

**ALLBRIGHT**

# ENTREPRENEUR

**ACADEMY WORKBOOK**

**COURSE WORKSHEETS**

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## **NFTs 101**

With Lavinia D Osbourne

## HOW TO CREATE, BUY, AND SELL AN NFT

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### CONTEXT:

By now you have an introductory understanding of what an NFT is. You're curious, intrigued, and want to explore this space yourself. But how do you go about creating, buying, and selling an NFT? This checklist pinpoints the key steps and things to know for you to begin the practical journey to becoming part of this creator and ownership economy.

Firstly though, why are NFTs the future, and what is it?

Lavinia explains that there are different types of NFTs, for example there are ones based around:

- Music
- Moving images
- Still art
- Gaming
- Sports
- Certifications

They are growing in regards to how they are being used, and also, in how they are being produced. The expansion of NFTs is having an impact upon the creator economy, and Web 3.0 is a huge part of this evolution. We are creators, and as creators, we are always looking at ways to evolve.

An NFT is immutable. Like a public record, it is transparent. And, it belongs to you, so that when you sell it, the funds go directly into your wallet. As there is no middle man, broker or agent, you get to create wealth. Hold wealth. And share wealth. So as that asset grows, equity belongs to you. This is incredibly empowering as regards to our relationship with the financial structure, ownership, and the rights of creators. Particularly for women, we get more share of the pie, we get to own that wealth for longer, and we get to leave it as a legacy. Or as an artist, we now have a way to own our own work and determine our own royalties. Powerful stuff indeed!

Why create an NFT? There are no hard and fast rules as to why you can, should or would create an NFT. As it's great for creatives, you may create one in order to help with brand storytelling, the launch of a new product, or a new membership.

As Lavinia says so beautifully:

**What the mind can conceive, and what you can achieve, is definitely a possibility within NFTs.**

Are you ready? Then let's dive in.

## INSTRUCTIONS:

### **Before You Begin:**

As much as you may be excited and raring to get going with creating, buying or selling your first NFT, it is wise to take some time to get to know the spaces and platforms that are creating these worlds.

### **Step 1: Explore**

Let yourself explore the different platforms that are out there, such as:

- OpenSea,
- Rarible,
- Nifty Gateway,
- or Known Origin.

If you have a sense of what it is that you want to create or buy, then by doing some homework and hanging out on these sites, you will find the one that resonates for you.

