



THE

\$DERP

TOKEN

DISCLAIMER

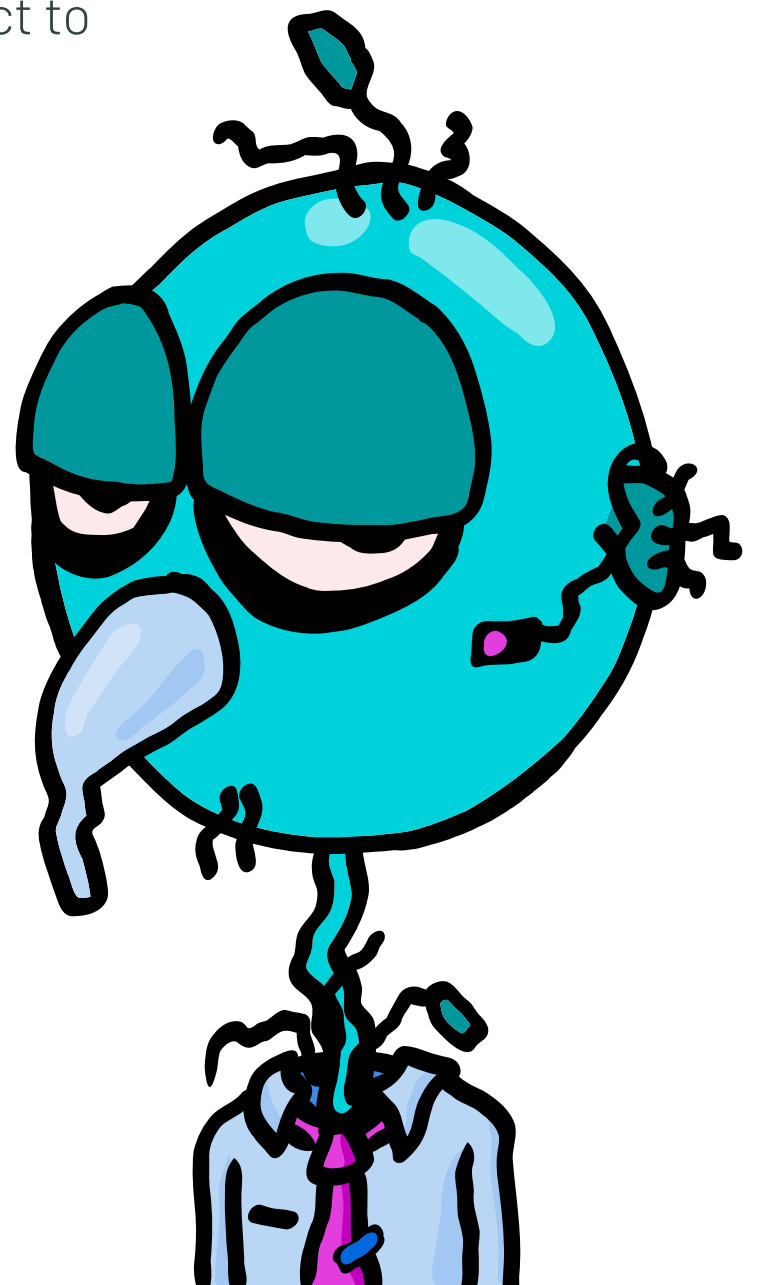
This document describes the project to date as well as the plans for the future of the Derp Birds project and **should not be interpreted as a guarantee** of completion of the plans described therein.

Derp Birds is a gamified NFT project that incorporates unfinished and experimental web 3.0 technology.

Everything planned and documented to date is subject to change and **should not inform financial decisions**.

We believe collecting NFTs should be fun, but please exercise extreme caution when collecting NFTs, including Derp Birds.

- **Team Derp**



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1 Intro

Looking for the TL;DR? Check out the [Lite Lite Paper](#)

The \$DERP token will serve as the **utility token** for the Derp Birds project. Players will earn \$DERP through staking (holding) their Derp NFTs, unlocking achievements, engaging with the community, and as rewards for participating throughout the various roadmap features of the project.

