

# \$FES Token Whitepaper

*Empowering the Farlands  
Ecosystem*

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## 1.1 Purpose of Document

This whitepaper outlines the current and future role of the \$FES token within the *Farlands* ecosystem - a digital game and interactive entertainment platform Developed by Red Dog Studios. It is intended to provide a detailed overview of the token's design, technical specifications, intended utility, distribution, governance features, and long-term roadmap.

This document is provided for informational and developmental purposes only. It does not constitute a prospectus, product disclosure statement, financial services guide or offer document under Australian law or any other applicable legislation. Readers should not construe any part of this whitepaper as legal, financial, investment, or tax advice.

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## 1.2 Classification and Regulatory Intent

The **\$FES (Farlands Ethereum Solana)** Classic token, as described in this document, is a Layer 2 closed-loop digital utility token intended for use exclusively within the *Farlands* game environment. It is not intended to function as a financial product or investment instrument, and does not carry any rights to revenue, profit, dividends, equity, or ownership in Pilbara Gaming Development PTY LTD or any associated entities.

The current token model is designed to:

- Enable players to access game features, in-game content, and digital interactions;
- Allow non-financial staking for gameplay enhancement (e.g. unlocking regions or features);
- Support a digital item marketplace for cosmetic and interoperable assets within a closed, game-bound —

Pilbara Gaming Development PTY LTD has engaged in proactive consultation with the Australian Securities and Investments Commission (ASIC) to ensure the token's current use remains compliant with applicable legislation. The company will continue to seek legal and regulatory guidance as the token's functionality evolves.

## 1.3 Future Development - \$FES Legacy

We acknowledge that this space is undergoing rapid regulatory development. To ensure long-term compliance and clarity, Red Dog Studios intends to launch a separate financial instrument - \$FES Legacy - at a later development stage.

The \$FES Legacy token is a custom Layer 1 token that will:

- Operate on a dedicated custom blockchain purpose-built for digital assets and smart contracts;
- Support regulated use cases such as avatar interoperability, digital land ownership, reward-based staking, and third-party developer ecosystems;
- Operate on a unique “Proof of Play” blockhash mechanic
- Be subject to appropriate licensing, compliance procedures, and financial services regulation, as required by Australian law.

\$FES Classic will remain a utility token with non-financial use cases only. It will serve as a proof-of-concept foundation to support the technical, community, and governance infrastructure required for the transition to \$FES Legacy.

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## 1.4 Disclaimer

This document has been prepared in good faith based on current understanding of Australian digital asset regulation as of the publication date. It may be updated or amended in future to reflect changes in law, regulatory interpretation, or the scope of token-related services. Any forward-looking statements are subject to ongoing review and should not be interpreted as binding commitments.

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## 2.0 Executive Summary

The \$FES token is the foundational utility token of *The Farlands*, a blockchain-integrated interactive game world developed by Pilbara Gaming Development PTY LTD (trading as Developed by Red Dog Studios).

Designed as a non-financial, closed-loop digital asset, \$FES enables players to access game features, engage with digital items, and participate in world-building - without functioning as a financial product or investment instrument.

This whitepaper sets out the structure of \$FES Classic, including its classification as a utility token, its distribution framework, and its long-term role in supporting the evolution of \$FES Legacy, a regulated digital asset to be launched on a custom blockchain.

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## 2.1 \$FES Classic – Utility Token Classification

\$FES Classic is a closed-loop, utility-only token currently deployed on the Solana blockchain. It is used exclusively within the *Farlands* game ecosystem to:

- Enable in-game purchases (e.g. items, cosmetics, upgrades),
- Support staking tied to gameplay progression (e.g. unlocking regions, boosting player impact),
- Participate in ecosystem governance tied to non-financial game features,
- Facilitate player-to-player transactions of game-bound digital assets.

The \$FES Classic token:

- Does not offer yield, profit rights, or dividends,
- Cannot be redeemed for fiat currency,
- Carries no ownership rights in the company or its assets.

While \$FES Classic is accessible via our token hosting portal ([portal.farlands.world](https://portal.farlands.world)) and will be bridged to Ethereum in future via protocols like Wormhole, its market accessibility does not alter its classification. Trading availability is intended to improve utility and interoperability - not to offer or imply financial gain. Red Dog Studios does not promote \$FES Classic as an investment or speculative product.

