skin cold:

> *This World of Warcraft account has been closed and is no longer available for use.*

Johnny checks his e-mail and sees a message from *Blizzard* that his account has been permanently banned. *Blizzard* does not allow players to buy or sell their items for real money, and he got caught. Everything Johnny spent the past three years painstakingly acquiring in the *World of Warcraft* is now gone, and there is absolutely nothing he can do about it.

While maintaining complete control over virtual assets is great for legally protecting developers, players may think such practices are unfair.

Blockchain-based games allow for virtual assets to be stored in players' digital wallets through tokenization. Players will remain in complete control of their digital inventories and no one can take that away. Tokens may be either fungible (useful for in-game currency and certain items) or non-fungible (useful for characters, unique items, and equipment).

After getting burned by *World of Warcraft*, Johnny decides to try a new blockchain game, let's call it: *World of Blockcraft*. The game server interacts with Johnny by "reading" his linked wallet and loading visual depictions of the character and item tokens he possesses. Without Johnny's permission, these items cannot be altered or taken away. His time and money will not be so easily wasted.

Cooperative/Competitive Global Gameplay

Whether it's sitting on the couch playing *Madden* with a couple of friends or participating in a 99-person battle royale in *PlayerUnknown's Battlegrounds*, gaming is a social activity. There's nothing quite like the feeling of downing an epic dragon with

your guildmates for the first time, then fireballing them to death when they turn around and try to pick up that phat loot before you do. A large number of online game players continue to login daily to games they have already "quit" to simply maintain contact with their online friends. While virtual friendships were laughed at in the early days of the Internet, they are commonplace in the modern age.

Most online games are split into regions and servers. A player from the United States will rarely run into a player from South Korea or Australia. In many games, he might not even be able to see or communicate with his American friends in-game if he started playing at a later time than them and was assigned to a different server. While in some games, (especially e-sports games), this is unavoidable due to network latencies between players, there are other reasons game developers are forced to design their games in this way.

For one, game publishing tends to be a fairly centralized business with different leaders in different regions. While it's a great move to launch your game on Facebook, that's not going to help you in China, where Facebook is blocked and it's Tencent that dominates the market, nor will you be likely to get many Russian players, who play their social games on VK. Developers must resort to working with local partners (intermediaries) who in-turn work with networks of local banks and payment providers (more intermediaries). Local partners must comply with local laws, which often means making changes to the developer's game (for example, games in China cannot show skeletons or blood).

Additionally, publishing a global game requires the integration of hundreds of different payment channels. These include credit cards, online payment platforms such as PayPal, game cards, SMS payments, etc. Many of these payment channels are not open to foreign companies, while others have transaction fees of up to 50% and settlement times of six months (i.e. mobile phone carrier billing). Payments in non-native currencies must be exchanged, and wire transfers issued out, all of which cut deep into developers' potential profits. It is hard to price online items in games when you have different billing terms with each of your partners and such high transaction costs.

Separating players leads to a dramatic decrease in the potential for meaningful social interaction in online games today.

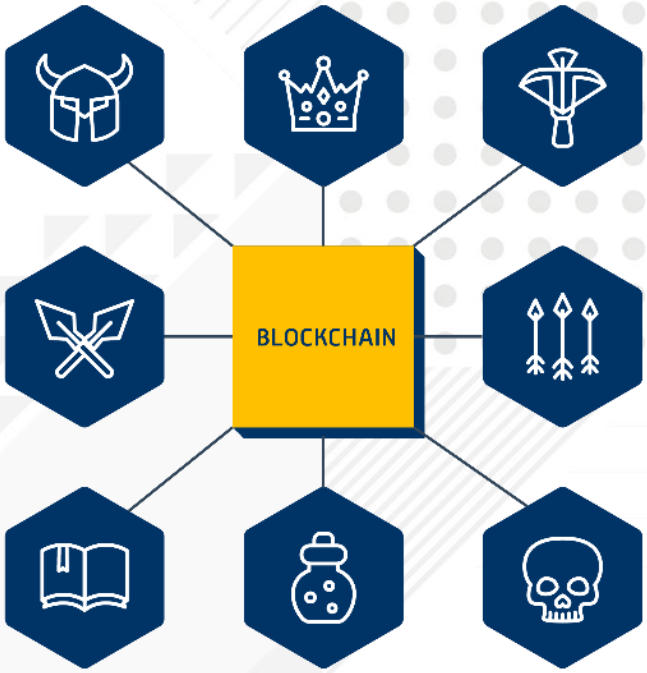
Blockchain-based games, with decentralized wallet-linked accounts and cryptocurrency integration, allow players from all over the world to play together. Blockchain games and gaming communities will be truly global.

