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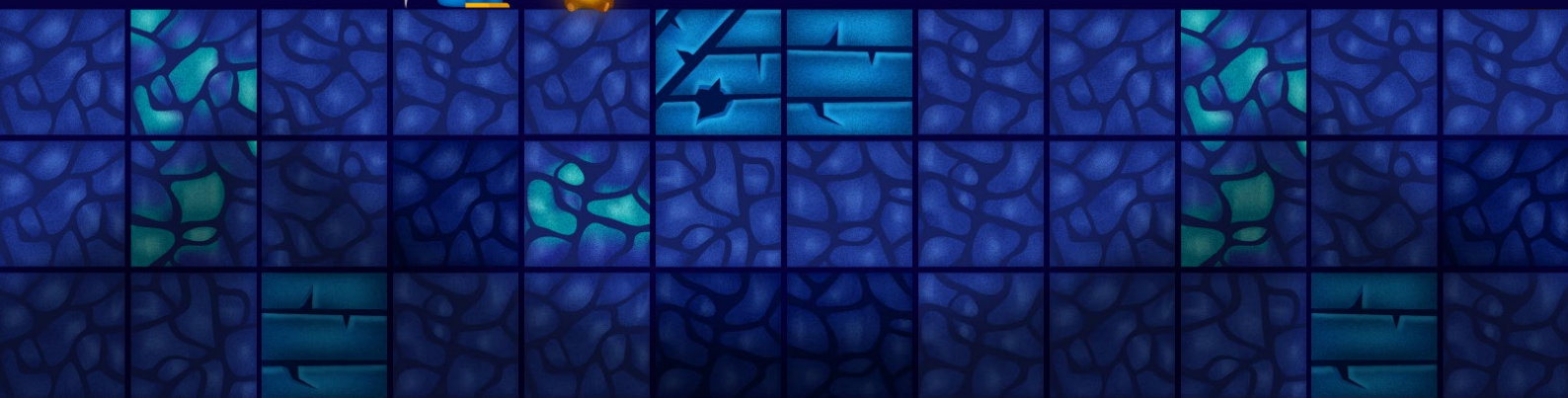
White Paper

2ND MARCH, 2018

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CONTENT

DRAGONGLASS

1. THE PROBLEM WITH THE TRADITIONAL METHODS OF CRYPTOCURRENCY MINING

Despite the astonishing growth and developments on the cryptocurrencies front, there is still an underlying problem that permeates every major cryptocurrency – it's still an incredibly niche product that requires a certain level of technical sophistication.

1.1. TRADITIONAL MINING IS TOO COMPLICATED

Despite price surges and achieving large market capitalization in general, the cryptocurrency market is still in its infancy. However, compared to the early days, the level for entry into cryptocurrency mining has grown enormously. Therefore, **cryptocurrency mining is mostly limited to a small community of people who have:**

Deep technical knowledge

Vast financial resources to buy, install and maintain increasingly sophisticated and expensive mining hardware

Access to electricity at affordable prices

Even more limiting, the predominant technology, currently used in mining traditional cryptocurrencies such as Bitcoin, is based on the Proof-of-Work principle. This creates a **"winner-takes-all" type of competition that effectively eliminates unprofessional individual miners**, and results in inefficient use of mining resources.

Simply put, this makes mining unattractive, unaffordable, and **inaccessible to the common cryptocurrency enthusiasts.**

1.2. UNAFFORDABLE

Building mining equipment is expensive, starting from at least a couple thousand dollars. This puts small, independent miners, who would like to casually mine for themselves, at a huge disadvantage.

Several factors determine who profits the most from mining — **power consumption, data center speed and cost, electricity rates, and the current price of the coin that is mined.** Each month, it becomes harder for a small player to keep up. The costs of new ASIC miners alone are steep – current cutting-edge processors can run $5,000 or more apiece, while cheaper offerings have unreliable quality.

Valery Vavilov, CEO of Bitfury, a blockchain technology company that sells mining gear, reinforced this point in an interview about bitcoin mining with Quartz, however his viewpoint is valid to other coins as well:

> *"The bitcoin mining industry is on its way to consolidation, as a few highly-skilled and well-capitalized vendors drive the industry, only market players that can deliver the most energy-efficient equipment with the most cost-efficient capital and operating costs will thrive," says Vavilov, "while small players with limited capability will struggle or drop out of the bitcoin race, which will result in a narrowing of the field over time."* [1]

For cryptocurrencies, block rewards have become the domain of large mining guilds, called mining pools. To help secure the blockchain, you don't want any

[1] https://qz.com/316898/the-gold-rush-days-of-bitcoin-mining-are-over-and-not-because-of-the-price/

single group—a mining pool or an individual—to control more than 50 percent of the computational power (hash rate) for the coin network. But for mining purposes, being in a bigger pool is almost always better.

The reason is that, unlike block rewards where everything goes to the winning system, mining pools work together and distribute the rewards among all participants, usually based on a percentage of the mining pool hash rate. Your hardware gets small pieces of work from the pool and submits those as shares. Even if you only contribute 0.00001 percent of the hash rate, you still get that percentage of every block reward that the pool receives.

To give a specific example, at present, Bitcoin has a total network hash rate of approximately 13 EHash/s (exa-hash), but a good Bitcoin ASIC like the Antminer S9 will only provide about 13THash/s. If the hash rate were to stay constant, your chance of mining a block solo is one in a million, meaning on average, you would find one block every 19 years. The problem is that, even five years ago, the hash rate was one millionth of what it is now, meaning you'd have better luck winning the lottery.

Take that same 13TH/s and join a pool that does 25 percent of the network hash rate. The pool should find 25 percent of the blocks, and you'll end up with 0.0004 percent of the block rewards. With a block worth 12.5 Bitcoins (BTC), that's 0.00005 coins from each block the pool finds, and it should find about 36 blocks per day. That's 0.0018 BTC per day, which might not sound like much, but at $17,000 per BTC, that adds up to over $30 per day. However, as mentioned before, dedicated mining hardware can cost $5000, thus making this a serious upfront investment.