The NFT community is diverse and each collector is looking for something different from the NFTs they collect. As such, the initial *and* future uses for \$DERP fall into two primary categories **to ensure that a broader range of collectors benefit from earning \$DERP**. The two categories for \$DERP uses are:

Gamified/roadmap specific

Uses related to the gamified roadmap features such as the PRED Armory, Faction Wars, unlocking new character slots, etc.

Utility specific

Uses not directly tied to the gamified roadmap features of the Derp Birds project such as the raffle system, possible utility linked to our own minting technology, and uses associated with other Cardano NFT projects.



An arcade experience

We like to think of Derp Birds as an arcade (*without the stained, neon carpet and the faint smell of pee*) where players will have many fun and rewarding things to do at any given time.

The \$DERP token will power this arcade experience, allowing players to convert their rewards from collecting and playing into other fun experiences within the ecosystem, or turn them in at the prize counter for a chance to win valuable and rare NFTs, white list spots for other projects, customizable upgrades for PREDs, loot crates, and much more.

Our goal is to strike a balance of **fun** and **utility**.



2 How to earn

All \$DERP is earned by **converting Derp Birds Experience Points (XP) to \$DERP**.

There are 3 primary methods for players to earn XP:

1. NFT Staking
2. Unlocking achievements
3. Being an active part of the Derp Birds community on Discord and Twitter (which are tied to the XP system)

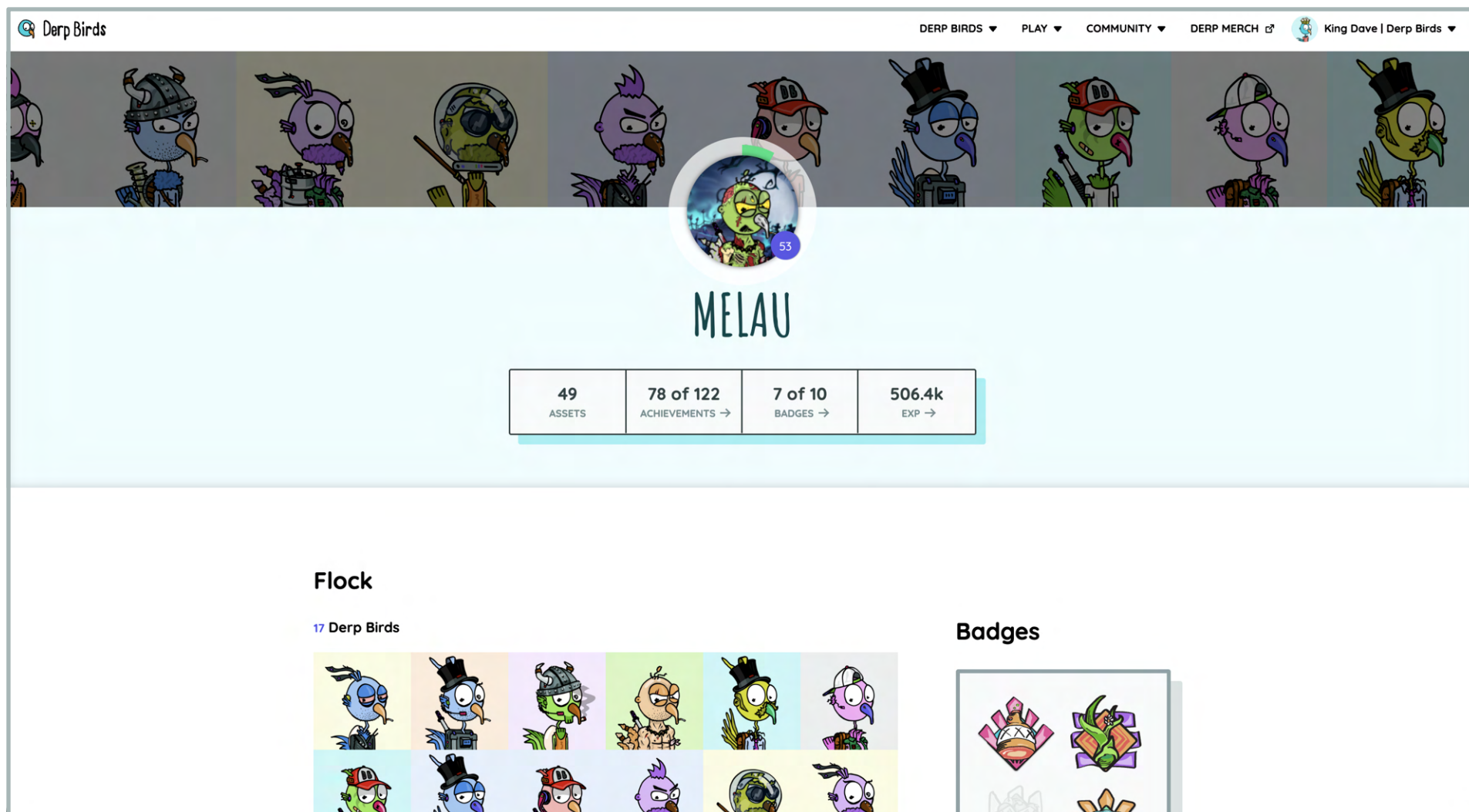
At launch, \$DERP can be claimed against XP earned at a fixed ratio of **10:1** (*i.e., 100 XP = 10 \$DERP*). More information about how to claim can be found later in this document.