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## 2.2 Soft Currency System – Non-Financial Player Pathway

To provide a safe and inclusive environment for players of all ages, the *Farlands* features an internal non-tokenized soft currency (e.g. "ShadowGold") that:

- Is earned through gameplay activities such as crafting, building, or NPC interaction,
- Exists only within the game's database (not on-chain),
- Has no monetary value, cannot be traded or transferred,
- Is not linked to the \$FES token or any blockchain infrastructure.

This soft currency is the primary interaction mechanism for under-18 players and free-to-play users, ensuring full gameplay access without exposure to financial features.

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## 2.3 FES Legacy – Future Financial Token Roadmap

In future development phases, Red Dog Studios will introduce \$FES Legacy, a separate token hosted on a custom blockchain. Unlike \$FES Classic, this token will:

- Enable regulated digital property ownership (e.g. land, nodes, assets),
- Support yield-generating mechanics and marketplace monetization,
- Be subject to full licensing, AML/CTF protections, and tokenized asset governance,
- Will support a multi-game universe comprised of full character / item interoperability.

All financial features will be segregated under \$FES Legacy and implemented in accordance with relevant Australian financial services law.

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## 2.4 Regulatory Commitment

Pilbara Gaming Development PTY LTD is actively consulting with ASIC and legal counsel to ensure that:

- \$FES Classic remains compliant as a utility-only token,
- \$FES Legacy is appropriately scoped and licensed as a future financial asset,
- Consumer protection measures (e.g. soft currency, age gating, wallet controls) are clearly implemented,
- Cross-chain and marketplace accessibility do not compromise regulatory alignment.

We recognise the evolving nature of this regulatory space and remain committed to transparency, safety, and phased development aligned with Australian and global best practices.

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## 3.0 Introduction – The Farlands Ecosystem

The *Farlands* is a next-generation fantasy game ecosystem that blends AI-powered immersive storytelling, player agency, and blockchain-enabled digital ownership. Developed by Red Dog Studios, the project is designed as a multi-phase, player-driven world where users build, explore, trade, and shape the fate of a living digital environment.

Unlike traditional games, the *Farlands* offers users the ability to own, control, and interact with in-game assets using secure, decentralized technology. At its core, the *Farlands* challenges the traditional model of isolated game worlds. Instead of characters, achievements, and identity being locked to a single title, the *Farlands* is architected as a broader interoperable ecosystem where player avatars, progression, and digital assets are designed to persist beyond one game experience. A player's journey is intended to carry forward, across expansions, modes, and future titles – rather than reset with each release.

Blockchain-enabled systems are used selectively to support verified ownership, identity continuity, and interoperability, while remaining secondary to gameplay. The *Farlands* is designed with a gameplay-first philosophy: blockchain infrastructure operates in the background as an enabling layer, enhancing utility and long-term player empowerment without introducing speculative mechanics or financial dependency.

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### 3.1 Vision and Purpose

The core vision of the *Farlands* is to establish a sustainable, player-driven gaming ecosystem where identity, progression, and ownership endure across time and platforms. The project aims to move beyond isolated game silos by creating a shared digital foundation that allows players to carry their characters, reputation, and earned assets throughout an expanding universe of connected experiences.

This vision is supported through:

- Persistent Player Identity: Player avatars and characters are treated as enduring digital entities rather than disposable profiles, enabling continuity of progression, achievements, and recognition across future *Farlands* titles and modes.
- Verified Digital Ownership: In-game assets, cosmetics, and identity-linked items may be represented through tokenized systems that allow players to retain control and provenance of their digital property within approved environments.
- World Influence Through Participation: Non-financial staking and governance mechanics allow players to shape narrative outcomes, regional development, and environmental changes - reinforcing a sense of shared world ownership without introducing financial returns. These also compliment massive in-game events that permanently alter the game's storyline based purely on player involvement.
- Interoperable Infrastructure: The ecosystem is designed to support cross-game interaction, allowing characters and assets to move between compatible *Farlands* experiences over time, rather than remaining confined to a single game instance.

The token architecture - beginning with \$FES Classic and evolving into \$FES Legacy - exists to support this vision in a compliant and staged manner. \$FES Classic enables closed-loop utility within the game environment, while future systems are planned to expand interoperability and infrastructure under appropriate regulatory frameworks. Together, they provide players with a sense of permanence, continuity, and belonging within the *Farlands* universe.