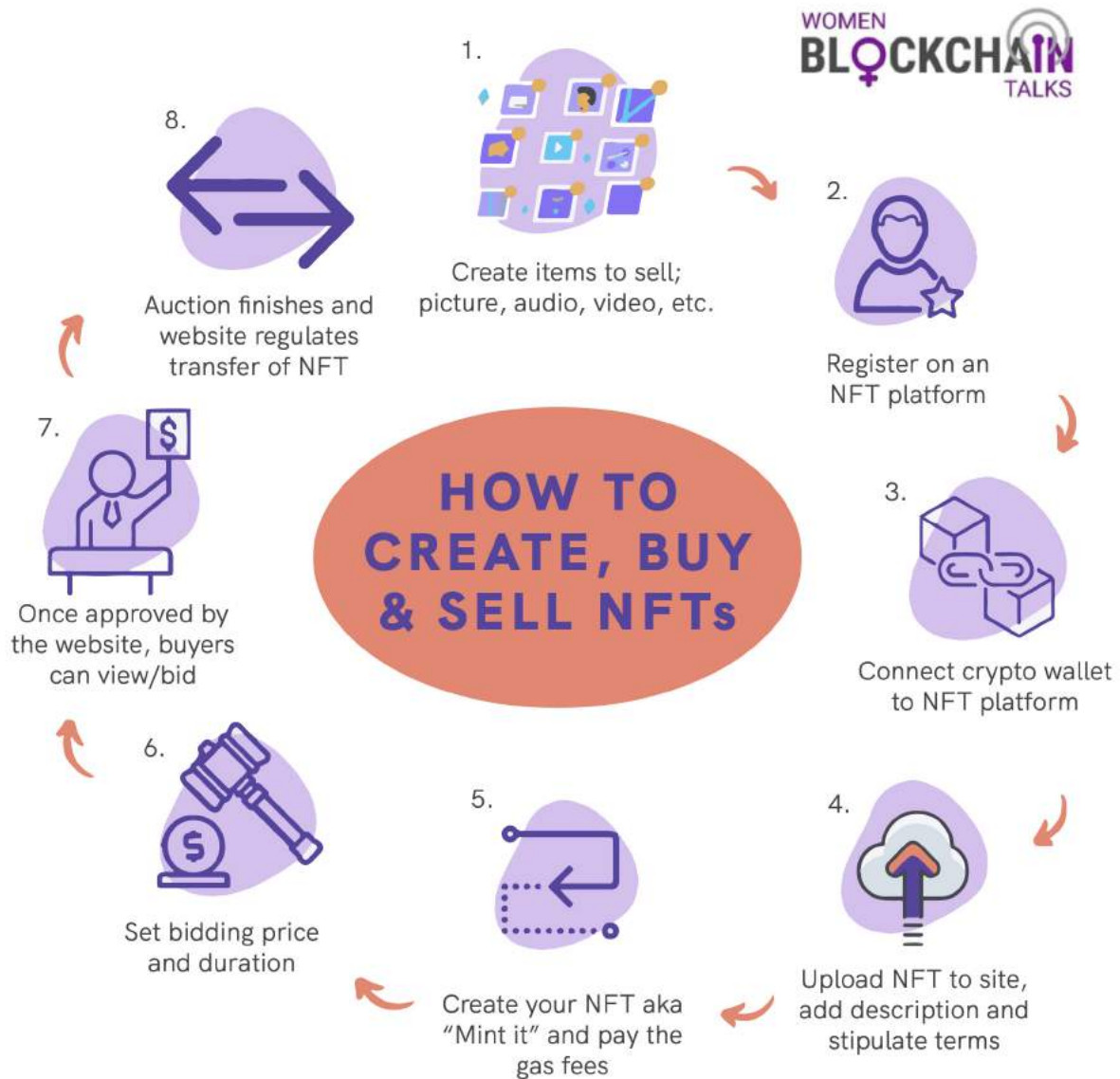
Don't rush this part.

### **Step 2: Communities**

Join different communities. Watch what they do. Learn from the people already involved and are knowledgeable. Ask questions. Don't be a bystander! Look at a template. Be active. Be an advocate for other people. As you start to belong to, and feel a part of the community, then you will start gaining followers and traction, and be able to put forward your project.

You may want to bear in mind as you do this, who can you build a team with to help you create that community, as well as the marketing?

When it feels like the right time, then go through the following steps.



## CREATE

AS THE CREATOR OF AN NFT, YOU WILL ALSO BE THE PRIMARY SELLER.

### Step 1: What Are You Creating?

What do you want to create? An image, a GIF, an audio? You might want to put a utility, product or service behind it.

Make sure that it is something original - check that you have copyright and that it's an IP. Is it a special addition for your brand? Do you want to make it exclusive? Is it a one-off? You can create it as a collectible with only a certain number available to create scarcity.

Your NFT can be anything digital you want it to be!

### Step 2: Set Up Your Wallet And Fund With Crypto

Wallets are the applications you use to store your cryptocurrencies, as well as any NFTs you end up minting. They are also the conduit to link to a NFT marketplace.

Wallets are a course in and of itself, in regards to custodian wallets v non-custodian wallets, to hot wallets (online) v cold wallets (offline). The key thing to remember is that the wallet you use to connect to a marketplace has to be compatible with the blockchain protocol of that marketplace aka - eth, matic, tezos, etc, etc. And that you have this cryptocurrency in your wallet.

As it stands MetaMask's wallet is widely supported by Ethereum-based applications as well as matic and is used on NFT marketplaces such as OpenSea, Rarible, and others.

We highly recommend checking the fees involved when choosing the cryptocurrency you want to mint, purchase or sell with. As well as other factors such as ease of purchase and wallets available.