The exchange rate between XP and \$DERP **may vary in the future** based on market conditions and other project factors.

Accounts and XP

XP is a point system where players are awarded for participating in the Derp Birds project. As players accumulate XP, their accounts level up. Players can create accounts on derpbirds.io by signing in to their Discord accounts on the website.

XP is automatically added to the player's Derp Birds account on derpbirds.io, and players can view their total account XP on their profiles. Learn more about accounts and XP in the Derp Birds [FAQ page](#).



Player profile page on derpbirds.io

EARN FROM \

3 NFT Staking

Every Derp NFT (*Derp Birds, Derp Eggs, Derplings, Derp Apes, PRED*) in a wallet that is connected to a Derp Birds account will be counted as a staked NFT, and will earn the player XP based on the rarity of each trait of the NFTs within that wallet.

Users **will not** need to lock their assets in a smart contract or even delegate to a pool to receive staking rewards.

In order to earn staking XP, follow this three-step process:

1. Have an account on derpbirds.io
2. Connect the wallets containing your Derp assets to your account
3. Cackle all the way to the bank 💰🚀

XP earned from staking will be added to the player's account at the end of each epoch automatically without any additional action required from the player.



XP Values

The amount of XP earned for each Derp depends on 2 factors:

1. The Derp type (Derp Bird, Derpling, Derp Egg, Derp Ape, PRED, etc.)
2. The rarity of each trait of the Derp

The original Derp Birds and PRED collections earn slightly more XP than Derplings, Derp Eggs, and Derp Apes on average, but each collection will have other unique factors that allow them to earn more XP per epoch. For example, Perfect Specimen Derp Birds get a bonus amount of XP per epoch, whereas players that have parent/child (Derp Bird/Derpling) pairs will unlock an achievement that also awards XP every epoch giving Derplings an XP earning bonus of their own.

The **Staking Academy** on the Derp Birds website is in development. Once launched, players can view the XP amounts for every trait across each collection, as well as the amount of XP they will earn based on all Derp NFTs connected to their account.

