DUNGEON SWAP

WHITE PAPER

Version 0.9

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Before you read

This is a white paper detailing our business strategy and long-term business model. If you just want to know essential information like contracts addresses and tokenomics, please refer to the *Appendix: Essential Information*. We trust that you don't mind reading longer passages which we hope to help you understand our dedication and determination in building what was explained on this whitepaper. And in that we need longer passages to convey our idea clearly. Note that we do not make vague and empty promise, we plan and promise based on the resources available and anticipated. What we need is the community's support to make it happen.

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1. Abstract

- o Our Vision:
    - ▪ We are dedicated to contribute in building a sustainable, user-centric and entertaining decentralized ecosystem.
- o We are building a decentralized table-top RPG style web game on the Binance Smart Chain with yield farming features and NFTs.
- o Tokenomics is healthy, we have a long term total supply of 10,000,000 DND tokens and we burn the tokens via gaming mechanism, so over the long term, your DND Token (the currency of DungeonSwap) will only get more worthy.
- o Our unique feature beyond yield-farming is games called "The Dungeon" and "Boss Battleground" which the development team is working very hard to develop and target to serve as a long-term feature that generate user satisfaction together with financial gains.

# 2. Background and our motivation

- o The value of yield farming must be more than just farming
    - ▪ Since the emergence of Defi and yield farming, we have been thinking about one simple question: how would money just came out of nowhere? Why in the first place these tokens would worth anything? To many, this is still an open question and many people just don't bother to answer or even think about this question as long as they are earning big sum of money out of these yield farms. But we are asking something more than this. We believe that if we want to survive over the long term, and even in a potential bear market, we must make something that people would stay not only for the financial gain, but also to have entertainment/ satisfaction out of the activities they do on such Dapps. To put it simple, we believe that fun is equally important to (if not more important than) financial gain!
- o RPG and dungeon adventure theme
    - ▪ We are games and RPG lover and we hope to get the most fun out of a traditional yield farming where people are just focusing on the returns. Each user would be able to join the adventure by playing as their own character together tied to their crypto wallet, and they can raise their characters by joining dungeon adventures, fighting boss battles, and of course also by joining the yield farming, all in a decentralized manner.

o   What kind of game we are building and why

- We still remember back in the early 2000s, there were many web-based games where players can create their RPG characters, fight monsters, win treasures, and interact with other players. Most of these games were mainly presented in the form of texts with few graphics and barely any animation. We called them "web games". One feature of these games were that not many decisions are need, and one major source where players gain satisfaction were mostly out of the fact that they saw their characters growing. This actually echoed with many mobile-games nowadays where players essentially "harvest" every day (by clicking "harvest" buttons on their mobile phone games, no matter how it is called) to realized the increased statistics of their characters. Therefore, we are bringing together the mechanism where "satisfaction comes with seeing your character grow" and "actual financial reward", which, of course, comes from the Defi and yield farming mechanism.

- With the considerations above, the game that we are building will contain the following elements:
  - a web-based game that is easy to play and understand, mostly relying on text to narrate the game flow, exactly like a tabletop RPG game.
  - the rewards/ outcome of the game will be in terms of DND tokens and NFTs which are financial in nature
  - the NFTs that user receive, apart from an art collection, will serve as a utility (e.g. weapon/shield/magic) that will aid the users performance in the game
  - the source of funding of the gaming DND financial reward will be from (1) other players' entry fee of the game (2) deposit fees from yield farming, and also (3) developer, whereas NFTs reward will be created and sent to players for free.

# 3. Financial Strategy (or the "General Tokenomics")

- Most (if not all) yield farms out there doesn't have a maximum supply of tokens, the reason is said to be "keep the incentive to yield farmers", which essentially is a major worry when user deciding to stake or invest into the said tokens. Also, it makes the investment into the liquidity pool rather short-term because people simply worry about more and more tokens are being produced and thus their own holding will worth less and less over time. So, it comes to a question whether it is possible to produce a token that has maximum supply while at the same time keep the incentivization? Though it seems counter-intuitive, the answer is yes, if we can come up with a systematic way to govern and control the long term token generation and burning mechanism so we will be able to, at the same time, (1) Maintain an attractive yield and (2) Having a maximum cap to the token.

