

The Hive Presents:

CNFT Flight School

A Comprehensive Guide to Getting Started with Cardano NFTs



About The Hive

The Hive is a free-to-join CNFT community where investors of all levels and project creators come together to learn, network, gather insights and opinions, and get quick access to the information they need to be successful. The goal of The Hive is to facilitate meaningful conversations at scale.

Connect with us on [Twitter](#) and join our Discord (link in bio) to have instant access to a network of CNFT peers and experts.

Before we get started - please read the disclaimer below. By consuming this document, you are acknowledging the following:

All information found in this document, including any ideas, opinions, views, predictions, forecasts, commentaries, suggestions expressed or implied herein are for informational, entertainment or educational purposes only and should not be construed as personal investment advice. As with any investment, ensure you do your own research before making any purchases, sales, or other investment decisions. While the information provided in this document is believed to be accurate, it may include errors or inaccuracies, and thus we cannot be held liable for any damages, losses, or other negative outcomes as a result.

Introduction to Flight School

The concept of Flight School was created for the specific purpose of helping new members of the CNFT community navigate the community, avoid common mistakes, and achieve proficiency with the variety of tools that are available to investors.

In this document you'll find updated information separated into a few categories:

CNFT Marketplaces - a breakdown of the different marketplaces where buyers and sellers engage in CNFT transactions.

Wallets - information about the variety of wallets available to CNFT investors including the pros and cons of each.

Minting - expert-tested tips on how to increase your chances of success in minting new CNFT projects

Project Screening - we'll provide you criteria you can use to evaluate projects on your own to reduce your chance of buying into scams and to help you spot potential winners

Names to Know - a foundational element of your success in CNFTs will be you trusting the right people and information sources. We will get you started with people we know you can trust and follow confidently.

Sites and Tools - we got your back on the best sites to use when evaluating the secondary market and sales data.

Glossary of Terms - if you're brand new to the space it can be tough to keep up with the lingo. We've provided a glossary to help you cut through the noise and abbreviations.

We're happy to BEE with you on your CNFT journey. Let's get buzzing!

CNFT Transactions and Marketplaces

The two main transaction types for CNFT marketplaces are **Escrow** and **Smart Contract**:

1) Escrow Transactions

- In the escrow model, a buyer agrees to buy an NFT and sends the required ADA to an escrow address set up by the marketplace. The seller is then notified and has 24 hours to send the asset to that same escrow address. Once both ADA and asset are together in the escrow wallet, the wallet automatically disperses both to the buyer and seller and completes the transaction, minus the fee (~2.5%) which is incurred by the seller. (Ex: seller completes a sale for 100 ADA, they will receive 100 ADA minus 2.5% or 97.5 ADA).
- If a seller fails to send the asset in 24 hours, the buyer receives their ADA back (minus dust fees).
- If a buyer sends the wrong amount, they are refunded (minus dust fees)
- If a seller sends the wrong asset, the asset is sent back (minus dust fees).
- Unless all conditions of the transaction are met (correct ADA amount, correct asset), all parties will receive refunds and the transaction is canceled.
- **Pros of Escrow** - as a seller, you ultimately have the power in an escrow transaction. While frowned upon and not without penalty of a lockout period from the marketplace (from 12-24 hours or more), a seller can decide to let the clock expire and not send the asset.

-
- **Cons of Escrow** - as you can imagine, the con of escrow sales fall mostly to the buyer. The seller can decide not to send their asset, which means your ADA is tied up for 24 hours. This can be frustrating and annoying.

2) Smart Contract Transactions

- A smart-contract interaction removes the entire escrow system and instead uses the Cardano Network to complete the transaction automatically.
- The seller lists their asset and sends the asset to a Smart Contract address.
- Once a buyer decides to buy that NFT and sends the correct amount on a smart-contract listing, the transaction is completed instantly. The asset and ADA are both dispersed with no waiting period.
- While the marketplace fees are similar to escrow (~2%) for smart contract sales, there is additional ADA required to interact with smart contracts that will be refunded to the buyer (minus) dust when they receive their NFT.
- Smart Contract marketplaces may choose to implement Royalties, which are paid out of the seller's cut to the project creator
- **Pros of Smart Contracts** - Instant reconciliation is a major pro. The transaction is done immediately and everyone can move on. This is good for the entire community.
- **Cons of Smart Contracts**
 - i) As a seller, if you somehow list an NFT for the wrong price and put it into a smart contract, once the sale is made there is no going back.