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### 3.2 Design Philosophy - Game First, Blockchain Second

While blockchain plays a foundational role in powering digital ownership, the *Farlands* is first and foremost:

- A narrative-rich multiplayer world with evolving lore and environmental consequences,
- A community-driven experience where player decisions shape the story,
- A mechanically rich PVE and PVP environment, grounded in RPG-style exploration and progression.

Blockchain features are invisible to the player unless intentionally accessed, ensuring the game remains inclusive, accessible, and familiar to mainstream audiences.

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### 3.3 Why a Token-Based Economy?

The use of \$FES tokens enables:

- Interoperable access to in-game content across different platforms and future expansions,
- A secure, tamper-proof ledger for digital asset ownership (e.g. cosmetics, rare items),
- The ability to transition between closed-loop gameplay (\$FES Classic) and open economic infrastructure (\$FES Legacy) over time.

This system empowers players to build meaningful digital identities, contribute to shared economies, and participate in an ecosystem that evolves with community input - all without compromising regulatory safeguards.

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### 3.4 A Closed Loop with Future Interoperability

At launch, all blockchain features are implemented in a closed-loop configuration, meaning:

- All token interactions are confined to the *Farlands* environment;
- The \$FES Classic token is not required for gameplay and is not marketed as an investment;
- Access to external swaps or exchanges is offered purely for interoperability, not yield.

As the game matures, this infrastructure will evolve into a regulated financial layer; with appropriate age-gating, licensing, and asset classification - through the introduction of \$FES Legacy.

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## 4.0 Token Overview – \$FES Classic

The \$FES Classic token is the foundational digital utility asset of the *Farlands*, operating exclusively within a closed-loop game environment. It is used to access certain gameplay features, interact with digital content, and power internal systems such as staking and player governance. The token is non-financial in nature, carries no investment features, and is implemented solely to enhance the in-game experience.

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### 4.1 Token Attributes

Attribute	Detail
<b>Token Name</b>	Farlands Ecosystem Token (FES Classic)
<b>Symbol</b>	\$FES
<b>Token Type</b>	SPL (Solana Program Library)
<b>Initial Blockchain</b>	Solana
<b>Planned Bridge</b>	Ethereum (via Wormhole Protocol)
<b>Decimals</b>	4 (Supports microtransactions)
<b>Total Supply</b>	900,000,000 \$FES

<b>Mint</b>	GwxELoRvhovvFCUNKsVYdyFPoQfSZYsetiVFM k65HzH
<b>Initial Mint Authority</b>	Pilbara Gaming Development PTY LTD
<b>Circulating Control</b>	Manual distribution by project operator

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## 4.2 Token Functionality Summary

- Access: \$FES allows players to access in-game items, upgrades, cosmetics, and digital services within the *Farlands* platform.
- Staking (Non-Yield): Players may stake \$FES to influence gameplay outcomes such as city protection or regional expansion. No financial return or passive yield is provided.
- Governance: Token holders may vote on non-financial ecosystem updates such as new content proposals or event priorities.
- Marketplace Transactions: \$FES can be used to buy and sell digital collectibles and verified assets within the *Farlands* marketplace, with no fiat redemption path.
- Cross-Chain Interoperability: Future integration will allow \$FES to be bridged to Ethereum to support broader accessibility. Cross-chain availability does not alter its utility classification.

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## 4.3 Security and Custodianship

- The initial supply of \$FES is managed by Red Dog Studios through multisig-controlled wallets.
- No automatic or algorithmic minting mechanisms are in place.
- All distribution and usage is manually governed under internal compliance policies.
- Custodial responsibilities for reserve and development funds are clearly separated from circulating tokens and will be transparently auditable via blockchain explorers.

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## 4.4 Token Lifecycle Positioning

Phase	Classification	Notes
Current (\$FES Classic)	Utility Token	Game-bound, non-yield, closed-loop usage only
Bridged Version (via Wormhole)	Utility Token	ERC-20 mirror, functionally identical to SPL version
Future (\$FES Legacy)	Regulated Financial Asset	Open marketplace, digital ownership, yield mechanisms

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## 5. Token Allocation & Distribution

The total supply of 900,000,000 \$FES Classic tokens has been pre-minted and is managed by Pilbara Gaming Development PTY LTD under internal distribution controls. The token is allocated to support the long-term growth, sustainability, and governance of the *Farlands* game ecosystem.