After you've got your wallet set up, you'll want to connect it with the NFT marketplace you plan on using. OpenSea and Rarible make this easy — clicking the Create button in the top left prompts you to connect your wallet. You'll then be presented with a list of compatible wallets, and choosing yours will prompt you to go through the connection process.

### **Step 3: Choose A Nft Marketplace Platform To Mint**

In her course, Lavinia shares the various NFT marketplaces that she recommends, and why.

As mentioned, this is why doing your homework first is vital. There are dozens of platforms that let you sell NFTs across a wide variety of blockchains, so it's almost impossible for any single guide to cover them all, much less tell you which one is the right one for your project.

As we know, life, and particularly the digital realm, changes pretty fast, so keep your eye on new and emerging platforms alongside those already existing. Remaining open to the newness of NFTs and this space will reward you.

### **Step 4: Upload The Image And All The Information**

Now it's time to upload your image. After you've added your file, give it a name, or title, and a description. You can also use the external link field, if shown, to add a URL pointing to, say, your website or Twitter account.

You then add in all the stipulations and information people will need to know, ie what it is, and the smart contract. The smart contract means that you can decide that once it sells on the secondary market, do you want a 10% or a 15% commission, etc etc. And this is in perpetuity.

Then the exciting bit happens, you mint your artwork, image, or asset. Once this has been processed via the blockchain, the data of that NFT transaction will be in your wallet. You own it.

It's good practice to make sure everything's in place correctly before doing anything blockchain-related, as you won't be able to change which blockchain the NFT is on after the fact.

Finally once you mint your NFT, you will see it on your profile and any marketplace where you connect your wallet and is compatible with that platform. Blockchain data on a public blockchain is accessible by anyone. Your NFT's buying and selling history will be public and available forever, helping you and prospective investors track its price and journey.

## Step 6: Optional: Lazy Minting

Unless you are using Rarible, you will need to pay a gas fee aka the cost of minting your NFT. While the Ethereum blockchain is notorious for charging high service fees, or “gas”, OpenSea and Rarible do offer the option of lazy minting, which ultimately means the buyer will pay the minting cost of your created digital asset. The creator can upload their artwork, pre-mint it to their profile and list it for sale without paying gas fees. When the collector buys it, they will pay the gas fees, minting it to the blockchain.

## SELL

**YOU MAY BE THE CREATOR, OR YOU MAY BE THE SECONDARY HOLDER**  
(i.e. you have purchased the NFT from another person and are now selling it on).

## Step 1: Promote

If you want your creation to actually sell, you’ll likely have to find some way to get it noticed in the growing busy marketplaces, either through fancy marketing techniques or making your art absolutely extraordinary. When you’re ready to sell your NFTs, expect your community to be your number-one marketing resource. Hence why we recommended building and connecting with your community before you even start this whole process. It will most certainly be helpful right now.

## Step 2: Pricing

How are you choosing to sell your NFT? You need to be clear whether you are asking for a fixed price or, you would like a minimum bid fee i.e. £100 or above, and therefore set it as an auctioned bid. You can decide on your time frame, i.e. putting it on for a week or longer. If it doesn’t sell, you can then choose to cancel it, or sell it.

Fixed price is like creating an Etsy/eBay listing — you set a price for your NFT, and if someone wants to pay that price, they can just buy it.

Open for bids lets people submit offers to buy your NFT, which you can either accept or reject.

Timed auction is where you can set a minimum price and choose when the auction will start and how long it will last.

Once sold the transaction is recorded on the blockchain and you receive funds in your wallet.

Simple!

**SELLING AS SECONDARY HOLDER:**

Being a secondary holder, means that you are not the creator, you have simply bought the NFT from the creator, and now you are going to decide what you will do with it. This is known as being the secondary holder.

Some people hold value in different ways. The same can be said about NFTs, meaning that as a collector/buyer you may want to hold your NFTs, flip it (an instant sale) and/or sell it by watching the market place.

So the above steps remain, you just would not have the option of lazy minting as you are not the creator.

**BUY****Step 1: For Collectors**

Perhaps you're just interested in being a collector. You're a business holder with money, a beneficiary, someone who wants to assist artists, collect an artist whose work you feel will grow in value, or you just want to buy and hold. Not everybody is a creator or visionary, and that's perfectly OK.

