

YTX Whitepaper

The Ultimate NFT Protocol

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We aim to create the ultimate DeFi experience by creating a NFT protocol where users can mint YTX-infused ERC721 tokens for blockchain and finance enthusiasts with a card game to bring utility to those limited-edition assets.

We designed the right tokenomics dynamics specifically for reduced inflation by charging a 1% fee on each transfer with 3 different treasuries to reward users and holders fairly. In this whitepaper you'll find calculation examples to see the profitability of each of the systems we've designed to provide you with as most transparency as possible.

Developers are heavily incentivised to create their own dapps using the YTX tokens such as simple games, yield farming applications, decentralized exchanges and similar to enrich the YTX community with quality projects since they will be rewarded from the treasury and funds raised.

The YTX protocol will be formed of these dApps:

- **A NFT minting dapp:** users will be able to stake YTX tokens and receive YFS, a utility token to be able to mint limited-edition card NFTs.
- **A NFT game dapp:** a game using your NFT cards to bet tokens and earn funds from the treasury. It's a simple yet engaging game based on card types with economic incentives built-in, completely decentralized with the XDAI Stake scaling technology for super low-cost transactions and instant confirmations.

Roadmap

- **Q4 2020:** Token sale with the ILO (Initial Liquidity Offering) system to move most of the ETH raised into the Uniswap liquidity pool.
- **Q1 2021:** Develop the initial version of the NFT farming dapp so users can farm NFT cards. The design, frontend and smart contracts will be carefully tested to guarantee the best performance with a bug bounty. Governance will also be implemented on <https://snapshot.page>.
- **Q2 2021 to Q4 2021:** Develop the YTX card game. The card game will be develop as a browser game for people to play with their unique NFT assets and earn funds.

Tokenomics

Token distribution

- Total supply: 50,000 YTX
- ILO (Initial Liquidity Offering): 40,000 YTX
- Uniswap liquidity supply: 5,000 YTX
- Rewards treasury: 5,000 YTX where 2,000 YTX will be used in the Game Treasury and the remaining for developer rewards

Token Types

There are 3 types of tokens in our protocol:

- **YTX:** the main governance utility token.
- **YFS:** the tradable utility token used to generate cards.
- **NFT cards:** unique, limited-edition ERC721 tokens representing cards that can be used in our dapp card game and traded in ERC721 exchanges like Opensea.

Each YTX token transfer has a 1% fee. Where 90% of it goes back to Locked Liquidity Providers.

The other 10% of that 1% transfer fee goes to the Game Treasury where users earn extra funds during their games.

This fee will reward liquidity providers including the fees provided by Uniswap for an APY on their investments. It will be paid in YTX and redeemable on our frontend website.

Staking YTX generates you YFT on a 1 to 1 ratio every day and its purpose is to mint NFT cards. For instance, if you stake 10 YTX for 10 days, you'll generate 10 YFS tokens.

Token utilities

The YTX token will be an upgradable contract with freeze functionalities to protect users from bad actors. We expect the required functionality from the token contract to evolve over time that's why we prioritise having an upgradable contract that adapts to new inventions and improvements.

It will be used as a governance utility token to allow holders to vote on key decisions for the project development. Also for staking in the NFT minting dapp.

Additionally, the token will be a requirement for using our various dApps. Maybe even requiring to hold a specific YTX amount to be able to use the dApps, including early access to our private betas. We give the community the right to vote on the conditions and utilities of the YTX token.

APY Calculations

Considering a daily transaction volume of 1,000 YTX, 1% in fees will be 10 YTX where 9 YTX will go to Locked Liquidity Provider and 1 YTX to the Game Treasury.

After 10 days, there will be 100 YTX in fees, providing Locked LPs with 90 YTX and 10 YTX to the Game Treasury.

If User A locks 500 YTX and the total liquidity locked is 5,000 YTX, User A will be able to redeem 9 YTX (a 10% of 90 YTX) after 10 days.

Considering a YTX price of \$100 USD, User A would have earned \$900 USD in 10 days from a \$50,000 USD locked liquidity.