- Therefore, we decided that DND token is to have a maximum supply. In that, we have developed a projection model (inspired by the Logistic Growth Model) to govern the long term total supply of the DND token. Such model is adopted for many real-world projection use cases such as ecology, demographic, and even COVID cases. And the way we achieve such long term total balance between growing and burning is via the increased gaming activities as a token burning mechanism which will eventually offset the reward earned from yield farming. The gaming features, which is the core feature of DungeonSwap, is described in the section "**Dungeon Swap's Features**". For details of the token projection model, please refer to the project's github link (https://github.com/dungeonswap/White-Paper/blob/main/DungeonSwap_Tokenomics_202104.xlsx).

- That means the financial gain generated via yield farming over the long term will inevitably decrease over the course of the development of this project. Therefore, the way to keep the user momentum (and of course, the price of the DND token) will then be via gaming experience. We target that the lifecycle of the product will cover the early stage which users get their satisfaction mainly from the financial incentive, and then later stage where the gaming experience contributes to an increasing satisfaction being the core of the overall satisfaction, which is illustrated below:

Source of user satisfaction using DungeonSwap

Overall Satisfaction (Together with DND price)

Gaming Experience

Yield Farming Incentive

Time progression
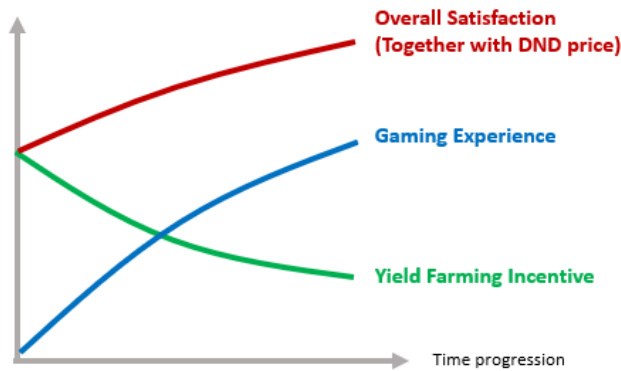
- o The DND Token Ecosystem
  - ▪ It comes to the discussion on how the DND Token ecosystem is made sustainable, one important part is NFT. Where NFT's originally are given to users for free (and will make users to have advantage in their gaming experience), these NFTs will essentially help users earn more DND Token during their gaming experiences, and thus it is reasonable to deduce that they will be worth some financial value. Our target is that there should be a secondary market for the NFTs where users could profit by trading these NFTs, including the collection purpose and the gaming financial reward purpose. Nonetheless, these will attract additional external fund to the ecosystem and thus of course will contribute to the growth of DungeonSwap together with the DND Token. An illustration covering the flow of fund and the secondary market is illustrated below:

DungeonSwap
DND Token Ecosystem
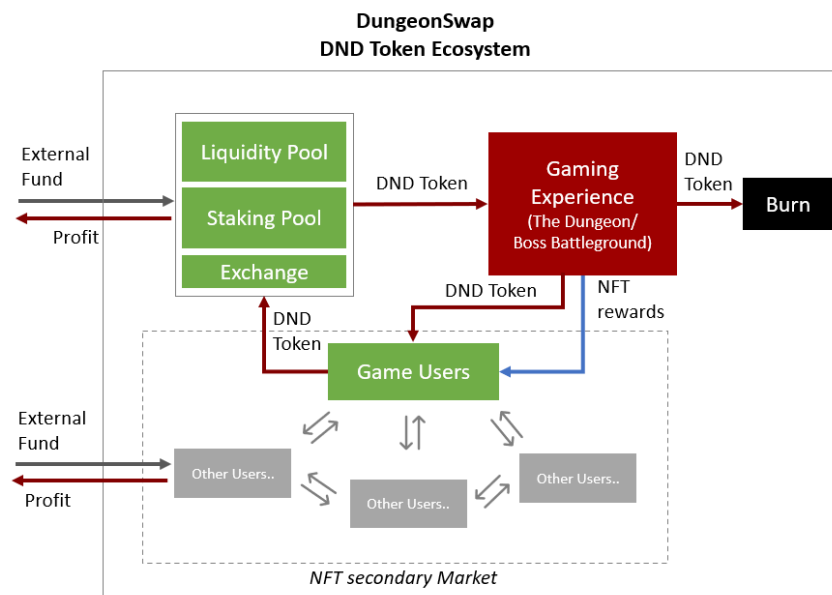
- o Token distribution model (or the "Tokenomics")
    - Below is the simplified illustration of the "Tokenomics" as we are familiar with:
        - Long term:
            - The long term maximum supply of DND will be 10,000,000.
            - The generation of DND will be governed with reference to the Logistic Growth Model where there is balance between yield farming gains and token burning.
        - Short term:
            - The short term generation rate of the DND token will be between 1~3 DND per block depending on the user activity and market reaction
            - 90.91% of the reward will be sent directly to yield-farmers
            - 9.09% of the reward will be sent to the developer's address for the following purpose:
                - Future partnership and public listing fund
                - Additional reward of gaming experience
                - Developing team fund
        - Initial mint
            - There is an initial mint of 500,000 DND (5% of total supply) for initial liquidity providing. We would burn the unused DND Token during the launching phase. Part of the remaining DND Token would be distributed to the public as airdrop for marketing initiatives or for public listing.