No tokens are pre-sold or offered as financial products. All allocations are implemented strictly for ecosystem utility and operational support.

### 5.1 Allocation Overview

Category	Allocation	Amount (\$FES)	Purpose
<b>Development &amp; Ecosystem</b>	45%	405,000,000 \$FES	Core game development infrastructure, tooling, live operations, and ecosystem maintenance
<b>Locked Reserve</b>	20%	180,000,000	Long-term reserve supporting ecosystem stability, contingencies and potential future migrations
<b>Liquidity Infrastructure</b>	20%	180,000,000	Liquidity provisioning on Solana and Ethereum, bridge support and technical interoperability
<b>Vesting Programs</b>	12%	108,000,000	Structured vesting initiatives, including early supporter programs, and long-term participations incentives
<b>Founders &amp; Contributors</b>	3%	27,000,000	Long-term alignment for founders, core contributors and strategic collaborators (subject to extended lockups)

### 5.2 Distribution Timeline

To ensure the stability of the ecosystem and mitigate volatility, token distribution is designed with a **multi-year release schedule**, focused on gradual unlocking and use-based issuance.

Phase	Timeline	% Released	Amount (\$FES)	Distribution Notes
<b>Pre-Launch</b>	Prior to public vesting platform	13%	117,000,000	For liquidity provisioning and initial testing
<b>Year 1</b>	Months 0–12	17%	153,000,000	Game feature rollout, staking, platform rewards
<b>Years 2–5</b>	Months 12–60	50%	450,000,000	Gradual community and platform-driven issuance
<b>Locked Reserve</b>	60+ months	20%	180,000,000	Long-term reserve; may support token migration, treasury sustainability

## 5.3 Distribution Principles

- No private or public token sale has occurred or is planned for \$FES Classic.
- All tokens are held in secured wallets, with on-chain transparency via blockchain explorers.
- Tokens are released in response to ecosystem development milestones, not for speculative reasons.
- Liquidity provision is performed for accessibility purposes, not financial gain.

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## 6. Token Utility - Gameplay & Ecosystem Integration

The \$FES Classic token serves as the primary digital utility asset within *The Farlands*, powering a range of in-game interactions, upgrades, and community systems. All \$FES Classic use cases are designed to support access, participation, and progression within the game environment — without offering financial incentives or returns.

The token's purpose is to enhance player experience and identity, not act as an investment vehicle or yield-bearing asset.

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### 6.1 In-Game Economy Functions

Within the *Farlands*, players can use \$FES Classic to:

Function	Description
<b>Acquire Digital Items</b>	Purchase in-game cosmetics, gear, enhancements, and collectibles through the verified marketplace
<b>Upgrade Settlements</b>	Invest tokens into city-building features to unlock new zones, events, or shared rewards
<b>Access Premium Features</b>	Unlock limited-access content, seasonal mechanics, or time-gated areas

All token expenditures are consumptive in nature - tied directly to gameplay and not structured for resale or return.

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### 6.2 Staking Mechanics (Non-Financial)

Players can stake \$FES Classic within the game to support key world-building features, such as:

- Defending towns from attacks or corruption
- Unlocking regional expansions and environmental effects
- Backing factions, leaders, or in-game events

Important Distinction: Staking \$FES Classic offers no yield, passive income, or return-on-investment. It is purely a mechanism for influencing non-financial game outcomes.

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## 6.3 Community Governance

\$FES holders can participate in limited-scope decision-making processes related to in-game content. These include:

- Community polls for environmental expansions or seasonal events
- Lore-based narrative direction (e.g. which kingdom rises or falls)
- Player-based nomination systems for town or faction control

Governance is confined to narrative and feature-based decisions, and does not grant rights over:

- Project treasury
- Business operations
- Token supply or monetary policy

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## 6.4 Marketplace Transactions

\$FES Classic functions as the core medium of exchange within the *Farlands Marketplace* — a closed-loop, in-game trading hub where players can:

- Buy and sell digital collectibles and cosmetic items
- Trade verified NFTs representing in-game achievements or assets
- Participate in controlled, non-financial auction systems

All marketplace activity:

- Is contained within the Farlands platform,
- Cannot be redeemed for fiat or off-platform value,
- Is regulated to prevent speculation or secondary market arbitrage.