Cheap and Safe Game Item Trading

Generally speaking, the prevailing trend in game design over the past decade has been to restrict players' ability to sell or trade any in-game characters or items. This is true for both direct item trades as well as the trading of items outside of the game for real money. For free-to-play games especially, any item that is bought from or traded with another player (even if no real money changes hands) is revenue that is not going into the game developer's pockets. This has led to a monopoly on value created from a game going back to the game's developers and app stores (notably Google, Facebook, and Apple in the West).

For certain subscription-based MMORPGS such as *EverQuest* and *World of Warcraft*, trade has been happening outside of the games' ecosystems on third party websites for almost 20 years. Unfortunately, the experience of purchasing on these sites leaves much to be desired. A player who wants to purchase 100 gold is forced to open an order, send the website the transaction amount, then wait to be contacted by an overseas customer support representative to arrange a time and place to meet in-game to transact the item. There are countless sites setup specifically to defraud customers by selling them items without any intention of actually delivering them, leaving this industry plagued with trust issues.

With blockchain technology opening up the potential for the tokenization of virtual assets, players will be free to buy, sell, and trade their items at will. As these assets don't reside on the game's servers, there is nothing developers can do to stop this, and game designers working on the blockchain will create their games with this in mind.



Game character and item auctions can be managed through smart contracts, as proven by *CryptoKitties*. There is no need for a transaction to go through any third parties. Trades are almost completely safe, and players need not worry about getting scammed out of their virtual property. It is irrelevant where the counterparty of a trade is located nor what his/her native FIAT currency may be. There are no currency exchanges, long wait times for wire transfers, or communication breakdowns. Trades are potentially much cheaper, safer, and instantaneous.

While not every game is meant to be a blockchain game (i.e. *Candy Crush*), any game which produces items that could be considered "valuable" to players will be hosted on the blockchain. The blockchain will allow for an entirely new genre of trade-centric games to be created; games which were not possible using any previous technology.

True Microtransactions

One of the main reasons that free-to-play (F2P) games have proven in many cases more profitable than paid games is due to their successful implementation of microtransactions. The billions of dollars in sales per year generated from games like *Hearthstone* and *Clash Royale* come from an accumulation of millions of transactions that range in value from a few pennies to $5-10.

It is extremely rare to see any one item for sale in a F2P game with a sticker price of more than $15. If a game designer creates a *Ruby Sword* that he hopes to sell for $100 in his game, rather than asking for $100 for it directly, he will most likely choose one of the following options:

1) Create a *Magic Box* that costs $0.50 and has a 1-in-200 chance of producing a *Ruby Sword* (and a higher chance to produce some other item the player doesn't *really* want). The player doesn't think twice about spending a couple of quarters to buy the box. After opening one, he's very likely to open another, and another, and another… (This could also be done with a 'wheel of fortune', pack of cards, etc.)
2) Create a *wooden sword* that is sold to the player for $5. Allow the player to upgrade the sword by using *whetting stones*, which cost $0.25 cents each. Inform him that the next level of the sword (i.e. *bronze*) has much better stats than *wood*, and he will be able to kill monsters much faster. For each time he sharpens his sword with the *whetting stones*, have his weapon gain a random amount of experience towards the next level. Average out the math so that it takes approximately 400 whetting stones ($100) to upgrade the sword from wood to ruby.