4. Dungeon Swap's Features

- Dungeon Swap's currently has produced/planned the following products:
    1. Trading market (Exchange)
    2. Liquidity Fountain (Adding Liquidity)
    3. Fantasy Farm (Yield Farming)
    4. Alchemist's Pool (Staking Pool)
    5. The Dungeon (New features)
    6. Boss Battleground (New features)
- The first full version of Dungeon Swap will cover the following 6 products. The first 4 products (Trading market, Liquidity Fountain, Fantasy Farm, Althemist's Pool) are the re-theme of the original PancakeSwap service into the RPG-fantasy theme. It will function as good as any yield farming service without much modification. The exchange function will be leveraging on PancakeSwap's service. "The Dungeon" and "Boss Battleground" are the core competency of DungeonSwap. which will be described below:
- The Dungeon
    - Basic gameplay and idea
        - "The Dungeon" serves as a brand-new and separate product from the original yield farming system. By nature, it is a "rogue-like" web game where users starts from the first level of the dungeon. On each level of the dungeon, players are faced with different enemies, and are given simply choices between "attack", "special attack", and "escape", essentially translates into variations of probability between winning and award and the amount that is bet into the battle. Players could choose between "fight or flight", they can either go to deeper level of the dungeon and continue to fighting more enemies and accumulate more award, or keep their reward and exit the game so that they don't risk losing all of their rewards by losing a battle on that level. The game-play in development is illustrated below:
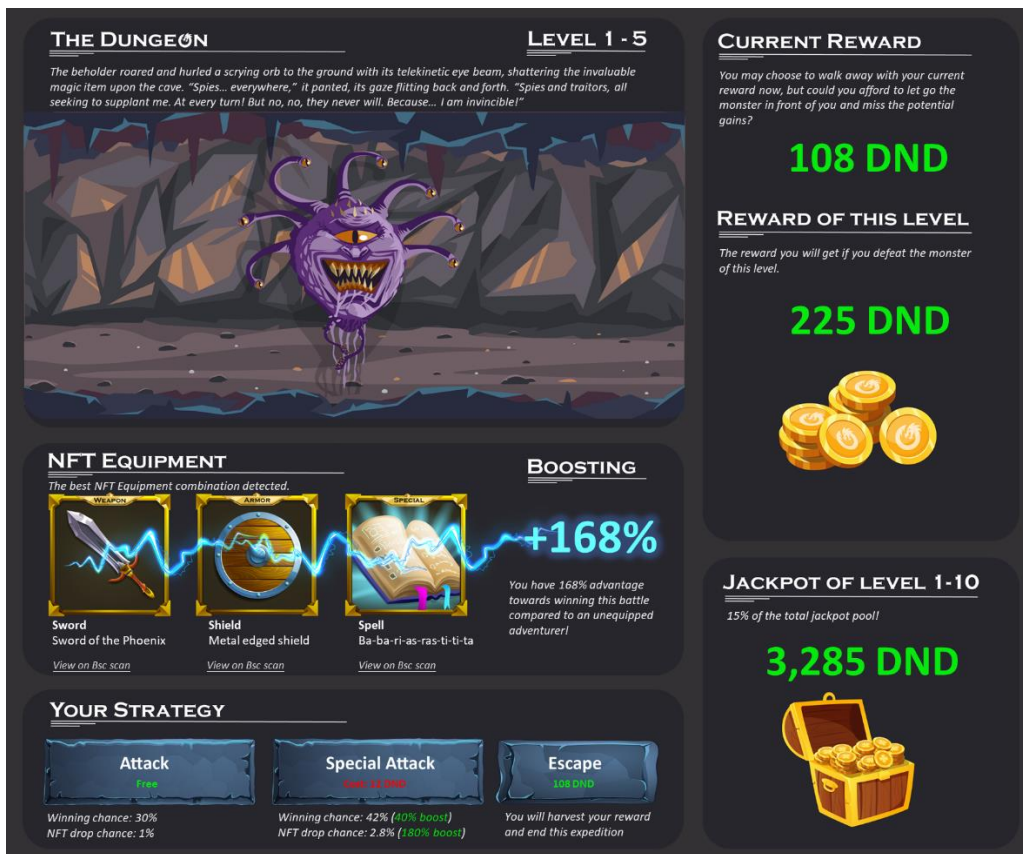
- 1st reward of the game: DND Token and its source of fund
    - The payout of the the dungeon game, in the form of DND Token, will be sourced from (1) Other players' entry fee of the dungeon and any additional fee injected (2) Deposit fees from yield farming, and (3) Developer funds in the event of special campaign. These financial rewards will be one of the major motivations where users choose to play and join The Dungeon.