1.3. TOO SOPHISTICATED TECHNOLOGICALLY

Hash rate, block size, terahash, megahash, block size… These are regular cryptocurrency mining terms, however, your mom doesn't need to understand

DRAGONGLASS

or even know them. Mining should be effortless and simple, without much of the "technobabble" that it is now surrounded by. Unfortunately, one who wants to start mining not only has to understand the lingo of crypto mining, but also be knowledgeable about the hardware specifications to maximize mining output.

1.4. UNFRIENDLY TO THE ENVIRONMENT

Currently one company in the world, Bitmain[2], holds the monopoly on mining equipment, especially when it comes to application-specific integrated circuit (ASIC) chips. Bitmain may now be the most influential company in the bitcoin economy by virtue of its sheer amount of processing power, or hash rate, that it controls. Its mining pools, Antpool and BTC.com, account for close to a third of the global bitcoin network[3]. However, even if a new miner can afford the equipment, their required processing power will prohibit many from entering the market. According to a recent report[4], mining a single Bitcoin requires the same amount of electricity that the average American home uses in a week.

1.5. BORING

Cryptocurrency mining, whether it is bitcoin, ether, monero, zcash or any other major cryptocurrency, is boring. The only thrill it provides is to check whether its price is rising or falling, but the process of mining itself is mundane. Basically, you secure your hardware, join a mining pool, and you're ready to rock the cryptocurrency world. All that's needed now is to download the appropriate software, give it the correct settings for your hardware and the pool, and then away you go. The problem is that nobody likes watching hashes change on the screen.

[2] https://qz.com/1053799/chinas-bitmain-dominates-bitcoin-mining-now-it-wants-to-cash-in-on-artificial-intelligence/
[3] https://blockchain.info/pools
[4] https://motherboard.vice.com/en_us/article/ywbbpm/bitcoin-mining-electricity-consumption-ethereum-energy-climate-change

DRAGONGLASS

2. DRAGONGLASS SOLUTION

We've introduced a new utility token called Dragonglass (or its short form – DGS) that uses gamified mining experience to make mining fun. Dragonglass is much more than just another cryptocurrency. It is the beginning of a fantastic community and infrastructure for many great things to come. We have already created:

1. Smart contracts.
2. Dragonglass Android and iOS applications.

WHY DRAGONGLASS

| Affordable to mine | Play games and mine | | Third-party integration | Enviornmentaly-friendly |

The value of the Dragonglass (DGS) token comes from several factors:

It is possible to mine 10 Dragonglass tokens from 1 token bough during the Token Sale (ICO).

To participate in the Dragonglass Token Sale (ICO), one buys Dragonglass tokens using ether (ETH), for an exchange rate of 1 DGS = 0.000027ETH.
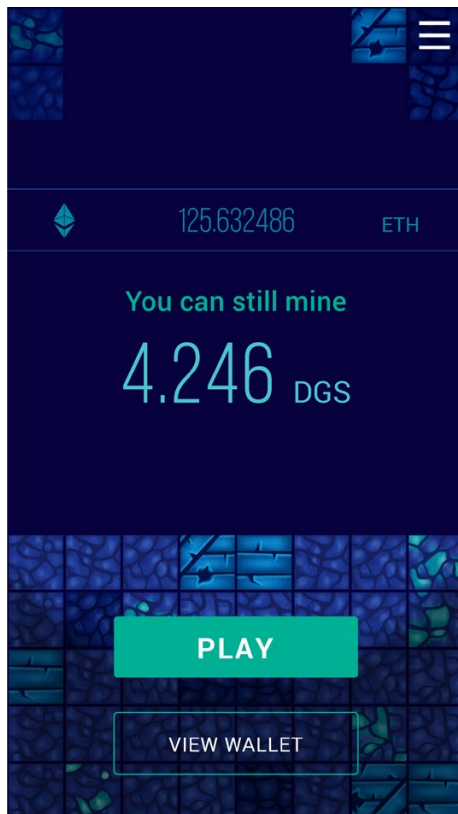
Dragonglass mining does not use your phone resources – mining is done by verifying and completing transactions. After completing a game level, the DGS tokens increase proportionally to the amount you already have. This means that after completing 10 game levels, you can increase the number of tokens you purchased up to 10 times (e.g. if you buy 5 tokens during the Token Sale (ICO) and complete all 10 levels, your total amount of tokens will be 55). After you finish 10 levels, you can play and mine further, however, there's no more game story, only one continuous level with terrain changes.

Mining is available immediately after one purchases DGS tokens. Once you buy a Dragonglass token, you can start mining more Dragonglass tokens - up to 10 times. All of this occurs despite the fact that the Token Sale (ICO) is still taking place, some DGS tokens are not sold yet, some are being purchased as you mine, etc.

Dragonglass is affordable to mine. The mining will NOT be a computing exercise BUT only a transaction on Ethereum blockchain, which gives birth to new Dragonglass tokens. This means that in order to mine Dragonglass tokens, one does not use phone resources. In short, there is no real computing work to be done by you; only a transaction. All you have to do is to play the game level successfully for the transaction to be completed. After completing a game level, the amount of DGS tokens increase proportionally to the amount your own. **Essentially, after completing all 10 game levels, you can increase the number of tokens you purchased during the Token Generation Event by up to 10 times.**

Dragonglass tokens enable the development of a real-life mining farm. Funds from the Token Sale (ICO) will help further the development of a mining farm located in Europe. The mining farm is used primarily for validating transactions on Ethereum blockchain.

3. DRAGONGLASS TECHNOLOGY

3.1. MINING DRAGONGLASS IS SIMPLE. REALLY SIMPLE

As a user, you only need to:

1. Send Ether from your personal wallet (not exchange accounts) to Dragonglass TGE (smart contract) address to be found only on https://tge.dragonglass.com/, and immediately receive Dragonglass tokens to your wallet.