In free-to-play games today, it is entirely possible, if not easy, to drop hundreds, thousands, or even tens of thousands on games (and we're not even talking about the super-whales). Players are not cost-conscious when it comes to incredibly cheap items, even if those items really add up over the long run.

With traditional payment methods used in the gaming industry today, it is not possible to allow players to recharge in very small amounts. This is due to the way transaction costs are structured for popular payment channels. International bank wires are often subject to $25 transfer fees regardless of the amount of the wire. Even online payment channels like PayPal charge merchants $0.35 + 2-5% of the transaction amount, which may not sound like much, but makes transactions under $5 next to impossible (or at least not profitable). Players must recharge a minimum dollar amount which is then converted into an in-game currency (i.e. $5 = 500 gems) and is then spendable on microtransactions in the game (items may cost 1-2 gems each).

While the recent explosion in the popularity of blockchain technology and cryptocurrencies has led to an unfortunate rise in the price of Bitcoin and Ethereum network transaction fees, there are a lot of great minds working around the clock to resolve these issues, and we expect to see great progress made on this in 2018.

In the not-so-distant future, whether it is on Ethereum, EOS, QTUM, or other blockchains, transaction costs will be reduced to a negligible amount, allowing for true microtransactions to occur.

Blockchain games will allow for players to purchase very inexpensive items without having to meet a minimum recharge amount. This has the potential to open up creative ways for developers to price their digital goods not possible in traditional gaming ecosystems.

Cross-Game Compatibility of Items and Currency

In nearly every game on the market today, the virtual property you own in one online world is bound to that world. You can't use the lightsaber you acquired in your favorite *Star Wars* game to chop down trees in *Minecraft*. This is in part because, as discussed above, game items in non-blockchain games do not belong to players themselves but are rather stored on game developers' servers.

With blockchain game-generated characters, items, and currencies being tokenized assets owned by players, it is possible for them to be loaded into games that they

were not originally created for. For example, if a developer created a new blockchain game called *Crypto Pets*, he could technically load and display a character's assets from *CryptoKitties* and *CryptoPuppies* inside of that game. He could have the pets interact with each other in ways not possible in their original games. They could be bred to create cat-dog hybrid pets, sent to the moon, or battled against each other. The possibilities are endless.

Another example is creating second-generation titles which import game assets from their first-generation counterparts. Again referring to *CryptoKitties*, Axiom Zen (the developer) could decide next year to create a client-based 3D version of *CryptoKitties* called *CryptoKitties 2*. Kitties created in the first version of the game could be loaded into the new version and paired with beautiful, new 3D artistic renderings of the original cats.

Blockchain games can also allow for the transfer of in-game currencies (also tokenized assets) between games. Players who get tired of playing one game could transfer their coins to another game and not have to start entirely from scratch.

Blockchain games will allow for the transfer of virtual assets between games, even if those games were not created by the same developer. Game developers will work together to build a thriving virtual world and ecosystem rather than being entirely focused on their own profits. Players will be relieved of the fear of all of their hard work in one game going to waste should they decide to move on and try something new.

Development of Robust In-Game Economic Systems

While not every game is suitable to be built on the blockchain, it is arguable that games in which players may value their characters, items, or equipment *should* be built on the blockchain.

Blockchain games will be designed in a fundamentally different way from traditional online games in the fact that in-game items and ESPECIALLY in-game currencies cannot and will not be infinitely printed.

Coming back around to *World of Warcraft* as an example. Let's consider the game's economy:

> Players pay $15 a month for the right to play *World of Warcraft*. They are permitted to create as many game characters as they want (up to a maximum number on each server) in return for paying this subscription fee. The *World of Warcraft* has a thriving in-game economy driven by the game's currency "gold". The easiest way to acquire gold in the game is by killing monsters and completing quests.
>
> Technically speaking, this gold is being created out of thin air when a monster is killed or a quest is completed. Shortly after a monster in the game is killed, a new one will respawn in its place. The number of monsters which can be killed is infinite. This is essentially the same thing as a central bank printing out new money, and leads to severe inflation of the game's economy.
>
> While one piece of WoW gold used to sell for hundreds of dollars in the early days of the game, that same piece of gold sells for less than one hundredth of a cent today. With an unlimited cap on the amount of game currency which can be created, it is easy for game economies to get out of control.