**Step 2: As A Buyer These Are The Key Things You Need To Do**

Check out the project.

- Who is behind the project?
- Are they regularly online?
- Are they active online?
- Do they have a community?
- How active is that community?
- How active are they IN the community?
- How active are they on social media?
- Do they have a reputation prior to being online?
- Are they doxed?
- Are there any copyright issues? Because once you make a purchase you cannot get a refund - it doesn't work like that. *Be aware of what you're buying and that the copyright and IP for that piece of work are correct.*



- Do I want to hold for the long term? Or do I want to flip? There is a lot of data available out there so you can find out which are the top selling NFTs.
- What is rising in value? You don't have to buy the most expensive - start small. We are only at the beginning. Be patient.
- Which projects could you get involved with now and hold?

### Step 3: Buy Some Cryptocurrency

Once you've set up your digital wallet, you'll need to purchase and add the cryptocurrency pertaining to the asset that you wish to purchase. They could be ETH, Matic, Tezo, or another crypto. Ensure, you are clear on what that crypto is, how to buy it and the fees associated.

If you don't have the correct cryptocurrency, there are a lot of cryptocurrency exchanges out there where you can buy ETH or other currencies mentioned, but the quickest and easiest option is usually to buy ETH directly with your digital wallet of choice. Ethereum/Ether (abbreviated as ETH) is the most commonly accepted currency since it's the native cryptocurrency of the open-source blockchain platform Ethereum, which is where NFTs first launched.

The jargon involved in the world of Web 3.0 can make this part of learning how to make and sell an NFT quite daunting, but buying cryptocurrency is actually very easy to do. Just be aware that like bitcoin and many other cryptocurrencies, the value of Ether can fluctuate hugely. It's perfectly possible for the price of a cryptocurrency to swing by several hundreds of pounds in just a few hours.

Once you have your wallet and its crypto currency, you can connect it to your NFT platform.

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## TIPS

### **HOW TO KEEP SAFE FROM SCAMS:**

There are always people looking to take advantage of those untrained or not educated in this space. Be savvy. Don't click on links without verification, or knowing where they have come from. Never share the keys for accessing your wallet.

Ask questions. Be safe. Be aware. If you're not sure, this is when being a part of a community is extremely valuable. You can ask questions to them, ask for support, and flag any suspicious connections. Never be embarrassed to reach out- this is how you grow and learn.

**TAXES:**

Remember that your NFTs are assets, albeit digital assets, so you will need to be responsible for paying your taxes. Recap is a great site for taking control of your cryptocurrency; connecting your accounts; tracking your portfolio; and calculating your taxes.

**THE BEST SOCIAL MEDIA PLATFORMS FOR BUILDING AND BELONGING TO A COMMUNITY:**

Being part of a community is important if you want to become an NFT artist yourself, or to get to know more about the artist or the project you may want to purchase from. If you want to create an NFT for yourself, you will need support, and you will need a community for that.

So, where do you find it?

And, which are the best social media platforms to be on?

Let's explore a few here:

- **TWITTER SPACES** - Fast paced. You may already have a following here, so it's easy to invite people to join you for an audio conversation in your space.
- **CLUBHOUSE** - An audio-based social media app
- **DISCORD** - Definitely the place to go to understand and research an artist or project.
- **INSTAGRAM** - Lots of NFT artists use it to showcase their work and gain followers.
- **LINKEDIN** - Blockchain does have a professional feel to it, and there are a number of people who are creators who already have followers on LinkedIn. And it's very inclusive to different sorts of businesses.
- **TELEGRAM** - More for crypto oriented projects but you can find NFT projects here. Beware of scammers as they are rife on this platform.

## FINAL THOUGHTS

It's worth bearing in mind that the prices achieved by artists like Beeple or by well-known collectable NFTs such as CryptoPunks are still relatively rare, and that there are a lot of fees involved in generating, maintaining and selling an NFT. In fact, you may find the fees eat up a large portion of any sale price, and they could even leave you out of pocket depending on how much you sell your NFT for.