2. Download the Dragonglass app from Google Play or from App Store (Instructions for iOS: https://dragonglass.com/dragonglass-for-ios/)

3. Open the app and load it with the tokens you've purchased.

4. Start playing the game and mining Dragonglass (DGS) tokens right away – the initial DGS token amount will increase after each successfully completed level.

3.2. DRAGONGLASS TOKEN HOLDING / TRANSACTION FUNCTIONALITY

Dragonglass application for **Android** and **iOS** has a functionality of storing and transfer DGS tokens. To mine DGS tokens, users should transfer n amount of it to x wallet; he can even transfer n DGS to himself. Transactions can be completed in any Ethereum wallet, not only the Dragonglass app.
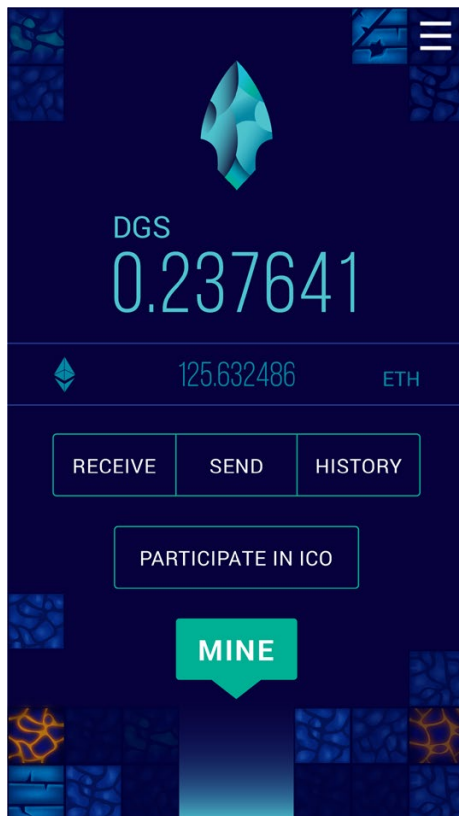
Starting from the main screen, users will be able to complete the following actions:

1. See DGS and ETH amount.

2. Send transactions by scanning the destination address QR code or entering it by hand. Users will be able to set how fast the transaction should be completed using the scroll bar (transaction fee).

3. Receive n ETH or DGS. QR codes will be generated. Under the QR code will be a button labeled "Copy public address" which will copy the public wallet address into the user's clipboard.

4. See transaction history. Clicking on the transaction will open its page on Etherscan (in browser). Backup. This option enables backing up your private key.

3.3. HOW THE DRAGONGLASS TOKENS ARE MINED

Dragonglass mining technology works on top of Ethereum mining. There are two variables, which depend on a user: *Stake* and *Value*. Even if the holder of Dragonglass tokens sells all of his/hers tokens, the address which was used to buy the tokens is still allowed to mine 10 times.

Value – how many DGS tokens the user has transferred.

Stake – how many tokens the user stakes during a transaction (tx).

X, Y, Z – intermediate variables.

Factor – is a final multiplier.

Result – how many DGS tokens will be generated and transferred to the sender's (miner's) account.

$$x = \frac{MIN(value, stake)}{MAX(value, stake)}$$

$$y = \begin{cases} value > stake, & x + 0.05x \\ value \leqslant stake, & x \end{cases}$$

$$z = \begin{cases} y > 1, & 1 \\ y \leqslant 1, & y \end{cases}$$

$$factor = z * (\sqrt[10]{10} - 1)$$

$$result = factor * (value + stake)$$

Ticker:	DGS
Token type:	ERC20
Fundraising Goal:	30,000 Ether
Total Tokens:	1,111,111,111
Available Tokens for Token Sale:	100%
Know Your Customer (KYC):	We may need to ask customer verification, if investment is above 20 ETH.
Who can participate?	You must seek advice in your country about whether you are eligible to participate in this token generation event. Persons not eligible are not allowed to participate in DragonglassToken Sale (ICO).
Currencies accepted:	Ether (ETH), via smart contracts.

Table 1. Dragonglass Token Distribution

3.4. HOW THE DRAGONGLASS MINING PROCESS WORKS

1. User sends Ethereum tokens (a minimum amount of 0.05 ETH) to the Dragonglass TGE contract in order to buy X amount of DGS tokens.
2. Dragonglass Token Sale smart contract triggers a transfer of X amount of DGS tokens (only possible when buying DGS tokens during the Dragonglass Token Sale) to the user (user is allowed to mine X * 10 DGS).
3. User imports his personal wallet with the received DGS tokens into

the Dragonglass app.

4. User launches the Dragonglass miner game and starts playing.

5. Successfully completed level of the game triggers a DGS token transfer event.

6. Mining logic is triggered in smart contract and 50% of the user's DGS balance is sent to oneself.

7. Mining logic in smart contract calculates how many tokens can be mined based on transaction value and user balance/stake.

8. Process of checking, if user is allowed to mine specific amount (10x limit) of DGS, ensues.

9. If user is allowed to mine the amount, transaction fee (gas) is paid in ETH (DGS is an ERC20 standard token based on Ethereum blockchain. Ethereum VM (EVM, Ethereum Virtual Machine) requires some gas to be paid in order to execute smart contract code).

10. Transaction is made.

11. New tokens are generated and added to the balance of user.

4. GAMIFICATION OF MINING

To make the boring transaction process more interesting and provide our users with a unique experience, Dragonglass will allow users to play mini games designed by the Dragonglass team.