Blockchain games will allow for developers to have much stronger control over the economies of their games, which is important in certain genres such as MMORPGs, strategy, and simulation games to name a few. The technology will also lead to the creation of new, entertaining, economic-focused game genres such as business simulators.

Zero Fraud

Accounting and customer support jobs at traditional game publishing companies can be stressful. While in most businesses, seeing a large order come into the system is something worth celebrating, at game companies, it's scary. This is due to the fact that, at least in Western countries, any order that pops up in a game platforms'

backend system has the potential to be fraudulent. A plethora of risk management measures must be implemented in order to protect the company's profits.

Credit card companies are great at protecting consumer rights. As a consumer, if you have any issues with purchases on your card, you are free to dispute them and ask for your money back.

This is great in the case where you purchased a large pepperoni pizza at your local pizza shop and the clerk accidentally fat-fingered the transaction, charging you $99.99 instead of $9.99. It doesn't take long for someone on Visa or MasterCard's anti-fraud team to review your case, realize a clear mistake was made, and refund the transaction.

Just as refunds can be requested for offline transactions, they can be requested for online transactions as well. Unfortunately, when it comes to the sale of virtual items (which all game items are), merchants have zero recourse when a customer issues a chargeback. **If a customer contacts PayPal or their credit card company and asks for a refund for any reason whatsoever, that refund will be issued.** Credit card companies are not going to listen to game developers calling them to say:

> *We really delivered the Bow of Frostmourne to that customer! You can clearly see from this screenshot that we delivered the item to his level 70 Orc hunter: PewPewShootYourFace in Orgrimmar! That's him there in the green and purple chainmail! See! Proof!*

To make matters worse, when a customer requests a chargeback, game publishers not only have the amount of the chargeback debited from their account, but an additional fee of up to $25 for **each transaction** tacked on as well (even if the initial purchase was only $4.99)! If more than a certain (very low) percentage of a platform's revenue is charged back, the game company is at risk of being shut down by that payment channel, regardless of whether or not they are at fault.

Online games typically see two types of fraudulent chargebacks:

1) Players taking advantage of the system and refunding all of their purchases when they are ready to quit the game. This is as easy as calling Visa and saying that "my kid got hold of my card and bought some game stuff without my permission."
2) Organized, professional credit card fraud rings. Stolen credit cards can be purchased on the black market for a few bucks each. In any popular game that allows trade, fraudsters will rack up purchases with these stolen credit cards and resell items for less than the cost they were purchased for. Once the owners of these credit cards realize their cards were stolen, they will request that all fraudulent purchases be refunded, and the game developer will be hit with massive losses.

Both of these problems are big issues in the game industry and cost millions of dollars a year in lost revenues and customer support costs.

With blockchain transactions being permanent, one-way, and safe, blockchain game developers won't have to spend another dime on anti-fraud, allowing for more company resources to be funneled into actually developing a quality game.

A player could make a $1,000,000 purchase in a blockchain game and the developer potentially wouldn't have to blink an eye.

BitGuild: The Platform

BitGuild.com is envisioned to become the home for crypto gaming enthusiasts everywhere and consists of five major parts:

1) Game Platform
2) Wallet
3) Virtual Asset Exchange
4) Community
5) Design House

Game Platform

Games

The BitGuild.com game platform will be home to all of the games BitGuild has to offer. Some of these games will have been developed by the BitGuild team in-house, while others will be from third-party developers. For any game to be listed on the platform, it must adhere to the following standards:

1) Utilize blockchain and smart contract technology
2) Accept PLAT as the only payment option
3) Tokenize game assets and store them in players' wallets
4) Allow for the buying/selling/trading of in-game assets
5) Meet content standards (no IP infringement, non-pornographic, etc.)

This list of standards may be updated at any time.