- 2nd reward of the game: NFT as equipment and magic and the secondary market
    - Equipment (in the form of NFTs) may be awarded to the user after each battle in a randomized manner. The NFTs that users hold would have a positive effect on the outcome of the battles (and even different combination of the NFTs could result in different effect), these all translate into the advantage over defeating a monster in the dungeon and get the rewards. The formula of the effect of such NFTs on the battle outcome will be designed in the principle of keeping things simple for the purpose of minimal on-chain gas consumption. Some equipment in development is illustrated below:
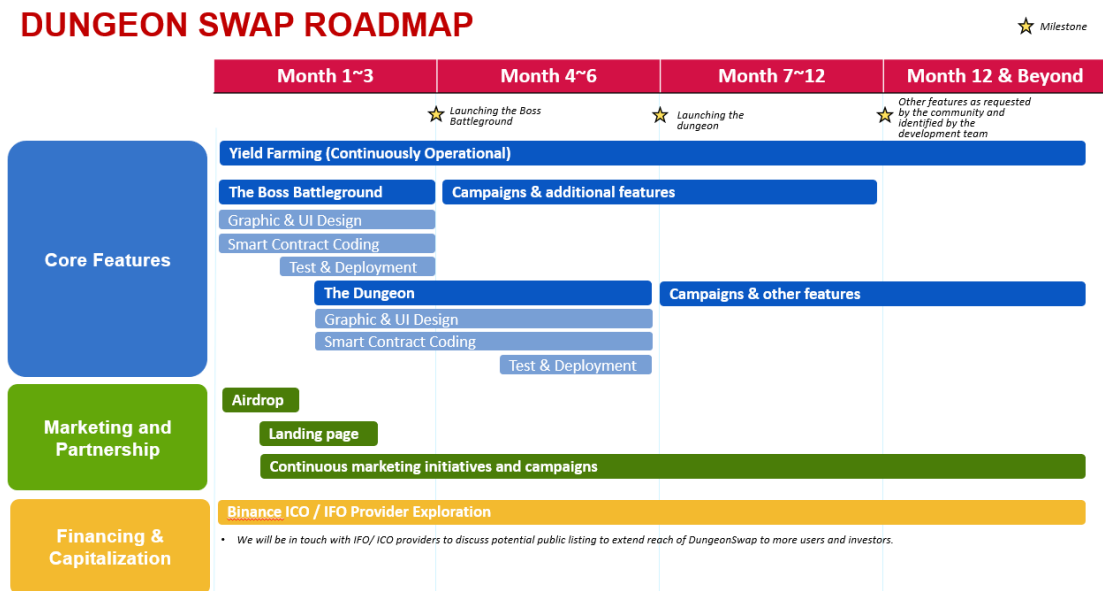
- 3rd reward: User satisfaction
  - There will be no doubt that actual financial gain serves as a major motivation for users choose to participate into "The Dungeon". However, we also target to deliver story and narrative elements where users can truly enjoy the experience as an adventurer and to enjoy the whole gaming process. As we have insisted, this is the only way on how we can make the users to stay in the long run.
- Boss battleground
  - "Boss battleground" is a variation to Pancake Swap's lottery, in a way that is mimicking the situation where users are fighting a boss together and the few who managed to "kill the boss" are the winner and will share the reward. The main difference between the boss battleground and pancake swap's lottery is that NFTs will play a part in the process, which users have got from "The Dungeon". The NFTs will in general increases the chances the users to obtain "Extra reward". In order to prevent discouraging users without NFTs to participate into the "Boss battleground", the "Extra reward" will target to be in a separate pool that is funding separately
  - The participation of the boss battle will also result in a chance to be rewarded with NFT equipment in a way similar to "The Dungeon".