4.1. DRAGONGLASS GAME

There will be one game available to play at the start of Token Sale. The game isn't endless; it has a clear goal. After the goal is achieved, the application automatically sends a transaction to itself to mine DGS.
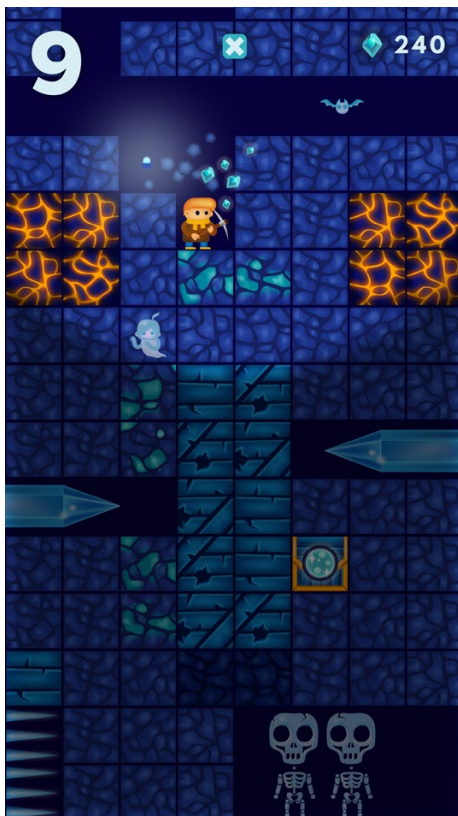
More games will be released during the duration of Token Sale (ICO). The choice of games under development will reflect various game player preferences. There will be a Dragonglass game for everyone!

Preliminary upcoming Dragonglass games are:

1. Dragon Pet – feed hatchlings with Dragonglass tokens and grow them into fearful flame-breathing monsters of the skies.
2. Dragon Tribes – a turn-based battle royale where you will play as a lone wolf or be part of a team. Scavenge, fight and survive to win the Dragonglass token jackpot.

4.2. DRAGONGLASS MINER

The Dragonglass app for Android and iOS contains a game and a wallet that shows your DGS tokens and your Ether balance. The app enables seamless transition between the wallet and the game. The game itself is used for gamifying the mining of Dragonglass tokens. "Mining" in this case is used more figuratively, since actual mining takes place at the real Ethereum Mining farm while the user plays the game and triggers the Dragonglass application to register a mining event (execute the transaction) by passing a game level successfully. The transaction is executed automatically by the Dragonglass app after the user successfully completes a level. The The Dragonglass Miner game contains 10 pre-designed levels and an infinite amount of randomly generated levels for extra fun.

4.3. GAME GENRE AND STORY

The Dragonglass game is a puzzle-platformer game that revolves around a hero who must save his family. The game is set in medieval times. It's a magical land of heroes and tall tales. There is a legend that once, there was a great palace made out of Dragonglass. But the miners dug so much, they awoke the giant worm underground. The giant worm wasn't pleased that it was disturbed from its slumber and started to create sinkholes under the palace.
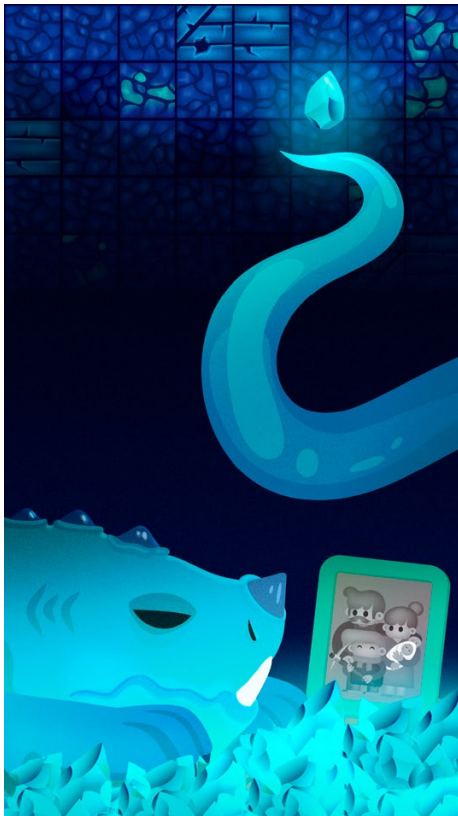
The Dragonglass palace sunk deep into the ground, leaving bits and pieces of the precious crystal behind it. Now, brave miners are searching for the remains of the legendary palace and/or the palace itself.

No one has found the palace since; there are only rumors about one miner who stumbled upon the shiny halls of the Dragonglass castle but never managed to come back alive...this miner was our hero's grandfather...

5. AN OVERVIEW OF THE CRYPTOCURRENCY MARKET

It began in 2008, when to-this-day, still unknown Satoshi Nakamoto published an 8-page White Paper called "Bitcoin: A Peer-to-Peer Electronic Cash System"[5]. It was not the first idea of its kind; however, a decentralized currency was, for

[5] https://bitcoin.org/bitcoin.pdf

the first time, implemented in practice by combining established primitives for managing ownership through public key cryptography, with a consensus algorithm for keeping track of who owns coins, known as "proof of work." The importance of Bitcoin is that it was the first peer-to-peer electronic cash system enabling trustless transfer of value.

The inherent value of cryptocurrency, as an alternative method to store and transmit units of value, has gained acceptance from a critical mass of investors, technology enthusiasts, regulators, financial institutions, merchants, entrepreneurs, and ordinary consumers. This year will mark the 10-year anniversary of Satoshi Nakamoto's paper, which described how a new digital financial instrument could be created and operated securely with blockchain. The growing usage and range of capabilities indicate that cryptocurrencies are taking on an ever more important role in the everyday activities of a growing number of people, businesses, and institutions around the world.

Back in 2011, when the value of 1 Bitcoin (BTC) had reached 1 US dollar, it became apparent that blockchain, in general, and cryptocurrencies, in particular, would become more than a passing phenomenon. By that time, more and more people had come to the slow yet inescapable realization that cryptocurrencies carry groundbreaking potential to allow consumers direct access to the global financial transaction system—anywhere, anytime, and without the need of financial institutions as intermediaries. With access to technology as the only restriction, as opposed to factors like having a credit history or a bank account, cryptocurrencies offered a promise to decentralize and democratize the global payment system, similar to the ways in which social media democratized the internet in the late 2000s.