Determining XP

The formula we use for calculating the XP-per-epoch for any trait is the following:

$$\text{MIN}([\text{collection_min_value}], [\text{collection_scale_baseline}]/([\text{trait_rarity_percent}]*100))$$

[Learn about this formula in Discord](#)



How staking works

We're taking a simple, yet innovative approach to staking; rather than tediously staking each NFT individually, players can simply connect their wallets to their Derp Birds account to automatically earn staking rewards for every Derp NFT.

Your Derp NFTs will not be locked, frozen, or leave your wallet at any point. You are only authorizing us to view and confirm the contents of your wallet and will not relinquish control over your NFTs at any time.

Derp Birds is a large project with many collections and many holders that have many assets. Staking individual NFTs through smart contracts every epoch would be a time-consuming hassle, especially for those collectors who have 50, 100, and even 250+ Derp NFTs.

Our hassle-free approach will help us achieve the same goals, and just like Cardano with ADA, we believe that you shouldn't need to lock your assets to earn the rewards for them.

We may reevaluate this decision in the future, but for now we believe this is the more sensible approach for our project.

4 Achievements

To date, there are nearly **10,000 players** who have earned one or many of the existing **100+** achievements spread across 3 categories:

Socializing

Awarded for being an active part of the community on Discord and Twitter.

Participating

Awarded for participation in the gamified roadmap features such as incubating, hatching Derplings, PRED invasions, etc.

Collecting

Awarded for collecting Derp NFTs (Derp Birds, Derplings, Derp Apes, etc.)

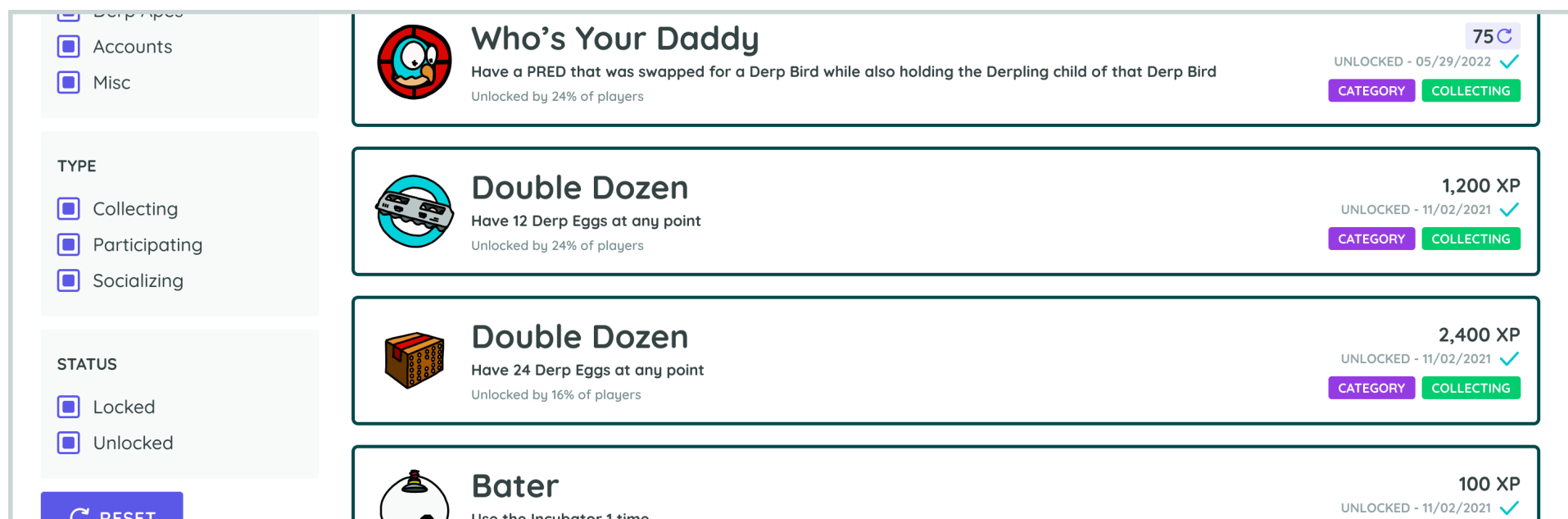
Every earned achievement awards XP to the player's account. All the XP awards are a fixed value, however, some achievements can be lost if the player no longer meets the achievement requirements.