During the first phase of BitGuild's launch, we will operate a web-only pltform, expecting to add mobile later this year (games may be developed in HTML5 or native apps depending on most recent Apple/Google app store policies). As our initial games will be developed in HTML rather than Flash, Unity, or any other technology that requires a plugin, they should be playable cross-platform (on both PC and mobile). The BitGuild.com website will launch in English, then quickly be localized into other languages (Korean, Chinese, Japanese, etc.).

For all item transactions which occur on the BitGuild marketplace, revenue will go to the selling player aside from a "Design House" contributor split (if applicable).

For all PLAT spent on games on the BitGuild platform, tokens received will be split between the game's developers, "Design House" contributors (if applicable) and BitGuild. Specific revenue breakdowns may differ between games but the portion allocated to BitGuild will not exceed 10% of each transaction. The allocation to BitGuild is meant to sustain continued operational support and maintenance of the BitGuild platform.

Accounts

Players will create accounts on the website which will be linked to their wallets. They will be able to choose a username for themselves which will be visible to other BitGuild community members.

Levels

New accounts on BitGuild start at level 1. BitGuild user accounts gain experience points based on the amount of PLAT they hold over time. The algorithm for determining experience points is logarithmic in nature.

> For example: Stacy owns 10,000 PLAT which is stored in her BitGuild wallet. Over a period of seven days, her balance doesn't change. At the end of the week, her balance drops to 9,000, where it stays for the next 7 days.
>
> If the PLAT->EXP ratio is 1 PLAT = 0.0001 EXP per minute (subject to change), over two weeks Stacy would gain:
>
> 10,000 PLAT * 7 days * 24 hours * 60 minutes * 0.0001 = 10,080 EXP
> PLUS
> 9,000 PLAT * 7 days * 24 hours * 60 minutes * 0.0001 = 9,072 EP
> EQUALS
> 19,152 EXPERIENCE POINTS

BitGuild users who level up their accounts can receive:

1) Platform rewards
2) In-game rewards

3) Titles
4) Forum badges
5) Beta game access
6) Access to chat groups with game developers
7) Etc…

Levels are a great way for users to obtain social validation for showing dedication towards the BitGuild project.

Achievements

The BitGuild platform will feature an achievements section. Players gain achievements by completing platform and in-game tasks. Completing achievements allows users to gain experience points. Completed achievements will be issued in the form of non-transferable, non-fungible tokens sent to the player's wallet.

BitGuild Wallet

Every BitGuild registered user will have a wallet created and linked to their account. Unlike traditional cryptocurrency wallets on the market, the BitGuild wallet will allow for the visual display of non-fungible tokens (game items and equipment). This will allow players to have a clear visual understanding of the virtual assets in their possession.

PLAT may be funded to this wallet and used to make purchases on the BitGuild platform or any of its games. PLAT received from marketplace and Design House commissions will also be sent to this wallet.

BitGuild Virtual Asset Exchange

The BitGuild Virtual Asset Exchange will allow for any virtual asset to be bought and sold for PLAT. The marketplace will utilize smart contracts to control item auctions in a similar fashion to *CryptoKitties.* **BitGuild hopes to create the largest exchange for virtual assets including game characters, items, and equipment.**

One of the core philosophies behind blockchain game design is for developers to allow for the free trade of in-game assets between players. A free and open marketplace will allow the economics of supply and demand to determine fair item prices and players to generate value from their commitment to certain games.

BitGuild Community

The success of any game or gaming platform is largely determined by the support of its community. BitGuild will implement a forum system for users to discuss current games, future games, and more. We plan to host the largest international community of blockchain gamers on the web.

BitGuild Design House

The BitGuild Design House allows players to help shape the future of the BitGuild platform.

Game developers who are interested in building a blockchain game to be launched on the platform and looking for support can choose to submit a design plan (game introduction, storyline, concept art, etc.) to be reviewed by the community through the BitGuild Design House. Players will be able to vote on these by using PLAT.