That said, more and more artists, illustrators and designers are making money from selling NFTs, so it may be something you wish to explore, play around with, and consider.

Essentially, doing as much homework as you can, being smart and savvy, starting small and with intention, and you'll find the way for you.

### **END RESULT:**

Creating, buying and selling NFTs is the future, and we're here for it! It's an investment in your time as well as resources. So, educate yourself. Be willing to learn. Know there'll be highs and lows. Never put in more than what you're willing to lose.

Good luck, have fun, and enjoy the Web 3.0 ride!

## NFT GLOSSARY OF TERMS

| WORD/TERM              | MEANING   |
|------------------------|---|
| <b>NFT</b>             | <p>NFT stands for Non-fungible token.<br/>A non-interchangeable unit of data stored on a blockchain, a form of digital ledger, that can be sold and traded.</p> <p>A lot of NFTs take the form of digital art, but they can be almost any sort of digital media - from a meme, a photo, an audio, to a Tweet. By owning an NFT, you own the digital file and a certificate that proves it's the original. The 'non-fungible' bit essentially means the token in question is unique in its nature and can't be replicated, exchanged or counterfeited.</p> <p>Unlike cryptocurrencies, where each coin is the same, each NFT is unique and can be sold as a way to prove ownership over some sort of digital file.</p> |
| <b>Blockchain</b>      | <p>Blockchain is a system of recording information in a way that makes it difficult or impossible to change, hack, or cheat the system. It provides a place to put information that anyone can add to, and that isn't controlled by any single person or entity.</p> <p>A blockchain is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain. Instead of one company or person keeping track of everything, that responsibility is spread out to everyone on the network.</p>  |
| <b><u>Ethereum</u></b> | <p>Ethereum is a platform powered by blockchain technology that is best known for its native cryptocurrency, called ether, or ETH, or simply ethereum. The distributed nature of blockchain technology is what makes the Ethereum platform secure, and that security enables ETH to accrue value.</p>   |
| <b>Web 1.0</b>         | <p>The first stage of the internet. Basic text. No images. Static web pages. Much about simply information based and not interactive or terribly engaging.</p> <p>Basically, this WAS the future back then. The excitement of reading Teletext news, weather reports, and searching for random holidays whilst tinny elevator music piped along happily for the ride!</p>   |
| <b>Web 2.0</b>         | <p>The second stage of development of the internet, characterised especially by the change from static web pages to dynamic or user-generated content and the growth of social media.</p> <p>Where we've been happily living over the last 20 years!</p>  |
| <b>Web 3.0</b>         | <p>This is a new iteration of the internet based on blockchain technology, which incorporates concepts including decentralisation and token-based economics.</p> <p>This IS the future!</p>   |
| <b>Metaverse</b>       | <p>A virtual-reality space in which users can interact with a computer-generated environment and other users.</p> <p>Crypto metaverses are immersive virtual worlds with immense social and financial potential. Their use of blockchain infrastructure enables them to tap into the wider crypto economy, making virtual items exchangeable for real economic value beyond the confines of the metaverse.</p> <p>It's a virtual land where brands can buy land plots and build entertainment experiences on them.</p>  |