Lastly, **badges** can be earned by unlocking certain groups of achievements. Each badge is displayed on the player's public profile and earns large amounts of XP.

Achievement system updates

With the launch of \$DERP, the achievement system will be upgraded in several ways:

- **Nearly all collecting achievements will be removed** as they become redundant with the new staking system
- The collecting achievements that remain will assign **recurring XP** every epoch
- All XP values will be rebalanced to better-align with the XP values from the staking system
- Badge requirements will be updated since many of their associated achievements will no longer exist, **and badges now give recurring XP per epoch**



Updated achievement system teaser

Some **collecting** achievements will remain. We'll also be looking for new and unique collecting-based achievements for the most dedicated community members.

The goal is for collecting achievements to require dedicated effort, but will be especially rewarding (with recurring XP) for committed players.

Check out the current achievements on the [Derp Birds website](#)

What happens to the XP I've already earned?

Between now and the launch of \$DERP, players will have their XP values updated based on the upgraded system values. XP earned from chatting in Discord will be retained and, as always, players will continue to earn XP from chatting and leaving reactions in the Derp Birds Discord.

XP for all players will be balanced before \$DERP is launched.

5 Community Activity

Community has been a primary pillar of the Derp Birds project since our launch 10 (Crypto years) ago in September 2021, and remains a core focus of the project.

Today, community-based XP is earned solely from **Discord** engagement:

- Every message sent within a 60-second window earns players 1XP
- Certain thresholds of messages sent and reactions unlock achievements which grant XP

In addition to the current Discord XP earning system, we are planning for more Discord-related social activities that allow players to earn such as double-XP events where players can earn more XP from chatting during designated, special events.

With the launch of \$DERP, we are also excited to announce a new tool to recognize, award, and encourage community participation.

Twitter

Thanks to the efforts of an outstanding Derp Birds community member, players will soon earn community-based achievements and XP from Derp Birds Twitter engagement.

After connecting your Twitter account to your Derp Birds account, you'll enable XP and achievement rewards based on your Twitter activity.

This integration is still in development, and more details of this feature will be released as soon as it goes live.

Special initiatives

Aside from individual players earning achievements, XP, and \$DERP, we can now properly recognize and reward the endless community-lead initiatives, special accomplishments, and other contributions from the Derp community.

A portion of the total supply of \$DERP will be allocated to a pool used for awarding outstanding community contribution. These contributions can vary in amount awarded and in the distribution vesting period.

Join the [Derp Birds Discord](#) and [follow on Twitter](#)

6 Uses for \$DERP

A utility token without utility isn't really a utility token.

Though we have many long-term uses planned for our token, it's important for us to provide **value from the start of \$DERP**. At launch, we're excited to announce the **Prize Shop** where players can spend \$DERP on raffle entries for NFTs, **including several Cardano blue-chip NFTs such as Clays, Spacebudz, Chilled Kongz, PXLs,** and many more of our favorite NFTs.



Where will the Prize Shop NFTs come from?

Prize Shop raffle NFTs will come from multiple sources:

- The Derp Bird founders' personal collections
- Community donated NFTs
- Collaborations with other projects (already underway)
- Purchases using Derp aftermarket sales royalties
- Purchases using ADA earned from Derp Birds roadmap (if we ever actually charge for our roadmap features 🙄)

What else can I win in the Prize Shop?

In addition to NFTs, the Prize Shop will host **whitelist raffle entries** for other projects not only to help minters, but to publicize and promote exciting new projects. We think this feature is a vital, responsible offering as mints become more difficult and costly due to saturation, supply, and the growth of Cardano and the global NFT community as a whole.

Where does spent \$DERP go?