For example:

> *BitManiacs* is a small game development studio located in Brazil. They are interested in building a game on the blockchain, but lack the appropriate funds to complete it.
>
> The team submits a proposal to the BitGuild Design House for their new game title: *Zombies on the Chain!* They aim to raise a minimum of 3 million PLAT (soft cap) and a maximum of 5 million PLAT (hard cap). The time frame they have for this is 30 days.
>
> The *BitManiacs* team opens up their initial design documentation, storyline, concept art, and development schedule to BitGuild community members to

view. They are active in replying to comments posted with questions about the game and the team's ability to execute on their plan.

BitGuild users who are interested in seeing this game come into fruition may "stake" their PLAT on it. This PLAT is locked in a smart contract until the end of the fundraising period. If the project is funded, the PLAT will be sent to the developers to execute on the project. Funds may only be released after developers hit certain development milestones (i.e. storyline complete, playable demo, five levels completed, etc.) If the project is not funded, the PLAT will be automatically returned to the contributor.

In exchange for this funding, *BitManiacs* has designed 5 special "founders" items for initial contributors, based on contribution levels. These items are unique and will not be available to later players of the game. Of course, as with all other game assets, these founder items are tokenized and sent to the contributors.

In addition to users funding the development of new games, developers may also crowdsource the design of some of their virtual items. For example:

BitManiacs has successfully launched their *Zombies on the Chain* game! This game involves a lot of killing zombies. Unfortunately, *BitManiacs* only has so many artists working for them, and can't keep up with creating the amount of new weapons that players want to see in game.

BitManiacs decides to put out a request on the BitGuild Design House for art design on five new zombie-smashing weapons they hope to implement next month. They set a bounty of 50,000 PLAT for each of the five winners chosen which is held in a smart contract. The BitGuild user base has a number of freelance graphic artists, who happily submit their designs

The designers of the top chosen weapons will receive 50,000 PLAT, their name credited on the item and, in certain cases, a portion of the revenue generated by that item.

The BitGuild Design house allows for players and developers to engage with and support each other in ways not previously possible. In the spirit of decentralization, the line between players and developer will begin to blur, with multiple parties contributing to each game and sharing in that game's success.

BitGuild – The Game

BitGuild (the game) is a virtual game world built on top of blockchain technology. Players create unique individual avatars and fight, mine, and craft their way to accumulating unique items which can be shown off, traded, or sold.

We envision BitGuild as becoming the *Second Life* of the blockchain community, and for items and assets generated within the game to be used in later products launched on the platform.

We fully believe that a well-designed game built on the blockchain has the potential to bring in an entirely new generation of crypto enthusiast.

PLAT Token Sale

The total supply of BitGuild PLAT tokens that will ever be created is 10,000,000,000 (10 billion). The initial token amount is large in order to set a suitable price for microtransactions which occur on the platform. (We don't want a virtual sword to cost 0.00005 PLAT). All PLAT tokens will be generated in a seed block and distributed as follows:

Token Sale – 45%
BitGuild Foundation – 25%
Contributors and Advisors – 10%
Early Investors, BitGuild Team, and Founders – 20%

Token Sale

45% of PLAT tokens will be sold in the initial PLAT token sale. The token sale will be composed of a private round and pre-ICO round for strategic and institutional investors followed by a public offering. Tokens sold during the private and pre-ICO rounds will be discounted but subject to certain lockup restrictions. Tokens will be sent out to contributors within 30 days of the completion of the sale.

BitGuild Ecosystem Foundation

25% of PLAT tokens will be held by the Singapore-based BitGuild Foundation. These tokens will be used to encourage world-class game development studios to develop blockchain games for the BitGuild platform and the marketing of those games to consumers. Foundation tokens will be locked up for 2 years, with 1/5 being available after the token sale and 1/5 being unlocked every 6 months thereafter.