Earning \$900 in 10 days is the same as earning \$90 in 1 day. Therefore, in a year User A would've earned \$32,850 USD ($\$90 * 365$).

That's a 65,7% APY using conservative estimates.

If the price doubled over that year, the APY would be 131,4% of solid, consistent returns. Of course, if the price dropped by half, the APY would be 32,85%. Always be mindful of the underlying token's price fluctuations since all fee payments are made in YTX tokens.

Token Sale

The token sale event will be what we call an ILO, an Initial Liquidity Offering which is a fair system of funds distribution.

The ETH raised will be used as follows:

- **50%** will be locked for 1 year inside the Uniswap liquidity pool for the YTX / ETH pair.
- **40%** will be given to team members as funders rewards.
- **10%** will be stored in the public Development Treasury which will be used to pay developers, designers, UX experts and testers to create the best dapps possible. Everybody will see where those 10% funds go since they will be public on an updated cheatsheet with the transactions.

The ILO will run from November 15th to November 30th or sooner if the goal is reached. Its purpose is to distribute tokens and create a super liquid marketcap.

The hardcap goal is 1,000,000 USD dollars in ETH tokens, if we reach this goal it will mean we've sold all of the 40,000 YTX tokens and the ILO will be considered successful.

The softcap is 500,000 USD in ETH tokens. Meaning if we sell at least 500k USD worth of tokens, we'll burn the unsold tokens and call it a successful raise even though we didn't reach the ideal goal.

A total of 40,000 YTX tokens will be sold in this ILO. The Uniswap YTX / ETH pool will be created with 5,000 YTX or 1 / 5th of the tokens sold if we don't reach the hardcap.

Treasuries

The YTX protocol uses 3 main treasuries to manage the funds properly in a way that benefits liquidity providers, players and developers. Following is an explanation on each one of them.

Game Treasury

The Game Treasury is a Smart Contract that earns funds from a 0.1% transaction fee on all transfers made using the YTX token.

It's purpose is to reward players by giving extra rewards based on their bets, incentivising more games and rewarding winners and losers equally.

It can also be used for community-made games using the YTX token or NFTs. Players will be rewarded according to what the decentralized governance considers fair.

The Game Treasury holds YTX and will be kickstarted with 2,000 YTX after the first token sale for rewards that may exceed bets made by players of the card game.

Development Treasury

The Development Treasury is a Smart Contract that earns funds only once: during the ILO token sale getting a 10% of the ETH funds raised. It will also contain 3,000 YTX tokens.

It's purpose is to reward developers that create the NFT card game and community-made dapps.

The percentages can be voted by the community. Initially a 50% of the treasury funds will be used to create the initial NFT card game to anyone involved in the creation of it. You're welcome to participate in any way you can since you'll be rewarded!

Subsequent games will be rewarded 5% to 20% based on game quality. The community will decide which games to reward and how much to give them.

Liquidity Providers Treasury

The Liquidity Providers Treasury earns funds from a 0.9% transaction fee on all transfers made using the YTX token, distributed to stakers based on the amount staked.

It's purpose is to reward Locked Liquidity Providers that lock their Uniswap LP tokens on the designated Smart Contract for at least 1 year.

Each Locked LP will be able to claim their accumulated balance whenever they please from the User Interface or Smart Contract.

Note that in order to receive that 0.9% fee reward stakers must use our dapp which interacts with the designated Smart Contract to lock the LP tokens.

YTX-infused Non-Fungible Tokens

Each NFT card contains YTX tokens inside to provide it with value by default. Users can extract the YTX tokens inside each NFT card by destroying it with our dapp. To re-create the destroyed card, anyone will have to provide additional YFS tokens with YTX since it will be put on sale again. This functionality is called "Break and Reverse".

For instance, if card A holds 40 YTX and its owner destroys the card to extract the YTX held inside, he will have to pay 40 YFS and 40 YTX to re-create it back again. Anybody can recreate destroyed cards.

The fact that cards hold YTX inside makes them inherently valuable by always having a value equal to or larger than the YTX stored inside instead of relying exclusively on their rarity.