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## 6.5 Summary of Use Boundaries

Function	\$FES Classic	Financial?
In-game item purchases	✓ Yes	✗ No
Gameplay-based staking	✓ Yes	✗ No
Governance voting (gameplay only)	✓ Yes	✗ No
Liquidity on DEXs	✓ Planned Accessibility	✗ Not promoted
Yield or dividends	✗ Not applicable	✗ No
Investment or speculation	✗ Not intended or supported	✗ No

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## 7. Technical Roadmap & Blockchain Transition Plan

The development and deployment of the \$FES token is structured in three distinct technical phases, each mirroring development to the main *Farlands* game, and serving a specific function in the growth of the *Farlands* digital ecosystem. This staged approach ensures that regulatory compliance, technical scalability, and user accessibility are prioritized at every step

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### 7.1 Phase 1 – Launch on Solana (Current)

The \$FES Classic token is currently deployed as a Solana Program Library (SPL) token, selected for its:

- High throughput and low transaction costs, ideal for frequent microtransactions,
- Robust developer infrastructure, supporting seamless wallet and marketplace integration,
- Strong ecosystem support for NFT verification, token accounts, and staking primitives.

 All token features during this phase are utility-based and closed-loop. No financial rights, profit mechanics, or redemption pathways are active.

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### 7.2 Phase 2 – Ethereum Interoperability (Planned)

To support greater accessibility and ecosystem participation, \$FES Classic will be bridged to Ethereum via a secure cross-chain protocol (e.g. Wormhole). This bridge enables:

- Access to Ethereum-compatible wallets such as MetaMask,
- Potential integration with other Web3 applications (non-financial only),
- Enhanced liquidity for those interacting with the token in a non-speculative capacity.

Bridging does not change the classification or function of \$FES Classic. It remains a non-financial utility token, regardless of which blockchain the user holds it on.

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### 7.3 Phase 3 – Migration to Farlands Blockchain (Future)

In later development stages, Red Dog Studios will launch a dedicated Layer 1 blockchain – designed specifically to support the long-term scalability, sovereignty, and compliance of the *Farlands* digital world. This will mark the introduction of the \$FES Legacy token, a separate asset with distinct legal and functional properties.

Key characteristics of the Farlands Blockchain:

- Custom consensus and smart contract logic tailored to gaming and marketplace needs,
- Native support for digital property, NFT registration, and verified staking,
- Regulatory integrations (e.g. identity layers, age-gating, whitelisted wallets),
- Compatibility with existing \$FES Classic holdings via opt-in migration.

 The \$FES Legacy token will be treated as a regulated digital asset, with appropriate licensing, yield mechanisms, and open economic features – separate from the utility role of \$FES Classic.

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### 7.4 Migration & User Rights

When the transition to the *Farlands* blockchain occurs:

- \$FES Classic holders will have the option to convert their tokens into \$FES Legacy (e.g. at a fixed ratio),
- Migration will be voluntary and subject to identity verification where required,
- Players under 18 or those using soft currency will not be exposed to financial features unless explicitly upgraded and verified.

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## Summary Table – Technical Phases

Phase	Chain	Token	Purpose	Financial?
Phase 1	Solana	\$FES Classic (SPL)	Game utility, closed-loop interaction	No
Phase 2	Ethereum (Bridge)	\$FES Classic (ERC-20)	Cross-chain utility access	No
Phase 3	Farlands L1	\$FES Legacy	Regulated digital asset & yield	Yes (with license)

## 8. Child Safety, Soft Currency & Age-Based Controls

*The Farlands* is designed to be a safe, inclusive, and age-aware digital environment. The ecosystem supports gameplay for users of all ages, with strict boundaries between financial features and child-accessible mechanics.

This section outlines the protective systems in place to prevent underage exposure to tokenized assets, marketplaces, and real-world economic features.

### 8.1 In-Game Soft Currency

A non-tokenized, off-chain soft currency is implemented as the primary medium of interaction for:

- Children under 18,
- Free-to-play users,
- Casual players with no interest in blockchain functionality.

This soft currency:

- Exists only in-game (not on-chain),
- Cannot be transferred, sold, or monetized,
- Is earned through core gameplay activities such as crafting, exploration, NPC interaction, and building,
- Is used to access basic progression systems, quests, and non-premium upgrades.

There is no swap path between soft currency and \$FES tokens, NFTs, or financial items. It is structurally walled off to prevent grey-market behaviour and protect minors.