| WORD/TERM                          | MEANING   |
|------------------------------------|---|
| <b>Creator Economy</b>             | <p>It's defined as the class of businesses built by over 50 million independent content creators, curators, and community builders including social media influencers, bloggers, and videographers, plus the software and finance tools designed to help them with growth and monetization.</p> <p>With more than 50 million independent content creators, curators, and community builders fueling this new trend, this generation of micro-entrepreneurs is currently valued at \$20 billion with estimations that it could grow to a \$104.2 billion market in 2022 — with \$800 million in venture capital invested.</p>  |
| <b>Ownership Economy</b>           | <p>An economy where people have some stake in the game such as stock or stock options. More recently, the ownership economy has referred to blockchain-based ventures that make it easier for individuals to earn capital via crypto tokens that can be converted to cash.</p>  |
| <b>Decentralised Digital Asset</b> | <p>Decentralisation is a fundamental feature of crypto assets. Cryptocurrencies, tokenized assets, and the networks they run on — blockchains — are decentralised by design.</p> <p>There's no single body with ultimate decision-making authority to act as gatekeeper. Instead, the system runs by distributed consensus. Put simply, a transaction is approved when a mathematical calculation is completed successfully and it's accuracy is verified by the entire network.</p> <p>The rationale for decentralisation is that it makes the financial system more resilient, efficient, and democratic. By contrast, systems that rely on a central authority have a single point of failure. Should things go wrong at that point, the negative effects would inevitably spread to the whole system. Over the years, the concept of decentralisation has been extended beyond cryptocurrencies and crypto assets to other blockchain-based applications.</p> |
| <b>Gas Fees</b>                    | <p>Gas is the fee we need to pay to the blockchain network for all sorts of transactions. The fee is paid to the "miners" of a blockchain network to compensate for the computing energy required to process and confirm transactions.</p> <p>High gas fees commonly occur when there is a lot of demand on the network, like during the beginning of the minting process of a new NFT project. Ethereum's gas fees are sometimes ridiculously high due to the huge demand, and most of the Crypto/NFT projects are built on Ethereum blockchain because of its popularity. It is believed that Ethereum 2.0, which is planned to launch sometime in 2022, will bring way cheaper gas fees.</p> <p>Contrary to its name, gas fees do not have anything to do with liquid fuel consumption or the impact of mining on the environment!</p>   |
| <b>Creator Economy</b>             | <p>Smart contracts are simply programs stored on a blockchain that run when predetermined conditions are met. They typically are used to automate the execution of an agreement so that all participants can be immediately certain of the outcome, without any intermediary's involvement or time loss.</p> <p>These support the ownership economy and artists in general. Basically, you can sell an NFT for a price (primary sale), and if then it's sold on further (secondary sale), you can choose to take home 10/15% of that sale, ensuring that creators are always paid for their digital creations.</p>  |
| <b>Minting</b>                     | <p>Minting is the process of creating or producing something. In blockchain, minting means, validating information, creating a new block and recording that information into the blockchain. Many people mint assets directly from the creators in the hope that they get a rare asset from the project and at the best price.</p> <p>Minting is all of the above and includes in the process the "gas fee" being paid to upload and record the data of your NFT onto the blockchain.</p> <p>The term mint is derived from the minting of new money. Minting is the creation and production of money in the traditional sense, but for NFTs it is the creation of a new NFT token. Once items go for sale on the secondary market, prices may go above or below mint prices.</p>  |

