

How to Mine Bitcoin and Make Money

By [Alex Long](#) 10/07/2011 4:57 am

[Bitcoin](#) is a new currency built off "Satoshi Nakamoto's" (alias) 2008 [Bitcoin white-paper](#). Bitcoin provides its users with a way to make peer-to-peer (P2P) transactions without having to use a bank as a mediator. There is no middle man, no corporation backing it, and no one has access to your money, except you. It's decentralized from government, run by the people, for the people.

How does it work then? The Bitcoin program uses cryptographic hashes and hash addresses for everything. The hash addresses are what you can use to send Bitcoin to another peer—just think of them as really long house addresses. Users can have unique hash addresses for every single transaction if they choose. Bitcoin (BTC) is generated by peers who use their computer's processors to crack the cryptographic hashes that Bitcoin keeps. When a hash is cracked, a user receives 50 BTC, unless they are in a shared mining pool. Since the program is peer-to-peer, it makes it impossible to cheat or fake transactions, because all of the data is stored on the Bitcoin nodes and clients.

Both the cryptographic difficulties and the people who use Bitcoin determine the value, which is currently set at \$5 per Bitcoin. Bitcoin has seen prices as high as \$30 each.

Tons of places offer Bitcoin exchanges for cash, goods, pre-paid debit cards—even [Amazon](#) does cash-back with Bitcoin now. See the [Bitcoin site](#) for more details.

Where Is My BTC Stored?

After running a bitcoin client for the first time, the client will create something called a "Bitcoin Wallet", which is where all your bitcoins are kept. From here, cryptographic keypairs are read from the user's wallet and transformed into bitcoin addresses.

GPU Mining Bitcoin

In this [Null Byte](#), I'm going to show you how to mine Bitcoin using your graphics card, which is a much more suitable hash-cracker, and Bitcoin miner. To do this, you will need a decent graphics card. AMD graphics are superior at math functions, and can mine a lot faster than nVidia cards, so bear this in mind if you decide to shop for one.

Follow the video below to learn how to mine Bitcoin on Windows with your GPU, for those fancy people with CUDA capable drivers and such.

Warnings

- Keep your Bitcoin Wallet safe! This is just like a real wallet. If a thief steals it, they get all your BTC.

Download Links

- [Bitcoin](#)
- [GUIMiner](#)

Using GPU mining, you can seriously rake in some cake and get a piece of that sweet free money. Well, minus the cost of electricity.