### 8.2 Age Gating & Wallet Restrictions

To ensure regulatory and ethical alignment, the following systems are enforced:

Mechanism	Description
Age Declaration	Users must declare age at account creation.
Wallet Access Restriction	Underage accounts cannot connect wallets or interact with blockchain elements.
Marketplace Restrictions	Access to the in-game token/NFT marketplace is limited to verified adult users.
Soft Currency Mode (default for minors)	Default mode disables all token access for under-18 players.
Opt-In Parental Access	Parents may manually enable token interaction for minors via linked verification system.

## 8.3 Locked Tokens & Items for Underage Users

In cases where minors may receive tokenized rewards (e.g. via airdrops, competitions, or earned NFTs):

- Tokens and items are automatically locked to the player's account;
- No access to withdrawal, sale, or transfer is permitted;
- Unlocking is only possible via:
  - Verified parent/guardian approval, or
  - Automatic release upon reaching age of majority (e.g. 18 years old in Australia).

This model allows families to build long-term digital value for younger players while fully complying with regulatory and child safety standards.

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## 8.4 Educational & Ethical Commitment

Red Dog Studios is committed to:

- Creating a safe and respectful online environment,
- Supporting digital literacy and financial awareness through optional education tools and parental guides,
- Preventing predatory monetization practices or exploitation of vulnerable users,
- Collaborating with regulators and family safety experts to refine these systems as the game evolves.

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# 9. Governance & Compliance Framework

The governance and compliance structure of the *Farlands* ecosystem is designed to balance:

- Player-driven influence within the game world,
- Centralized oversight and safeguards for legal obligations,
- And a phased transition to future decentralized systems under the regulated \$FES Legacy framework.

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## 9.1 In-Game Governance (Non-Financial)

\$FES Classic holders may participate in **limited-scope, gameplay-driven decision-making**, including:

Governable Feature	Example
Event Direction	Community votes on major story arcs or NPC faction conflicts
Regional Expansion Unlocks	Token-weighted input on which territories unlock next
Environmental Effects	Decisions tied to staking (e.g. curing a corrupted forest, building a wall)
Cosmetic Voting	Selecting visual themes, seasonal content, or avatar rewards

These votes do not carry any legal, financial, or equity-based weight. They are narrative and gameplay-layer only.

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## 9.2 Centralized Compliance Oversight

Until the launch of \$FES Legacy and the *Farlands* Blockchain, all core infrastructure and compliance responsibilities are maintained by Pilbara Gaming Development PTY LTD, including:

- Token custodianship and supply control,
- Development fund management,
- Marketplace moderation and anti-abuse enforcement,
- Consumer protection protocols and age verification,
- Ensuring all wallets used for official operations are multisig-secured and publicly auditable.

No DAO or protocol-based governance currently controls the project. All future shifts to decentralization will be licensed, documented, and introduced under strict legal and technical review.

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## 9.3 AML, KYC, and Whitelisting Considerations

While \$FES Classic is not a financial product, Red Dog Studios has implemented the following protections for optional on-chain access:

Safeguard	Description
<b>No fiat on-ramps offered</b>	Red Dog does not sell \$FES tokens directly or accept payment for token issuance
<b>Wallet Age-Gating</b>	Wallet interactions restricted to verified adult players
<b>Opt-in KYC for bridging/migration</b>	KYC may be required during \$FES Legacy token migration (to ensure regulatory licensing)
<b>Whitelist for advanced functionality</b>	Select features (e.g. marketplace node ownership) may require wallet approval or whitelisting

Red Dog Studios will update all compliance systems in accordance with evolving AML/CTF guidance from ASIC and AUSTRAC.

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## 9.4 Legal Structure and Licensing Intent

- \$FES Classic is not a security, derivative, or managed investment scheme under current Australian law.
- All financial components (e.g. staking for yield, profit-sharing) will be isolated within the \$FES Legacy token, which will be developed as a licensed financial product or in partnership with regulated third parties.
- Legal consultation with ASIC has been ongoing, and all documentation is subject to future review, clarification, or refinement as regulations evolve.

## 10. Risk Factors & Consumer Protections

Red Dog Studios acknowledges the experimental and evolving nature of blockchain-integrated gaming. Although \$FES Classic is implemented as a closed-loop utility token, it interacts with decentralized infrastructure and may be subject to external factors beyond the developer's direct control.