Minting Mechanics

The limited edition cards will be distributed from our dapp in variable quantities. To get them, each user will have to stake their YTX tokens to get YFS. Then users will be able to use both YTX + YFS to mint cards to their wallets.

YFS tokens are generated as follows: 1 YFS per 1 YTX token staked per day. Meaning if you hold 30 YTX and need 10 YFS, you'll be able to stake 10 YTX to generate 10 YFS in 10 days or go hard and stake 30 YTX to generate 10 YFS in 3.3 days.

Once users hold enough YFS and YTX, they will be able to select their desired asset and mint it from the dapp interface. Users must pay the same amount of YFS and YTX tokens when minting a card.

Cards can be purchased and sold on Opensea, which is the largest marketplace for Non-Fungible Tokens.

YTX Card Game

The YTX card game uses our exclusive card NFTs to play a simple game with bets that rewards players in a fully decentralized manner. It will use the XDAI Stake scaling technology for ultra low-cost transaction with near instant confirmation times.

Game Mechanics

The YTX Card Game is played in a 5 by 5 field where players place their NFTs on their side of the field.

Each player must bet the same amount of YTX tokens to start a game. The game starts by giving each player 5 cards to their hands.

Placing a card on the battlefield has a variable energy cost. Each player starts with 10 Energy Points (EP) and gets 1 point per turn. The stronger the card, the more energy heavy it will be.

Each player can place as many NFTs as they want during their turn as long as they have enough energy. Each card has a type. Types can be gold, diamond, rock, magnet and silver. Each type is strong against 2 other types and weak against another 2.

During your turn, you can attack with as many cards as you want. If the enemy has no cards, you can attack him directly reducing his Life Points (LP). Each user has 20 Life Point and they can't be recovered during the game.

If your opponent has cards in his field, you must destroy them first before attacking him directly.

When you attack to an enemy card, your card and the attacked card lose energy. The attacked card receives 2x the energy damage after considering type weaknesses.

Attacking an opponent directly has no energy cost to the card, meaning it can't die.

How much energy is lost will be determined by their type. Feel free to explore the game by yourself and see which types are strong against each other!

When a player's life is reduced to zero the game will be over giving the win to the other player. The winner gets all the YTX bet plus a variable amount of YTX from the Game Treasury.

If a player exits the game for 10 seconds, he will instantly lose. The 10 second timer allows players to reconnect in case they close their browser. There's a timer of 2 minutes per player turn where the player must make a move, if it's reached the other player will win.

Game Economics

The YTX Card Game will allow you to bet YTX and earn extra funds from the treasury based on which percentage of the total supply each player bet incentivising players and rewarding even those that lose games.

Players get a variable amount of funds from the treasury based on how much YTX has been bet in all the actives games in the protocol combined with a fixed maximum of 10 YTX per player.

Following is a game earnings distribution example:

1 - The game treasury holds 100 YTX

2 - Player A and B both bet 500 YTX each

3 - The total bet amount from all the current games combined is 1,000 YTX meaning no matter who wins, each player gets a 10% of the YTX stored in the treasury since they've bet a 10% of the total bets.

4 - Player A wins, earning 1000 YTX + 10 YTX (10% of 100 YTX in the treasury)

5 - Player B loses but still earns 10 YTX from the treasury since he bet a 10% of the combined bets across games and it's within the 10 YTX limit.

As the game treasury grows, users are incentivised to play more games for massive rewards. It will also be used for future games created by the community, rewarding players for their participation.

Given that the treasury rewards users based on the amount currently bet on all the card games combined, users are rewarded for creating and betting games if few are available. Giving larger rewards even surpassing the initial bets.

Whenever a game starts the rewards are immediately moved to the Game Contract to prevent fluctuations in rewards.

Conclusion

We sincerely hope you've enjoyed learning about our protocol and the different systems we've designed to create a strong system with effective tokenomics and game mechanics for a fun and profitable endeavour.

Be sure to join our discord where all the moves are taking place and engage with the founders to answer all your burning questions.