As cryptocurrency adoption grew through the years, so did cryptocurrency market. In December 2017, the value of 1 BTC skyrocketed and reached $20,000 USD, resulting in approximately 2,000,000% growth over the last 6 years. Bitcoin

Picture 1. Percentage of Total Market Capitalization (Dominance)

Source: https://coinmarketcap.com
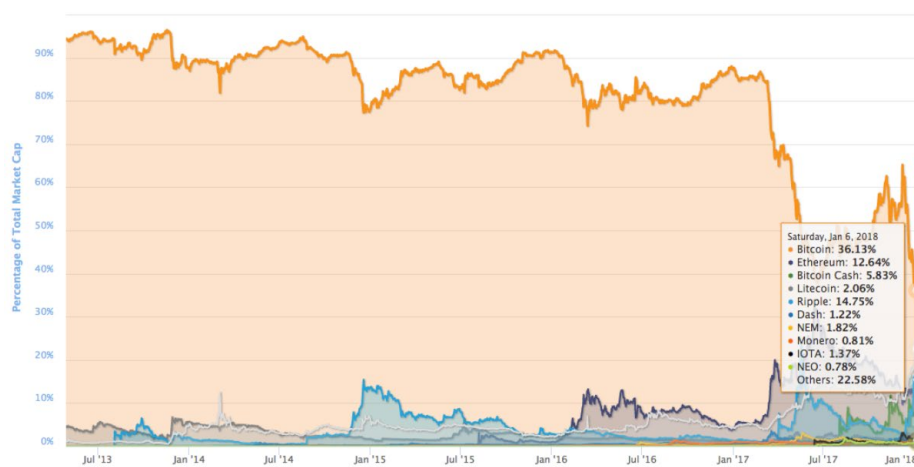
became one of the twenty largest currencies in the world, measured by liquid supply (M1). Its market capitalization became larger than liquid money supply of countries such as Belgium, Mexico and Russia.

The market capitalization of all cryptocurrencies, as of January 2018, has also reached $800,000,000,000, surpassing liquid money supply (M1) of Swiss Frank, Korean Won and other any currency in the world except for the Big 4 (Euro, US dollar, Japanese Yen and Chinese Yuan). The biggest market share is still held by Bitcoin **(Picture 1)**, but its clout over the cryptocurrencies market is gradually diminishing.

In the long run, Bitcoin's dominance may lessen even further as more viable players flock to the market. Perhaps the most notable example of such cryptocurrencies is Ethereum (ETH). Proposed in 2013 by Vitalik Buterin, then a 19-year-old programmer and already a rising star in blockchain developer circles, and initially released in in 2015, Ethereum took the cryptocurrency market by storm. Created as an open-source software platform and based on blockchain technology, Ethereum enabled developers to use smart contract functionality to build and deploy myriads of decentralized applications.

Today, there are hundreds of cryptocurrencies that are built on the Ethereum blockchain and utilize its original smart contract functionality. It has grown into an unparalleled digital token ecosystem, enabling developers to build interfaces between all imaginable areas of public and private activities at both individual and organizational levels. The existence and flourishing of these services adds a rather significant value to cryptocurrencies, as they provide the means for their native tokens to be applied far beyond mere financial transactions.

According to a recent study by University of Cambridge[6], a number of unique active users of cryptocurrency wallets was estimated to be between 2.9 million and 5.8 million and is expected to grow significantly. In order to scale the number of users more rapidly, there is a market need for user-friendly solutions that appeal to ordinary home users.

6. STATE OF AFFAIRS IN THE GAMING MARKET

Over the past several years, the global gaming market experienced unprecedented growth that is set to continue well beyond the year 2020.

In the global market of video games, mobile games make up around 32%, PC games – 23%, and console games – 31%, of the market share. Currently, there are over 2.2 billion active gamers in the world, of which 47%, or 1 billion gamers, spend money while playing. 2017 was the first year when mobile gamers became the most lucrative segment of the gaming market, spending $46.1 billion. According to a 2016 report published by Slice Intelligence[7], the average player on mobile platforms now spends $86.50 yearly on virtual goods purchases. The record growth figures and future projections of this particular market indicate the amount will increase even further. It is expected that, by 2020, mobile gaming will account for 40% of the gaming market, amounting to

[6] https://www.jbs.cam.ac.uk/fileadmin/user_upload/research/centres/alternative-finance/downloads/2017-global-cryptocurrency-benchmarking-study.pdf

[7] http://intelligence.slice.com/blog/2016/hardly-pocket-change-mobile-gamers-spend-an-average-of-87-dollars-on-in-app-purchases/

as much as $64.9 billion.

Mobile gaming's current and forecasted dramatic growth shows that gamers have fully embraced the mobile platform. Not only have mobile games already surpassed their counterparts in other platforms, in terms of total revenue, but their volume is also growing at nearly five times the rate of console and PC players. This means solutions favoring mobile gaming experiences will dominate the market in years to come. Companies who are able to successfully adapt to the possibilities and limitations (such as shorter playing times) of mobile gaming will take a bite out of the most lucrative and fastest growing segment of the market.

BLOCKCHAIN FOR THE RAPIDLY GROWING GAMING MARKET

While blockchain has the potential to revolutionize a wide variety of industries, the prospects for applying the technology to the gamer audience, made up of younger, tech savvy individuals, look especially promising. This is supported both by the growing volume in virtual asset trade and the fact that 2017 was a year when several well-established names in the gaming community – Unikrn, OPskins and Enjin – successfully launched their initial coin offerings (ICOs).

The key problem now is the unbalance in the gaming industry, in which our real-life achievements (money and time) can be used to benefit our in-game experience but our in-game achievements only exist within the game itself and cannot be used for to benefit us in the real life. It has become common practice for gamers to set up peer-to-peer or over the counter trades, in which they exchange items or in-game currency for cash. However, these secondary markets have a lot of issues, including high fragmentation, low liquidity, inflated prices, and frequent scams.