This section outlines potential risks and mitigations, with the goal of promoting transparency, responsible use, and informed participation.

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## 10.1 Summary of Key Risks

Category	Risk Description	Mitigation Strategy
Technical Risk	Bugs, exploits, or vulnerabilities in smart contracts or bridging tools	Manual auditing, limited permissions, off-chain fallback systems
Market Access	Third-party exchanges may introduce speculative activity beyond Red Dog's control	No official listings or sales; clear non-investment messaging
Regulatory Shift	Future laws may redefine classification of utility tokens, or restrict blockchain use	Ongoing legal review with ASIC; ability to pause bridge features if required
Wallet Misuse	Loss of access, phishing, or asset mismanagement by users	In-game safety notices, wallet education, parental controls, and recommended wallet tools
Custodial Risk	Multisig wallets compromised or development fund misused	Multi-party approvals, hardware wallets, and limited access privileges
Underage Access	Children accessing token functions through bypassed age checks	Wallet gating, soft-currency defaults, account flagging and delayed release mechanisms

## 10.2 Consumer Protection Commitments

Red Dog Studios implements the following non-financial safeguards to protect players and the broader public:

- No investment marketing: \$FES Classic is never promoted as a financial opportunity.
- Locked token paths for minors: Underage players cannot access or withdraw token assets without verified consent.
- No passive rewards: Staking does not yield income and cannot be mistaken for a financial product.
- Age-aware onboarding: Wallet connection requires age declaration and adult verification steps.
- Educational resources: Players are informed about the difference between utility, soft currency, and financial tokens.

## 10.3 Systemic Integrity Measures

- Smart Contract Scope: All token-related contracts are limited in authority (no autonomous minting, dynamic inflation, or treasury manipulation).
- No guaranteed resale value: The project makes no representations about token resale, liquidity depth, or token price
- Hardcoded limits: Total supply is fixed and controlled. No inflationary mechanisms are planned for \$FES Classic.
- Marketplace controls: The internal marketplace is moderated to prevent scams, fraud, and artificial speculation.

## 10.4 Regulatory Collaboration

Red Dog Studios is actively engaged in:

- Ongoing consultation with ASIC and relevant legal counsel, Researching digital asset licensing and anti-money laundering frameworks,
- Structuring a clear distinction between utility (\$FES Classic) and financial products (\$FES Legacy),
- Future-proofing its platform for compliance in multiple jurisdictions as the project expands internationally.

# 11. Closing Statement & Interoperability Vision

The \$FES Classic token represents a new model for utility-driven game economies — one that prioritizes player access, digital ownership, and in-game participation without introducing the risks or obligations associated with financial products.

Red Dog Studios has deliberately structured the \$FES Classic token as a non-speculative, closed-loop utility asset, suitable for use by both adult and youth players. Its role is to unlock immersive gameplay features, facilitate trusted digital item ownership, and encourage community collaboration through non-financial staking and governance mechanisms.

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## 11.1 Commitment to Compliance & Responsible Innovation

We recognize the evolving nature of the regulatory landscape, particularly in Australia and other Commonwealth jurisdictions. As such:

- We have structured \$FES Classic to avoid all characteristics of managed investment schemes, securities, or yield-bearing products;
- All future financial components — including staking for yield, digital property ownership, and passive income systems — will be introduced separately under the \$FES Legacy token, which will undergo appropriate licensing, regulatory review, and consumer protection integration;
- We will continue to consult with ASIC and maintain transparency with users and stakeholders.

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## 11.2 A Vision for Interoperable Play

As *The Farlands* expands, so too will the role of the token ecosystem. Players will gain access to:

- Cross-title interoperability — use \$FES across multiple games, including upcoming PVP and sandbox projects;
- Seamless migration from \$FES Classic to \$FES Legacy, with compliance pathways and player protections in place;
- A unified digital marketplace for cosmetics, items, and player-created content — empowering users as creators, traders, and participants in a shared world.

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## 11.3 The Farlands Ecosystem is Not Just a Game – It's a Foundation

By embedding clear ethical design, age protections, and long-term planning into its core, *The Farlands* is building a transparent, inclusive digital economy — one that evolves with its players, and stands as a benchmark for the responsible integration of blockchain in games.

We invite partners, regulators, and players alike to help shape this ecosystem with us.