-
- ii) Since you are sending the asset to the smart contract, it leaves your wallet. A major downside of this is around wallet snapshots and airdrops (sometimes projects will take “snapshots” of who is holding NFTs in their wallet to provide airdrops or other benefits). If your NFT is in a smart contract, it is not in your wallet and you may not receive credit for holding it if it is not in your wallet at the time of a snapshot.
 - iii) Additional costs due to sellers offsetting royalty fees and/or lower proceeds paid out to sellers due to royalties.

Note about Collateral and Smart Contract buying/selling: Marketplaces that allow smart contract interactions will typically integrate directly with Nami Wallet. **In order to buy or sell a CNFT via smart contract, you will need to set “collateral” in your Nami wallet.** In short, collateral is there to protect against failed smart contract failure (extremely rare). If the contract fails, the collateral is taken to cover network costs. Your collateral will not be lost assuming the interaction is successful. Collateral is easy to set and you can find more at <https://namiwallet.io/>

Note about Smart Contract sales and Royalties: Marketplaces will take their regular fee on smart contract sales, but be aware that the NFT itself may have a pre-built royalty into it that will also be enforced in a smart contract sale as well. Those royalties vary by project and creator. The royalty will be enforced in any smart contract transaction, will be deducted from the sale amount, and be sent to the creator.

Secondary Marketplaces

Marketplace	Username/Email Required?	Escrow Transactions	Smart Contract Transactions	Fee (not including dust)	Minimum Listing
Jpg.store	No	No	Yes	2%	5 ADA
CNFT.io	Yes	Yes	Yes	2.50%	8 ADA
NFTlam.io	Yes	No	Yes	<20ADA - 0% >20ADA - 2.5% or 1ADA	3 ADA

Note: This list is far from exhaustive but we are keeping it simple for beginners. Other marketplaces include [Tokhun](#), [GenesisHouse](#) and [CardanoApes.io](#)

The Hive's position on marketplaces that use Smart Contracts:

Founding The Hive and being investors in the space has led us to meet so many wonderful creators along the way. The overwhelming majority are extremely talented folks trying to innovate in this space.

We highly recommend using marketplaces that support creators through the enforcement of royalties.

Project-Specific Dedicated Marketplaces

There are also a few projects that have created their own smart-contract marketplaces, and the fees charged in these marketplaces directly support the creators. If you own NFTs that offer custom marketplaces, we strongly recommend you consider using them to buy and sell:

DeadPXLZ Marketplace - <https://pxlz.org/explorer/>

Spacedbuz Marketplace - <https://spacebudz.io/explore>

Wallets

Wallet	Mobile?	Desktop?	Minting Notes	Performance Notes
Daedalus	No	Desktop Only	Typically offers the best speed to network during a mint. Higher success rate on popular mints (anecdotally)	Daedalus syncs a copy of the entire blockchain to your PC and requires at least 8GB of RAM to run. On most daily-use laptops, this will likely slow your laptop down. Recommend closing all other windows and apps on your laptop while minting. Daedalus will also take many hours to initially sync, and will take an hour or two to sync after that if it is closed or your computer goes to sleep. Recommend starting Daedalus 2-3 hours before you want to mint something or 24 hours before if you are opening it for the first time.
Nami	No	Browser Extension	Assuming you have 40 or less NFTs in your Nami wallet, Nami has decent success as a lite-client during minting. That said, users still give feedback of slow transaction times and occasional failed transactions during popular mints.	Nami runs as a browser plugin on Chrome and does not noticeably affect the performance of PCs or laptops. The trade-off for this is transaction speed, which is slower than Daedalus. Nami allows you to create up to 5 sub-wallets under the same seed phrase. Recommend using one (empty) sub-wallet for SC interactions and minting, and another for NFT storage.
CCVault	In-browser, no native app	Browser Extension	CCVault has proven to be a reliable lite-client for minting, although not as fast as Daedalus. It has been gaining traction lately as a preferred wallet, and the dev team is planning more enhancements.	CCVault provides good utility for moving multiple tokens at once. You can search for assets by name/ID, easily view their thumbnails and add them to a transaction. CCVault also provides a 'send-all' functionality, useful for cleaning up your wallet's transactions, which can lower TX fees.
Yoroi	Yes	Yes	Yoroi does offer a mobile app, which can be useful when you are on-the-go. However, the mobile app is extremely unreliable during high network stress or popular mints and should not be relied on as a viable minting option. The desktop Chrome plugin performs better than the mobile app and is recommended if Yoroi is your only option.	Yoroi runs as a browser plugin on Chrome and does not noticeably affect the performance of PCs or laptops. The trade-off for this is transaction speed, which is slower than Daedalus. The mobile app does not affect the performance of your mobile device, however the app can become sluggish and unresponsive if your wallet contains many NFTs and/or has a lot of transactions.

Wallet security best practices:

- 1) **NEVER share your wallet seed phrase with anyone, ever.** It is also recommended that you store your seed phrase offline. Our suggestion: Write it down and lock it in a safe.
- 2) NEVER interact with anyone on Twitter that says they are a part of a wallet's tech support team. If you have an issue with a wallet, go directly to their Twitter account or website.
- 3) If you receive an airdrop and you don't know the project it is from or the sender, be cautious about interacting with it.

Minting

You have acquired ADA or purchased ADA from an exchange and you're ready to hop into minting your first CNFT! An exciting time.

Before we begin, a note about minting in general from our team who have participated in hundreds of new mints:

Minting, or the act of buying a randomly generated NFT directly from the creator, can be an exciting experience similar to a gambler's rush. If successful, you will send ADA and receive an NFT that is randomly issued to you from the project minting engine. This could be a life-changing piece depending on the project. We get excited too!

There is another side to minting. It can feel frustrating, demoralizing, exclusionary, and stressful. There will be mints that you miss out on. You may spend weeks in a project's Discord getting excited about the mint, only for that to turn into a source of resentment for you if you don't get one. People will share their new NFTs while you are left with nothing but a refund (minus dust). This WILL happen.

The other thing that will happen occasionally are frustrating performance issues on the project side. Sites will crash. Minting interfaces will break. Pages won't load. You'll get timed out, 404'd, and see other errors you didn't know existed. Creators will push mint times right before launch or delay them indefinitely. Bots will ruin mints and clog things up so badly to the point where the average investor is locked out. In the worst times, scammers will raid the project Discord and post fake minting addresses to scam people out of ADA. All of this WILL happen.

Our advice on new mints is simple. Watch out for common pitfalls and go into each mint assuming you will get nothing and be pleasantly surprised when you see that shiny new NFT in your wallet. We also advise using Daedalus whenever you can

to ensure your transaction gets posted to the network as fast as possible. Make sure you don't fall for scams.

One more thing - prepare to be a **victim of probability, for it is a heartless beast.** Chances are if there is rarity in the project, **you'll likely get a common NFT.** Simple probability says this is the most likely outcome. Do not have falsely inflated hope around scoring a rare NFT on every mint. Same deal - expect nothing and get excited when that beautiful rare shows up.

There are tons of projects that don't have built-in rarity too where the market is forced to appreciate each work individually!

Minting Tips

- **Use the Daedalus wallet.** For now there's no better chance you can give yourself on a popular mint. You'll need to give Daedalus time to load. Make sure if you are jumping in on a new mint that you start Daedalus a few hours before mint time. If it's your first time using Daedalus, allow 24-36 hours.
- **Don't send ADA to anyone who posts an address in Discord.** We have seen this happen a lot. People get excited and see an address in Discord that ends up being a scammer. Go to the exact place the creator says to go for the address and don't look anywhere else.
- **Follow the exact instructions from the creators.** For example, if they say you need a specific wallet, use that wallet.
- **Follow the rules for bulk transactions.** Some projects will allow you to mint more than one NFT in a single transaction by sending multiples of the mint amount. Follow these rules EXACTLY. Sending an amount different than the amounts stated usually results in a refund and no NFTs. Don't get cute by sending large amounts thinking you'll be able to score big unless the rules state you can do that. Additionally, if a project says you can only mint one at a time, then that's the rule and you won't get anything if you try to mint multiples at once.