| WORD/TERM:                  | MEANING:   |
|-----------------------------|--|
| <b>Lazy Minting</b>         | <p>Put simply, lazy minting is when an NFT is available 'off-chain' or off the blockchain and only gets minted once there is a sale of the NFT. This means that the artist doesn't have to pay any upfront gas fees to mint their NFT.</p> <p>Both OpenSea and Rarible let you create NFTs on Ethereum without paying anything. Lazy minting lets you create an NFT and put it up for sale without it actually being written to the blockchain, thus avoiding any fees.</p> <p>When someone actually buys it, the fees for writing your NFT to the blockchain will be bundled with the fees to transfer it to the buyer. That helps you avoid the situation where you pay \$10 to \$30 (or more!) to mint an NFT that no one ends up buying.</p> |
| <b>Creator Economy</b>      | <p>Doxing or doxxing is the act of publicly revealing previously private personal information about an individual, usually via the internet, like searching someone's social media websites.</p> <p>For full transparency sake, we want to know who we're buying from, who is the creator.</p>   |
| <b><u>Rarible</u></b>       | <p>Rarible is a marketplace aiming to link sellers with buyers who can select pieces they wish to purchase. Creators can use Rarible to mint NFT creations, whether they are books, music albums, digital art or movies. There are some fun features, such as the ability to show a "sneak peek" of your creation to everybody who comes to Rarible but limit the full project to purchasers only.</p>   |
| <b><u>Open Sea</u></b>      | <p>OpenSea is a game-changing decentralised marketplace for buying and selling NFTs. Currently, it's seen as the number one NFT marketplace.</p>   |
| <b><u>Nifty Gateway</u></b> | <p>One of the premier marketplaces for NFTs.</p>   |
| <b><u>Known Origin</u></b>  | <p>KnownOrigin is an example of a Digital Art NFT Marketplace, which allows both collectors and artists to trade their NFT art freely on the Ethereum blockchain.</p>  |
| <b><u>B.A.Y.C</u></b>       | <p>Bored Ape Yacht Club. One of the most popular NFTs out there.</p>   |
| <b>Crypto Punks</b>         | <p>An NFT created in 2017, which became very lucrative 4 years later.</p>  |
| <b><u>CryptoKitties</u></b> | <p>CryptoKitties is a blockchain game on Ethereum that allows players to purchase, collect, breed and sell virtual cats. It is one of the earliest attempts to deploy blockchain technology for recreation and leisure. The game's popularity in December 2017 congested the Ethereum network, causing it to reach an all-time high in the number of transactions and slowing it down significantly!</p>   |
| <b><u>Axie Infinity</u></b> | <p>Axie Infinity is an NFT-based online video game developed by Vietnamese studio Sky Mavis, known for its in-game economy which uses Ethereum-based cryptocurrencies.</p>   |
| <b>Polygon Matic</b>        | <p>Polygon is a cryptocurrency, with the symbol MATIC, and also a technology platform that enables blockchain networks to connect and scale. Polygon—"Ethereum's internet of blockchains"—launched under the name Matic Network in 2017.</p> <p>Using the Polygon platform can increase the flexibility, scalability, and sovereignty of a blockchain project while still affording the security, interoperability, and structural benefits of the Ethereum blockchain.</p>  |
| <b>Twitter Spaces</b>       | <p>Twitter Spaces is where live audio conversations happen.</p> <p>These ephemeral, live audio conversations allow for open, authentic, and unfiltered discussions, and there's a Space for any and every topic and conversation, from small and intimate to millions of listeners.</p>  |

| WORD/TERM         | MEANING  |
|-------------------|--|
| <b>Club House</b> | Clubhouse is an audio-based social media app. The company describes itself as “a new type of social product based on voice that allows people everywhere to talk, tell stories, develop ideas, deepen friendships, and meet interesting new people around the world.”                      |
| <b>Discord</b>    | An important platform for NFTs. Originally a platform for gamers, so very much community oriented. There are many NFT projects, and NFT educational communities via Discord so definitely the place to go to understand and research an artist or project.                                 |
| <b>Hackathon</b>  | A hackathon is a design sprint-like event, in which often computer programmers and others involved in software development, including graphic designers, interface designers, product managers, project managers, domain experts, and others collaborate intensively on software projects. |
| <b>recap.io</b>   | Recap.io is a free software that gives you a consolidated, real-time snapshot of your entire crypto portfolio. Without moving any assets you can connect all of your exchanges securely, to get an exact total of what you’re ‘holding’.   |
|                   |  |

## ADDITIONAL RESOURCES

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### ALLBRIGHT EDIT 1

Title: What's an NFT and why should you care?

Words By: Liya Dashkina

### ALLBRIGHT EDIT 2

Title: The ABC of NFTs

Words By: AllBright

### ALLBRIGHT PODCAST, SISTERHOOD WORKS

Title: Jody Shield on the role of money and mindset in our lives

### SUGGESTED READING

Book: NFT FOR BEGINNERS: A Beginner-Friendly, Comprehensive Guide To Make Money With NFTs. Understand And Exploit Cryptocurrencies, Blockchain, And Non Fungible Tokens To Generate Income From Scratch

Author: Nickolas Rodgers

Book: The Cryptocurrency Revolution: Finance in the Age of Bitcoin, Blockchains and Tokens

Author: Rhian Lewis

### WEBSITES

Site: Blockchain101

## WANT TO FOLLOW & CONNECT WITH LAVINIA D OSBOURNE?



WEBSITE: Women In Blockchain

LINKEDIN: Lavinia Osbourne

TWITTER: Lavinia Osbourne



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Thank You