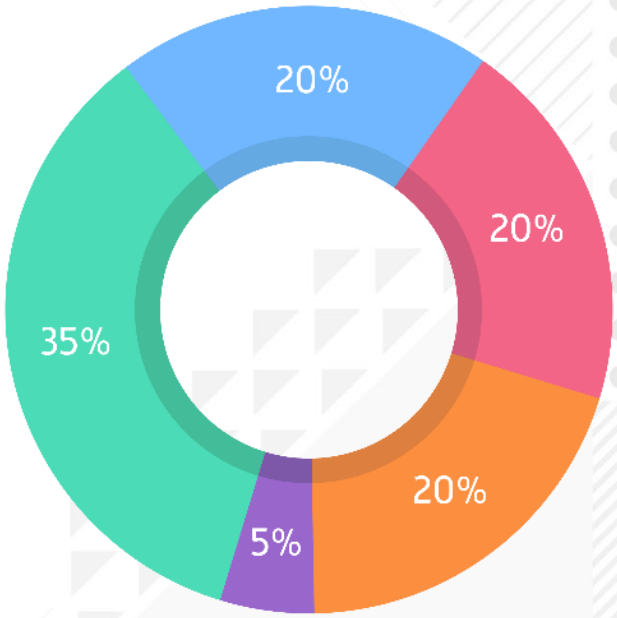
Contributors and Advisors

10% of PLAT tokens will be held by early contributors and advisors. Some contributors and advisors have or may receive free bonus tokens in exchange for advisory work they have done for BitGuild. Most of these tokens will be subject to lockup restrictions and release over time.

BitGuild Team and Founders

20% of PLAT tokens will be retained by BitGuild and reserved for founders, team members, and internal game development studios who will continue to update and produce content for the BitGuild platform. 20% of these tokens will be available after the initial offer with 20% being unlocked every 6 months thereafter.

Proposed Use of Proceeds



Platform Development
35% of proceeds will be used for operational overhead of the BitGuild platform.

First-Party Game Development
20% of proceeds will be used to develop first party blockchain games for the platform.

Third-Party Game Investment
20% of proceeds will be used to invest in companies developing blockchain games.

Marketing & Community Building
20% of proceeds will be used for game and platform marketing as well as community building.

Legal & Contingency Reserves
5% of proceeds will be used for legal fees and contingency reserves.

The above allocations represent estimates only.

Proposed Roadmap

1 → **2018 Q1**

- Token Sale
- Initial Platform Development
- BitGuild (the game) design documentation complete

2 → **2018 Q2**

- BitGuild.com official launch
- BitGuild.com community functionality launch
- BitGuild (the game) beta launch

3 → **2018 Q3**

- BitGuild (the game) official launch
- BitGuild wallet launch
- BitGuild marketplace launch
- BitGuild.com platform opens up to third party developers

4 → **2018 Q4**

- Minimum 5-6 blockchain games launched on platform
- Platform and all games localized into 5+ languages
- BitGuild Design House beta launch
- Migration to next-generation blockchain

5 → **2019 Q1-Q2**

- 10-12 blockchain games launched on platform
- Platform and all games localized into 15+ languages
- BitGuild Design House official launch

6 → **2019 Q3-Q4**

- 15-30 blockchain games launched on platform

Team

Jared Psigoda – CEO

Prior to founding BitGuild, Jared was the co-founder and CEO of Reality Squared Games (R2Games), an international developer and publisher of browser and mobile games which he took public in China in 2016. The R2Games platform consists of over 80 million users playing 50+ games in a dozen languages. He is also the founder of Livestar, a development studio focused on building live streaming and other social media apps for a global audience. Jared was mining and trading virtual currencies long before the invention of Bitcoin as an early pioneer in the Real Money Trade (RMT) game item trading market. He is a crypto enthusiast and investor in multiple blockchain-related projects.

In 2014, Jared was recognized as the only non-Chinese member of the Forbes China "30 under 30." He completed his EMBA at the Cheung Kong Graduate School of Business and is currently studying under Alibaba founder Jack Ma at the prestigious Hupan University. Jared graduated from the Ohio State University with a Masters in Chinese and is fluent in the language.

Curtis Chiu – COO

Curtis' 18+ years of gaming experience spans across development, publishing, and operations. He has worked at various top gaming companies in the US and Asia as an executive producer and product manager such as Kabam, Outspark, Sega, and Konami. Notable games under Curtis' belt are Kingdoms of Camelot (2012 US #1 top grossing iphone app), and The Hobbit: Kingdoms of Middle Earth ($300m + lifetime revenue). He previously served as the COO of Livestar, a development studio focused on live video streaming.