Project Screening Criteria

A large factor in your success will be your ability to sniff out strong projects and weed out the garbage and scams. If we want decentralization, then we must subscribe to the fact that some bad projects will make their way into any community. That's just the way it goes.

However, there are signs and signals to look for to help you decide when you may want to invest versus hold off. We have provided some of the questions you can ask below:

1. What type of project is it?
 - Note the separate channels in *The Hive* - it likely falls into one or more of those categories. It is important to understand the category so you can compare to how other projects are faring within that category.
2. Who is the team behind it?
 - This is an essential piece of information you should feel comfortable with before buying into any project.
 - Are the creators known and reputable?
 - Do they own other CNFT projects or participate in other communities?
 - Do they get a stamp of approval from an account you trust or a friend?
 - Have they created anything else before this? How is that going?
3. Is the team capable of executing promises outlined?
 - Scrutinize the team members against the grand scheme of the project
 - Does their former experience tell a story that suggests that their current endeavor will produce fruit. For example - is your project trying to create a game? Do any of the devs or founders have game development experience? If not, what about the team convinces you that they can succeed?

4. What is the utility, or potential utility of the project?

- Sometimes projects are simply a profile picture (PFP), sometimes there's more like offering a token or currency for holding their NFT or the NFT is the token itself.
- What benefits do the tokens grant the holder? Be skeptical about this.
- Does the token act as a key to something like:
 - i. Private communication channels?
 - ii. Royalties?
 - iii. Stud services for Breeding?
 - iv. Future Airdrops?
 - v. Where the metaverse plot is located?

5. What is the size and activity of the community behind it?

- Use your brain about community size. Does a brand new project you have never heard about all of a sudden have thousands of followers or Discord members? That is atypical and usually signals paid bot followers.
- The general chat should be Buzzing with activity, but not feel like a pump group and you should see familiar faces from other projects.
- Avoid groups pumping things like floor sweep contests
- Avoid projects where the main chat is toxic or unmoderated
- Look for engagement beyond one channel.

6. Quality and professionalism

-
- Avoid projects with lots of grammatical errors in their public facing products. Language barrier is fine, but blatant grammar mistakes are a red flag.
 - Avoid projects with clutter (visual or technical)
 - Is their discord managed properly or is it a disorganized mess?
 - Is the website specific or vague about the future of the project?
 - Is the roadmap a list of pipe dreams or does it make logical sense?

Sites and Tools

CNFT.tools - CNFT.tools provides updated active listings across all the major secondary markets. In some cases, they will provide rarity data as well. Please note that the rarity data should not be explicitly used to make investment decisions per their site and that they use the information that is available to create the most fair rarity ranks in their view.

Opencnft.io - OpenCNFT provides CNFT sales data across the major secondary markets on a project basis. They also offer the ability to sort and drill down by attributes. You can use this site to get a sense of the sale history of an NFT you may be looking to buy or valuing pieces in your own collection. You can also explore the wallets that hold each project.

TokenRef - another aggregator of current listings across the secondary marketplaces. A fantastic UI that allows you to easily explore traits and associated rarity for a large amount of individual projects.

CNFT Names to Know

The founding team at The Hive has spent hundreds of hours in Discord and Twitter and can confidently recommend the following individuals as trustworthy and reliable in the CNFT world.