Blockchain technology may solve these issues and enable easy and secure the transfer of digital in-game assets. A long awaited disruption by blockchain technology may be turning turning in-game items and currencies into unique crypto assets that can be owned just like real-life objects.

7. BUSINESS CASE

Looking at the astonishing growth of the cryptocurrencies market, and the problems with growth of cryptocurrency exchanges due to inability to scale fast enough for the numbers of new users opening accounts, it is obvious that the cryptocurrency user base is growing and growing rapidly.

MarketsandMarkets[8] estimates the global gamification market to grow from USD 1.65 Billion in 2015 to USD 11.10 Billion by 2020, at a compound annual growth rate (CAGR) of 46.3%.

The gamification market has been segmented into consumer-driven solutions and enterprise-driven solutions. The Dragonglass solution is a consumer-driven solution that is flexible and user-friendly, and is intended to augment miners' motivation to mine, as well as their loyalty towards the cryptocurrency mining industry.

Furthermore, the current cryptocurrencies market does not provide a way for small independent miners to mine without having to acquire expensive mining rigs. With Dragonglass, you will need no mining rigs, no expensive hardware to invest in, and no electricity bills to pay for, **which makes Dragonglass unique — the first-ever gamified mining solution in the crypto mining industry.**

To sustain the Dragonglass future games development a sizeable part of funds

[8] https://www.marketsandmarkets.com/Market-Reports/gamification-market-991.html

received during the Token Sale (ICO) will be allocated to the expansion of our already running real-life crypto mining farm that is used for mining Ethereum blockchain transactions. The expansion of the mining farm will add long-term sustainability to the business model that generates funds required for the future development of Dragonglass games. Lock-up of tokens will occur when a user will invest their tokens by playing upcoming Dragonglass games. Investment, in this case, means the upgrade of one's crypto asset or using them in any other way. Locking up tokens, as a part of transaction made in Dragonglass environment, will lower the circulating amount of all Dragonglass tokens.
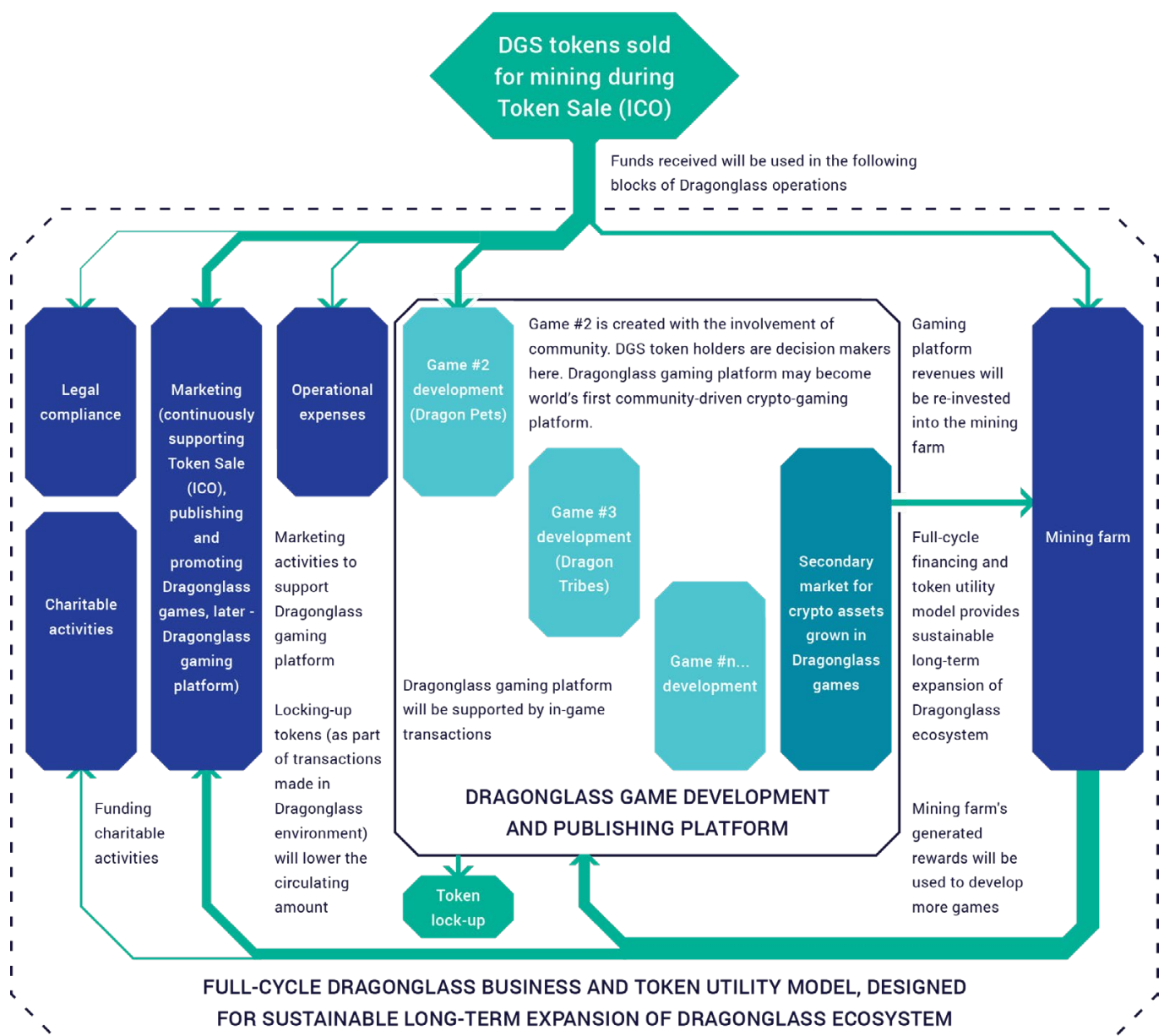
7.1. MARKETING PLAN

This section presents a general overview of the Dragonglass marketing plan. The general target audience for Dragonglass tokens are people new to cryptocurrencies and mining, who are looking for ways to "uncomplicate" the complicated and afford the unaffordable. In other words, it's for those who want to break into "traditional" cryptocurrency mining.