\$DERP collected from the Prize Shop will be recycled back into the Derp Arcade Treasury which is the portion of \$DERP players earn from claiming XP. The exact distribution of \$DERP can be read about in more detail later in this document.

What will I use to play the arcade games?

Just like an old school arcade token, the \$DERP token will power all the fun experiences players can have with the upcoming Derp Birds roadmap, such as:

- Faction Wars
- Identifying PRED gear
- Customizing PRED at the PRED Armory (you read that right, PRED is a customizable NFT 🤖)
- Raid bosses
- Unlocking character slots for accounts

\$DERP will also be used as an optional form of payment for each of these features, and can be earned by playing and winning certain games.

What can I expect next?

The next major roadmap feature following the launch of \$DERP will allow collectors to spend their \$DERP on unidentified PRED equipment that they can ID and then use to customize their PRED NFTs in the PRED Armory. For more details and teasers, be sure to join our Discord.

What else can I do with \$DERP?

Aside from the Prize Shop raffle system and arcade games, we are currently planning collaborations with other projects that would bring more uses to the token and can't wait to reveal more of these plans as they develop.

Creating utility for \$DERP outside the Derp Birds ecosystem provides a valuable use of our token for collectors less interested in the story-driven Derp roadmap because above all else, our goal is to give NFT collectors of all types a meaningful and fun way to earn and spend \$DERP.

More details of S2 features and how \$DERP will power them will be found in the S2 roadmap whitepaper coming soon.



7 Claiming \$DERP

Holders will be able to claim \$DERP from the [Derp Exchange](https://derpbirds.io) at derpbirds.io. At any time, players can visit the Derp Exchange to see how much XP and \$DERP they have earned since they made their last claim.

\$DERP can be claimed against XP earned at a starting fixed exchange rate of 10:1, meaning for every 10 XP earned, a player can claim 1 \$DERP. The XP/\$DERP exchange rate will be fixed at launch **but may change to be dynamic and variable in the future** depending on market conditions and roadmap development.

Before making changes to the XP > \$DERP exchange rate, we will always communicate our intentions and reasoning with the community.