While we will never make an outright investment recommendation on anything, including anything said by the following individuals, we can speak for their trustworthiness in the space. This list is admittedly incomplete and we will continue to improve it. We apologize to anyone worthy of this list that we left out, it was not intentional.

https://twitter.com/IOHK_Charles - Founder of Cardano

https://twitter.com/TheHive_CNFT - The Hive's Twitter Account

<https://twitter.com/washedup4/> - Co-Founder, The Hive

<https://twitter.com/AdmiralSnekbar> - Co-Founder, The Hive

<https://twitter.com/gubjub67>

<https://twitter.com/cryptodramz>

<https://twitter.com/CardanoJer>

<https://twitter.com/CardanoDan>

<https://twitter.com/theuttermost>

<https://twitter.com/Bethakneehigh>

<https://twitter.com/Fauna9608>

<https://twitter.com/TheADAApe>

https://twitter.com/cardano_whale

<https://twitter.com/FahadoukenNFT>

<https://twitter.com/fettuccineNFT>

<https://twitter.com/LucidCiC>

https://twitter.com/_AskNemo

https://twitter.com/Dirashi_

<https://twitter.com/ADASuperHero>

<https://twitter.com/SheeshLaBoi>

<https://twitter.com/adifanatiu>

<https://twitter.com/JoriPLevy>

<https://twitter.com/fencemakerNFT>

<https://twitter.com/YPayfer>

<https://twitter.com/e4l46>

https://twitter.com/Brinksly_nft

<https://twitter.com/DoradoCNFT>

<https://twitter.com/NeimoNeimon>

<https://twitter.com/Lookin4Lovelace>

Glossary of Terms

GM/gm - literally only means good morning

NFT - Non-Fungible Token

CNFT - Non-Fungible Token on the Cardano Network

Charles/Hosk - Charles Hoskinson, the creator of the Cardano Network

IOHK - Founded in 2015 by Charles Hoskinson and Jeremy Wood, IOHK is one of the world's pre-eminent blockchain infrastructure research and engineering companies. The company builds high-assurance blockchain infrastructure solutions for public, private sector and government clients. It is also the driving force behind the decentralized and smart contract platform, Cardano

PFP - refers to profile picture, or an NFT that can be displayed as such

P2E - refers to play-to-earn, usually in the context of a game where players can earn ADA rewards for playing/winning

HOSKY/\$HOSKY - the most well known Cardano memecoin. Please DYOR

Tx - usually refers to the word "transaction"

TxID - a unique identifier for each transaction on the Cardano network. You can find it in your transaction history on any completed transaction in your wallet. Example:

"b44856422c337dc44043e4a532a24e9e731177f0f240ae7d4b0d87f3c4afaccd"

UTxO - Unspent Transaction Output. Think of these as 'bills' in your wallet. If you receive 50 ADA to an unused address in your wallet, your total ADA in the wallet might be 150 ADA in 2 UTxOs: one with 100 ADA, and 50 in another. If you spend 75 ADA on something, most likely the 50 ADA UTxO will be consumed, leaving you with 75 ADA in one UTxO as 'change'.

-
- Note: Having many UTXOs in one wallet can cause your transaction sizes to be unnecessarily large, costing you extra in transaction fees or even preventing you from interacting with smart contracts.

Blocks - the Cardano network operates in “blocks” of transactions at predetermined time intervals. When you send ADA, it is included in a block, which is then reconciled

Whale - refers to a large, usually well-funded investor

PXL/PXLZ - refers the to DeadPXLZ project

ABHS/DBHS - refers to the Angel Baby Hit Squad or Demon Baby Hit Squad projects

Clay - refers to the ClayNation/ClayMates project

Budz - refers to the SpaceBudz project

DCA - refers to dollar cost averaging, or the act of slowly accumulating an asset for the purposes of smoothing the average cost of your position over time

TA - refers to technical analysis

Cooldown - usually refers to the cooldown period on CNFT.io that a seller is assessed by not sending an NFT within the escrow transaction window

Snapshot - a copy of the state of the blockchain at a given time, usually used by projects to identify which addresses are holding NFTs from said project, and/or to identify a destination address

Airdrop - When an NFT or other asset is sent to a wallet you control without interaction on your end - Example: when a project sends you a holiday-themed NFT as a ‘thank you’ for holding one or more of their NFTs