Mikhail Larionov – CTO

Mikhail is a full-stack product and engineering leader with over a decade of experience in gaming and cryptocurrencies. Prior to BitGuild, Mikhail led the Messenger Platform engineering team at Facebook, overseeing the product from inception to public launch. Previously, he worked at The Walt Disney Company as a product lead on Playdom games such as *Gardens of Time*. Mikhail recently launched a decentralized cryptocurrency exchange as a hobby project.

Sean Keith – Vice President, Business Development

Sean has a wealth of experience in business development with a focus on Asian markets. He entered the gaming industry as Director of International Business Development for Reality Squared Games. He later went on to work for FoxNext, where he was responsible for leveraging FOX IP to create, foster, and execute strategic partnerships with game developers and publishers. He most recently worked as Vice President of Asian Business Development at Xsolla, an international payments solutions provider. Sean has studied abroad and spent extensive time in China, Japan and Korea, and is fluent in the languages.

Early Supporters

Brock Pierce – Chairman, The Bitcoin Foundation; Co-founder, Blockchain Capital, Block.one

Brock Pierce is an entrepreneur and venture capitalist with an extensive track record of founding, advising, and investing in disruptive businesses. He is a pioneer in the digital currency realms of both gaming and blockchain technology. He founded IGE and IMI, which were world leaders in digital currency trading for video games as well as ZAM, one of the world's largest media properties for gamers. He is an early investor in Bitcoin and was one of the largest investors in the Ethereum crowdsale. Brock currently serves as co-founder of Block.one, the company behind EOS, which is the largest crowdsale ever. He is also a co-founder of Blockchain Capital, creator of the first security token and first ICO'd venture fund. Brock is chairman of the Bitcoin foundation and a highly sought-after speaker.

The 2100 Club Fund

The 2100 Club Fund is a blockchain investment fund and incubator founded by FunCity Capital, Binance, and other strategic partners.

Kevin Chou – Chairman & CEO, KSV eSports

Kevin is the Chairman and co-founder of KSV eSports, an eSports company bridging Silicon Valley technology savvy and Korean gaming preeminence. Previously, Kevin was CEO and co-founder of Kabam, a leader in developing console-quality mobile games which was sold for nearly $1 billion to Netmarble, 21st Century FOX, and GAEA. Kevin serves on the Board of Trustees at UC Berkeley.

Leo Wang – Founding Partner, PreAngel

Leo is founding partner of the PreAngel Fund, which currently manages over 1 billion CNY in assets and has invested in over 300 startups from the US and China. PreAngel entered the cryptocurrency market in 2014, and is an angel investor in companies like NEO and ObEN PAI.

Justin Sun – Founder, TRON

Justin Sun is the founder of TRON and the CallMe app. He was listed on the Forbes 30 under 30 list three times between 2015 and 2017. He previously served as the Chief Representative in Greater China for Ripple Labs.

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restrictions or prohibitions and BitGuild does not accept any liability to any person in relation thereto.

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There are risks involved in the technologies relating to the blockchain technology referred to herein, the PLAT Tokens, and the Initial Coin Offering, such as unforeseen bugs, security issues or disruptions. By way of the above and other factors not within our control, the entire sum used to purchase the PLAT Tokens may be lost.

Despite our best efforts, BitGuild may not be able to execute or implement its goals, business strategies and plans.

There may be changes in political, social, economic and stock or cryptocurrency market conditions and/or that there is no or little acceptance/adoption of the relevant Blockchain system and/or PLAT Tokens, such that the relevant Blockchain system and/or the PLAT Tokens become no longer commercially viable.

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The disclaimers set out above are not exhaustive.

Revision History

January 10, 2018 – v0.1

January 16, 2018 – v0.2

January 17, 2018 – v0.3

January 19, 2018 – v0.4

January 30, 2018 – v0.5

January 31, 2018 – v0.51

February 5, 2018 – v0.6

February 10, 2018 – v0.61

February 20, 2018 – v0.7

February 21, 2018 – v0.71