Exchanging XP for \$DERP

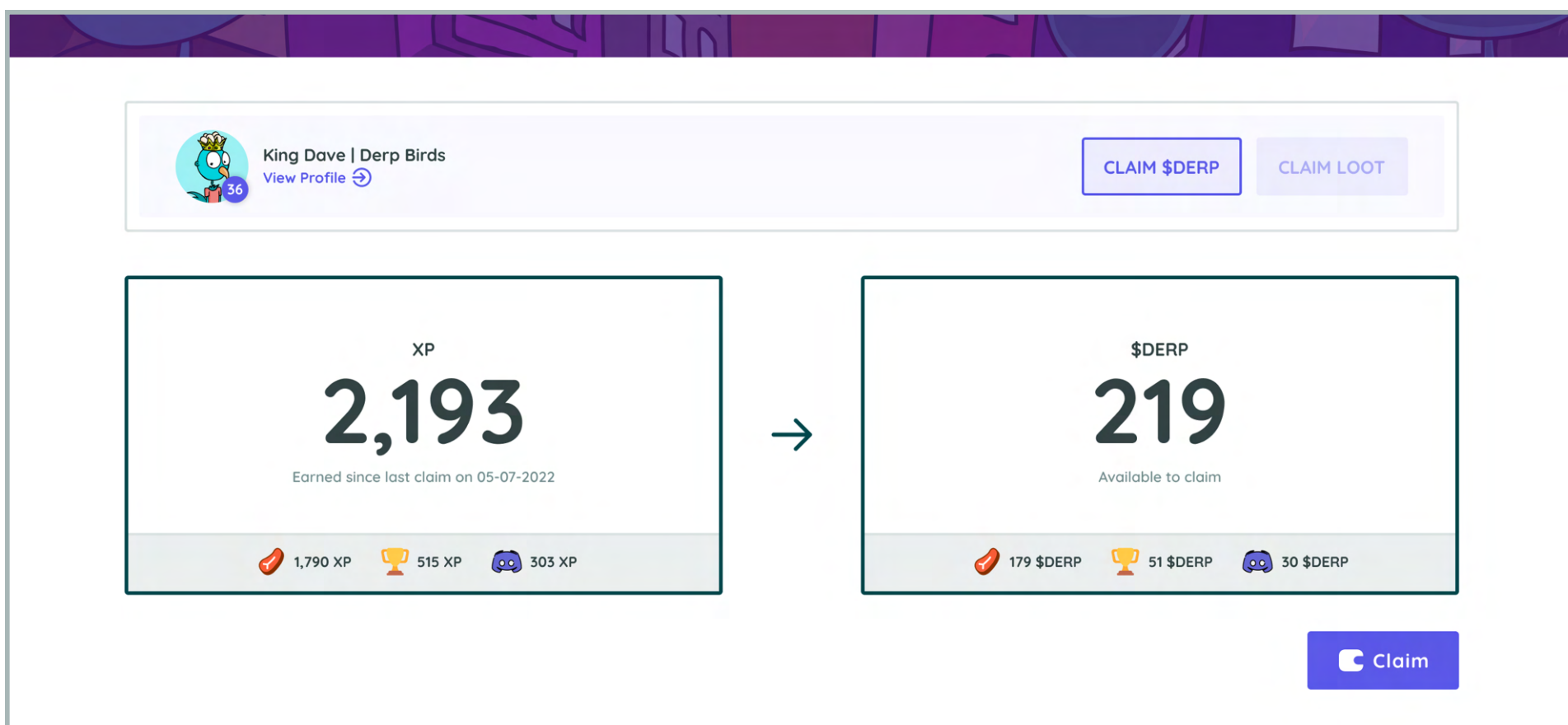
To claim \$DERP, players will sign a transaction that depletes their XP and sends \$DERP to their connected wallet.

Even though *available XP* will deplete with each \$DERP exchange, the player's overall *account XP* will continue accumulating.



The exchange will require **dust + 5ADA**. The ADA collected will go into the project treasury and be used to fund the continued development of the project, as well as to fund the Prize Shop allowing us to add more NFTs for raffles.

In addition to funding the project, the 5ADA fee is intended to mitigate blockchain congestion by encouraging players not to claim minuscule amounts of \$DERP.



