



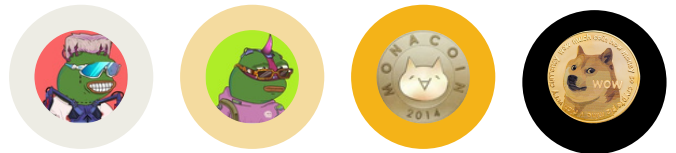
## BRC-20

TOKENS

PRODUCED AS A JOKE BUT HAVE  
SKYROCKETED IN POPULARITY



ALSO KNOW AS MEMECOINS



## WHAT ARE BRC-20 TOKENS?

BRC-20 tokens are a new token standard that have been developed on the Bitcoin Blockchain. The tokens are fungible digital assets that can be created and transferred on the Bitcoin Blockchain using Ordinals protocol.

The standard allows users to inscribe data on Satoshi's (the smallest unit of bitcoin, 100 millionth of a bitcoin) and turn them into tokens.

Bitcoin Ordinals utilized the fact that each individual Satoshi can be uniquely identified, like the codes on U.S dollar bills.

While Ordinals tagged individual Satoshis as NFTs, BRC-20 tokens involve "minting" Satoshis containing information about an entire collection of tokens using JSON data. It has caused transaction fees to spike on the network. It also requires more space on the blockchain.

Competition for block space and high fees has raised some controversy. Some say these tokens muddy up the blockchain.



# Bitcoin Ordinals:

Everything You Need to Know  
About How Bitcoin Ordinals Work



## What They Are

Ordinals are a new type of NFTs native to Bitcoin. Ordinal inscriptions enable the creation of digital artifacts. This new type of NFT differs from traditional NFTs because they actually live on the blockchain. Ordinal inscriptions lead the ability to create and record NFTs on the Bitcoin Blockchain.



## How They Work

The creation of this Ordinal theory allows users to track and transfer individual satoshis. Ordinal Theory opened the ability to create Bitcoin inscriptions, which can be used to record NFTs on the Bitcoin blockchain. Inscribing essentially means, you can attach Images, GIFs, and text, which creates a permanent content that cannot be altered.





# BRC-20 Tokens

## Effects on the Bitcoin Market and the Economics of BRC-20 Tokens

BRC-20 tokens are a new way to generate profits. It has also demonstrated that there is a high demand for Bitcoin blockspace outside of the traditional monetary uses. This could be a critical factor for the sustainability of the Bitcoin security model.



Demand for these tokens is driven by hype. The supply of BRC-20 tokens is limited by the number of Satoshis that can be inscribed. The limited supply will help keep the tokens mostly stable. Fees associated with minting and trading tokens influence their value. Because these tokens can only be acquired on-chain, the market is highly illiquid.





## **BRC-20**

### **RISKS AND CHALLENGES**



#### **LIMITED INFRASTRUCTURE**

THESE TOKENS ARE NEW AND VERY EXPERIMENTAL. IT IS VERY EARLY AND WITHOUT A FULLY RELEVANT INFRASTRUCTURE. NOT MUCH EXISTS CURRENTLY.

#### **NO REAL UTILITY**

THESE TOKENS ARE LARGELY INFLUENCED BY SOCIAL MEDIA AND WHILE THEY ARE THE CURRENT HYPE, THEY LACK UTILITY, MEANING THE TOKENS COULD COLLAPSE, WITHOUT WARNING.

#### **HIGH SCAM RISKS**

BECAUSE MEMECOINS ARE SO NEW, BRC-20S ARE AT HIGH RISK FOR SCAMS.

SECURITY RISKS AT THIS EARLY STAGE NEED TO BE TAKEN SERIOUSLY.

PROJECTS BUILDING INFRASTRUCTURE FOR ORDINALS ARE UNCERTAIN.