5. Governance

- o Audit
    - ▪ We have engaged audit exercise with TechRate and the audit report is accessible at TechRate's github (https://github.com/TechRate/Smart-Contract-Audits/blob/main/DungeonSwap.pdf). We are also engaging other audit providers and will disclose the audit report onces completed.
    - ▪ Also, we are committed that in the future when additional functionalities are added, we will get those contract to be audited and make sure all functioning contracts on DungeonSwap are audited and safe to use.
- o DAO
    - ▪ Over the long term, the project will migrate to a decentralized autonomous organisation that will govern the future direction of the project.

6. Roadmap and the team

- Below is a roadmap of our target delivery and the tasks that we will be on. However, the plan is subject to change in response to community demand and resources availability.

DUNGEON SWAP ROADMAP

	Month 1~3	Month 4~6	Month 7~12	Month 12 & Beyond
		☆ Launching the Boss Battleground	☆ Launching the dungeon	☆ Other features as requested by the community and identified by the development team
Core Features	Yield Farming (Continuously Operational)			
	The Boss Battleground	Campaigns & additional features		
	Graphic & UI Design			
	Smart Contract Coding			
	Test & Deployment			
		The Dungeon	Campaigns & other features	
		Graphic & UI Design		
		Smart Contract Coding		
		Test & Deployment		
Marketing and Partnership	Airdrop			
	Landing page			
	Continuous marketing initiatives and campaigns			
Financing & Capitalization	Binance ICO / IFO Provider Exploration			
	• We will be in touch with IFO/ ICO providers to discuss potential public listing to extend reach of DungeonSwap to more users and investors.			

☆ Milestone

- The current structure of the planned team is as below (we are mobilizing and are attracting more talents to join the team!)
  - Project Lead
  - Smart Contract Developer x 2
  - Frontend Developer x 1
  - Graphic and UIUX Designer x 1
  - Marketing Officer x 1

7. Conclusion

o We believe the success of a Defi project isn't only about how much return we are offering to our users, but about how many more new users can we attract and to keep up the momentum once these yield trend to a more "reasonable" level over the long run (and yet, you can imagine it is still considerably higher than the yield you could have gained in traditional finance). Gamification is not just a gimmick to us, we believe that being easy to use and fun is the most important because it is how value is really generated and also exactly how we attract users beyond the few hard core crypto traders.

8. Appendix: Essential Information

- Smart Contracts (Binance Smart Chain):
  - DNDToken: 0x14c358b573a4cE45364a3DBD84BBb4Dae87af034
  - DungeonMaster: 0x3720F1F9a02BFB4dD6afb9030eB826B4392D321F
  - Timelock: 0xcd0f829d14f55Bde8762Bb1b93e42688b9e0C8F5
- Tokenomics Model (DND Token)
  - https://github.com/dungeonswap/White-Paper/blob/main/DungeonSwap_Tokenomics_202104.xlsx
  - The long-term maximum supply of DND will be 10,000,000
  - The shor-term generation rate of the DND token will be between 1~3 DND per block depending on the user activity and market reaction
  - 90.91% of the reward will be sent directly to yield-farmers
  - 9.09% of the reward will be sent to the developer's address for the following purpose:
    - Future partnership and public listing fund
    - Additional reward of gaming experience
    - Developing team fund
- Audit Report (TechRate)
  - https://github.com/TechRate/Smart-Contract-Audits/blob/main/DungeonSwap.pdf