MARKETING GOALS

Our main marketing goals are:
1. To facilitate Dragonglass market entry
2. To communicate Dragonglass value propositions to the main target audiences
3. To achieve significant social media coverage of Dragonglass TGE
4. To promote Dragonglass during post-TGE period

POSITIONING STRATEGY GOALS

Our Dragonglass positioning strategy is to use different angles to present Dragonglass as a unique TGE with a user-friendly solution, developed and proven-to-work products, strong expertise, skilled developers, and feasible use cases:
1. present the novelty of the product,
2. emphasize the UX/UI of Dragonglass mining,
3. tell the story of the birth of the Dragonglass project,
4. transfer the know-how of the founders, team members, and advisors to the public,
5. offer public expertise, insights, and advice on blockchain tech, cryptocurrency mining, and gamification, and
6. announce major project news, milestones, and achievements.

Any new product launched into the market must be communicated to the wider audience in order to be successful. One of the key elements in community building is the support for those that run into difficulties or want to raise questions regarding the product. Since cryptocurrencies tend to gather more technologically inclined users, a wide variety of support channels will be available.

7.2. SOCIAL RESPONSIBILITY

We are a group of people who sincerely believe in creating a better world together. We strongly stand by the principles stated below.

EQUAL RIGHTS

Respect for every human being is a fundamental principle. We believe all humans are equal, no matter sexual orientation, gender identity, nationality, appearance, age, or beliefs.

ANTI-CORRUPTION

Corruption comes in many forms, and there are many ways to challenge it. Our team members have extensive experience in fighting corruption and will continue investing personal skills, as well as Dragonglass resources considering it our duty to society. We are against corruption in all its forms.

CHARITABLE ACTIVITIES

We will fulfill a goal to donate at least 5% (1/20) of the total Dragonglass of the total Dragonglass revenues (but not of funds received from TGE) to support social causes that Dragonglass miners will select. We will promote blockchain technology education initiatives and will actively support blockchain community development.

7.3. LEGAL

This White Paper, any part thereof, and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of a Token Sale (ICO) like the one described in this White Paper is prohibited or restricted. Dragonglass (hereinafter - "DGS") tokens are not intended to constitute securities in any jurisdiction. DGS tokens are utility tokens and do not have a performance or a particular value outside the Dragonglass ecosystem. Therefore, this White Paper cannot constitute a prospectus or offer document for investment in securities. There are risks and uncertainties associated with Dragonglass LLC business and operations, DGS tokens, DGS Token Sale, Dragonglass applications and Dragonglass games (each as referred to in this White Paper, together - the Dragonglass ecosystem). This White Paper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by Dragonglass LLC to purchase any DGS tokens or provide any help and/or advice in any investment decision.

RISK MANAGEMENT

Please remember: participating in Token Sale offers no promise of financial returns or revenues. Other risks include:

Smart Contract Limitations. This technology is still in the early stages of the product life cycle and there may be unforeseen or unplanned risks associated with using a technology in terms of, but not limited to, operational, technological, regulatory, and financial risks. There may be design flaws or vulnerabilities that could result in losses.

Regulatory Risks. Cryptocurrency in general, as well as the specific items and terms outlined in this document, are still very new in the legislative context worldwide. Future legislation may impact these contracts and may result in a

modification to the contract, including a complete loss of the tokens.

Mining Farm's Rewards. Fluctuations in the price of coins, increases in energy and equipment costs, growth of the mining difficulty rates, the rise of new currencies in this sector, block reward decreases, transaction fee volume, and other factors may incur losses.

Fluctuation in Token Price. DGS token is a utility token, a value of which shall be determined by the utility, the functionality of the token within Dragonglass ecosystem. Dragonglass cannot guarantee any specific token value and shall not be held liable for any change in the value of the token price. The project contains many risks and uncertainties, listed in this document and in the Token Purchase Agreement, also may contain additional risks unforeseen at this time.

Sales and Other Taxes. Token holders may be required to pay sales tax and other taxes associated with transactions. Gains may be required to be reported as capital gains or ordinary income. Other legal and tax consequences may develop as this space grows. Consult with your tax professional for advice. Dragonglass is not responsible for your tax liabilities and does not claim to make any representations regard tax advice nor provide any tax advice.

Compliance. As a European owned and operated company, token holders are required to comply with all applicable domestic and any applicable international laws. Dragonglass does not claim to make any representations regarding legal matters. Consult with your legal professional. The token holder is responsible for comply with the applicable laws and regulations that exist now and any subsequent changes to legislation that would apply.

Disclosure of Information. Personal information received from token holders, customers, vendors, employees, and others, including the quantities obtained, the payments received, account information, etc., may be disclosed to law

enforcement, government officials and other 3rd parties when Dragonglass is required to disclose such information by law, subpoena, or court other. Dragonglass will claim no responsibility nor be held responsible for any such information disclosure. The company will not share information unless required by law.

8. PRODUCT ROADMAP

Q4 2017

1. Company founded
2. Smart contracts developed
3. Dragonglass application developed
4. Intellectual property registration formed
5. Ethereum wallet application (core)
6. Pre-selection of social responsibility initiatives

Q1 2018

1. Two independent audits of smart contracts completed
2. Registration of intellectual property to be completed
3. Dragonglass Miner game developed
4. Real-world Ethereum mining operation established
5. Social responsibility strategy developed
6. Launch of the Token Sale (ICO)

DRAGONGLASS

Q2 2018

New Dragonglass game. Dragon Pet – feed hatchlings with Dragonglass tokens and grow them into fearful flame-breathing monsters of the skies!

Q3 2018

New Dragonglass game. Dragon Tribes – a turn-based battle royale. Play as a lone wolf or be part of a team. Scavenge, fight and survive to win the Dragonglass token jackpot. Enter the tournament at your own risk, you were warned.