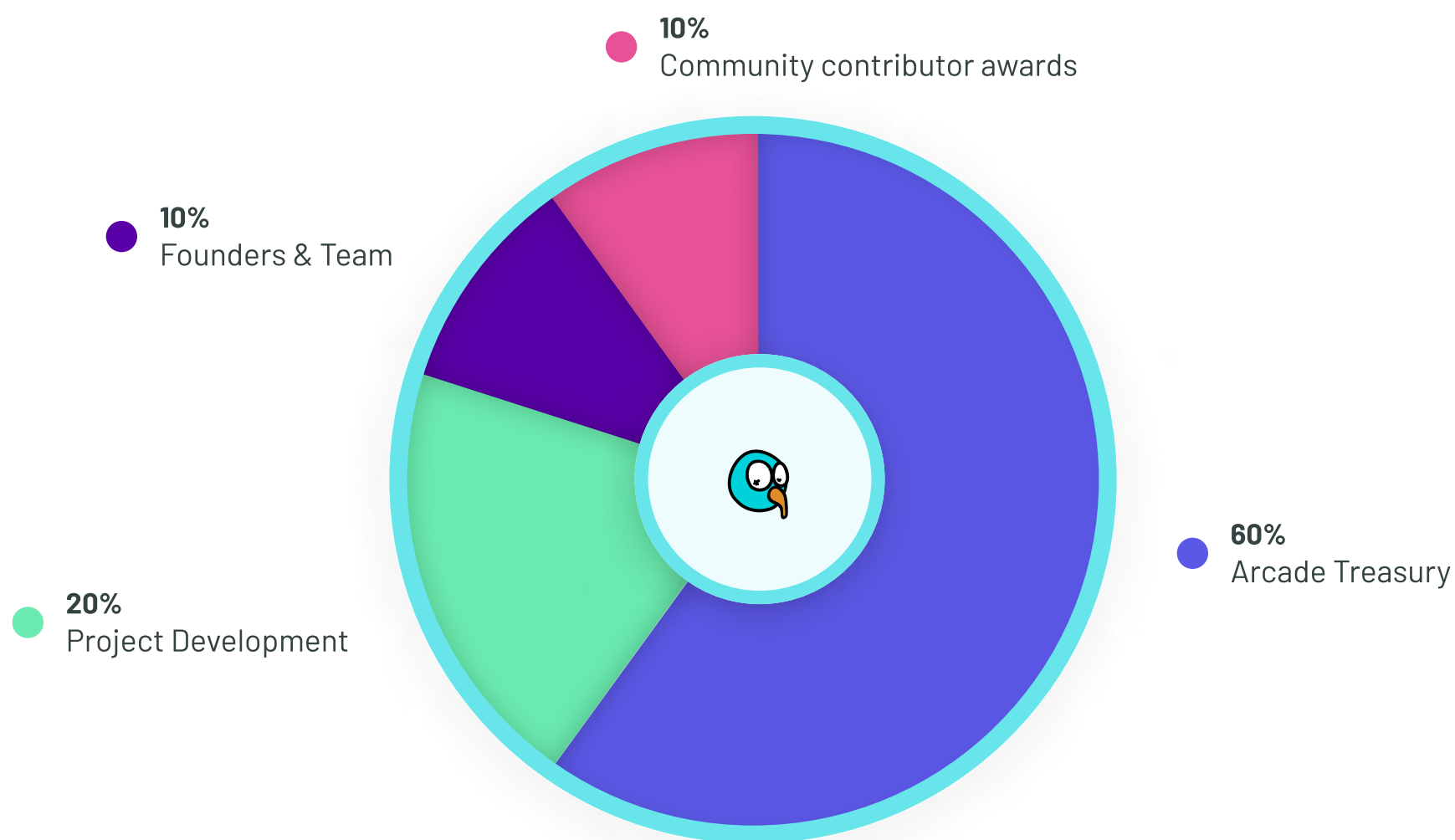
Example of claiming \$DERP for XP accumulated

8 Tokenomics

Tokenomics is an important function to ensure \$DERP endures for the both the short and long term vision of the project.

Distribution and Supply

Supply: 100,000,000



- **Founders and team – 10%**

This portion will be distributed to the project founders and team on a set vesting schedule over 3 years with the first tranche being released in October 2022.

- **Project development – 20%**

When possible, these funds will be used to further develop the Derp Birds roadmap through contractors, external services, and marketing efforts. A portion of these funds may also be used in forming partnerships with other Cardano projects.

- **Community contributor awards – 10%**

Derp Birds has two primary principles: fun and community. There are many members of the Derp Birds community that go above and beyond by leading community initiatives, building tools, contributing time and energy to roadmap ideas, and creating dank memes. 10% of the total supply of \$DERP will be reserved to reward these contributors for their valiant efforts.

- **Arcade treasury – 60%**

\$DERP exchanged from XP will come from the Arcade Treasury. Sources of XP come from staking, achievements, community social engagement on Discord, and future roadmap features, including many of the other S2 features currently in development.



Between the 60,000,000 \$DERP allocated to the Arcade Treasury and the recycled \$DERP collected from player engagement, the treasury will remain well-supplied.

Adjustments

As \$DERP cycles back into the Arcade Treasury from player participation, we may divert a portion of this inflow towards **Project Development** and **Community Contributor Awards** pools to keep them funded if, and when necessary.

These adjustments will remain transparent on the blockchain and will be made public through community announcements.