Q4 2018

Dragonglass #1 crypto-gaming ecosystem with strong involved community brainstorming the next crypto-game.

HAPPILY EVER AFTER

Sustaining the leadership in crypto-gaming industry

9. TEAM AND ADVISORS

TEAM

MART LUME

Chief Executive Officer, Slack's 1st employee with over 10 years' experience in the production of numerous consumer and enterprise software solutions.
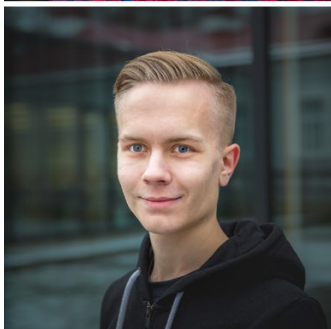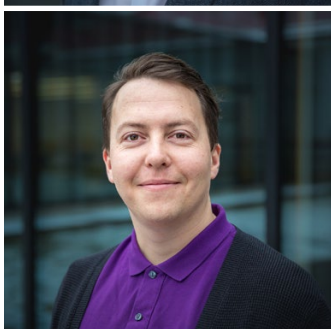
GLEB SKIBITSKY

Chief Technology Officer, polyglot software engineer, smart contract and game developer.
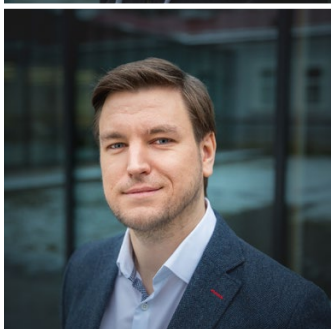
JUSTAS SIREIKA

Chief Marketing Officer, over 7 years of experience in marketing, digital communications, and campaign strategy.

JONAS NAVICKAS

Chief Creative Officer, screenwriter, and local funkateer, has over 10 years of experience in writing random award-winning material.

DRAGONGLASS

TEAM

DMITRIJ KOVALIOV

.NET developer, likes to solve both software and hardware problems, interested in security and anonymity, responsible for developing Dragonglass application.
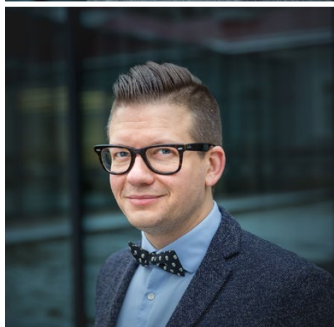
LINA JASAITE

Project Manager, has extensive project management experience and team leading skills, gained while working in local and international organizations.

KAROLIS STEIKUNAS

Consultant, cybersecurity expert with focus on cybercrime and crypto.

LAURYNAS KAMINSKAS

PR officer, a rare wordsmith with more than 10 years of experience in public relations and marketing.

NADZEYA ZAMIATSINA

Graphic designer and illustrator, well-known for creating beautiful game graphics and collecting funny socks.

DRAGONGLASS

TEAM

PIJUS KIBILDIS

UI/UX designer and illustrator, has over 7 years of experience in various design disciplines, now focusing on user interface and experience.

ARUNE SCIUPOKAITE

Graphic designer and illustrator, highly regarded for her skill and experience in designing and developing brand identities.

DOMINYKAS KLAJUMAS

Copywriter, full of attention-grabbing ideas, known for being a sworn gamer and an armchair movie critic.

MANTAS BARTUSEVICIUS

Copywriter, turns ideas into compelling stories, now focusing on digital communications and social media.
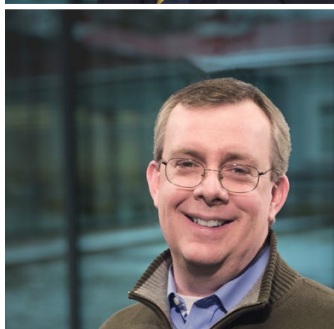
DRAGONGLASS

ADVISORS

JEFF BURTON

Serial entrepreneur, co-founder of Electronic Arts, has over 37 years of experience managing, investing, and advising growing enterprises.
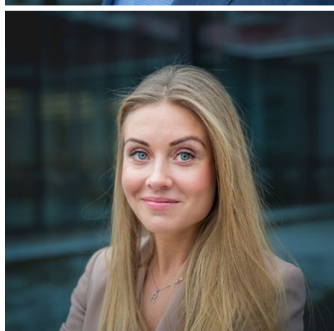
JAMES SCARBOROUGH

Gamification scholar in Department of Communication at Stanford University.

TADAS LANGAITIS

CFA, MP, Chairman of Committee for High Technologies, Innovation and Digital Economy at Lithuanian Parliament, angel investor, and venture philanthropist.

RAIMONDA PILIPAVICIUTE

Project manager and business developer, highly experienced in business strategy development and strategic partnerships. Former board member of Vilnius Tech Park.
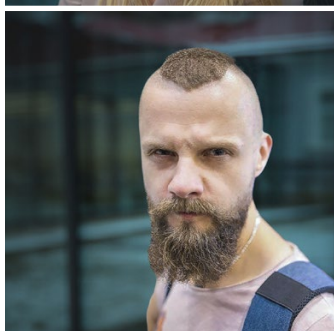
OLEG PRIDIUK

Advisor, gaming industry evangelist who worked for Unity Technology, Game Insight and now is a part of King's team.

DRAGONGLASS

10. IMPORTANT LINKS

Dragonglass website:
https://dragonglass.com

News and updates (blog):
https://medium.com/dragonglasscom

Twitter:
https://twitter.com/dragonglasscom

Discord:
https://discordapp.com/invite/eZkxuZg

Telegram:
https://telegram.me/dragonglassco

Reddit:
https://www.reddit.com/r/Dragonglass/

YouTube:
https://www.youtube.com/channel/UCneuYA9RuR
FCb-usyb03eWw

GitHub:
https://github.com/dragonglassco

Bitcointalk forums:
https://bitcointalk.org/index.php?topic=2934765.0