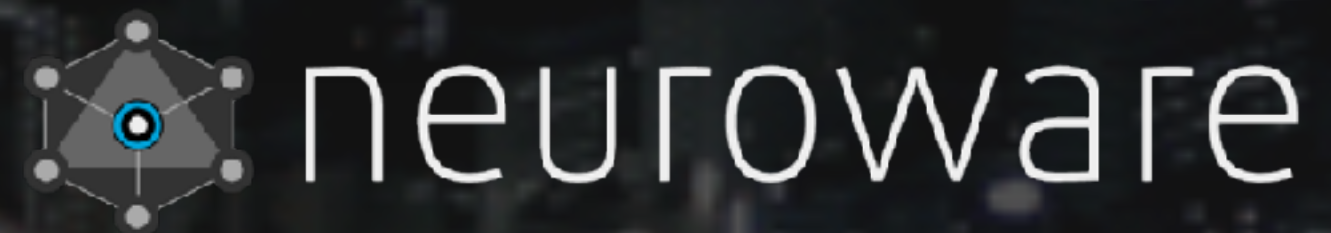


# BLOCKCHAINS

MINING NUMBERS **NOT** GOLD

PRESENTED BY





# DESPITE A FAMILY IN FINANCE I'VE MADE ONLY ONE INVESTMENT



**Mark Smalley**

Founder & CEO

Living in Malaysia for 20 Years

Building Web Applications for 15 Years

Building Tech Communities for 10 Years

Building Blockchain Apps for 5 Years

With **40,000% returns** in 5 Years

**MONEY BEGETS MONEY**

**WHICH IS WHY WE HAVE BLOCKCHAINS!**



# IT ALL STARTS HERE - ON THE ISLAND OF YAP





# SHOPPING WAS NOT EASY





SO THEY CREATED THE WORLD'S FIRST **PUBLIC LEDGER**





# WHERE UPDATES REQUIRED **GROUP CONSENSUS**



- ⦿ Size wasn't everything
- ⦿ The history of each stone determined its individual value
- ⦿ Conducting transactions quite literally involved a song & dance
- ⦿ This required the majority of people from the village to be present



ONCE UPON A TIME - THERE WERE **GOLD** STANDARDS



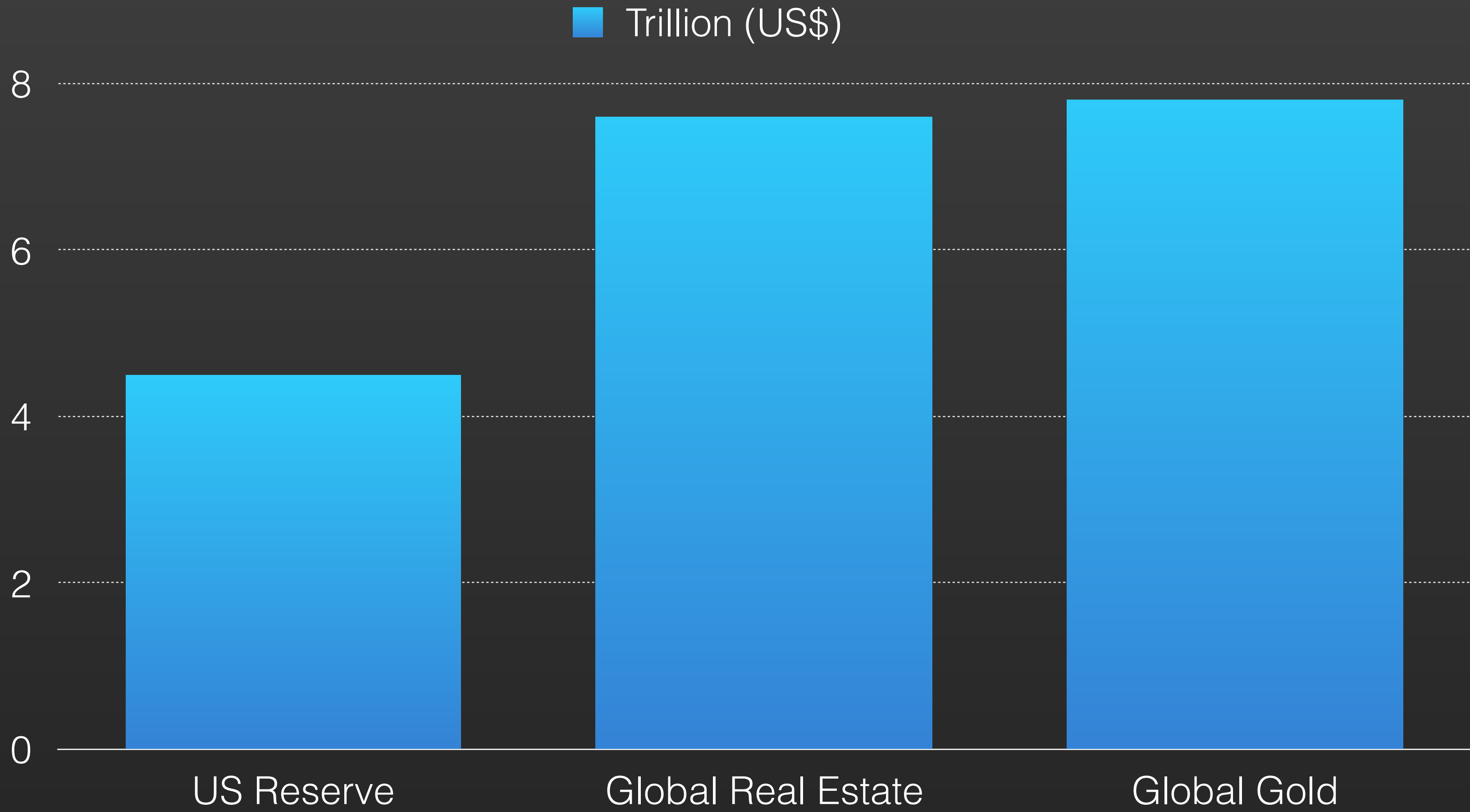


# THE END OF AN ERA - MONEY IS COMPLICATED

- 1873 to 1914 - All major worldwide currencies were 100% backed by gold
- After WW1 ended the USA switched to **Fractional Reserve Banking**  
— started by printing US\$50 for every US\$20 deposited in gold
- During WW2 the USA accumulated 2/3rd's of all gold, forcing all currencies to switch to fiat-systems pegged to US\$, which was pegged to gold
- 1971 - Richard Nixon ended the gold standard, introducing **petrodollars**

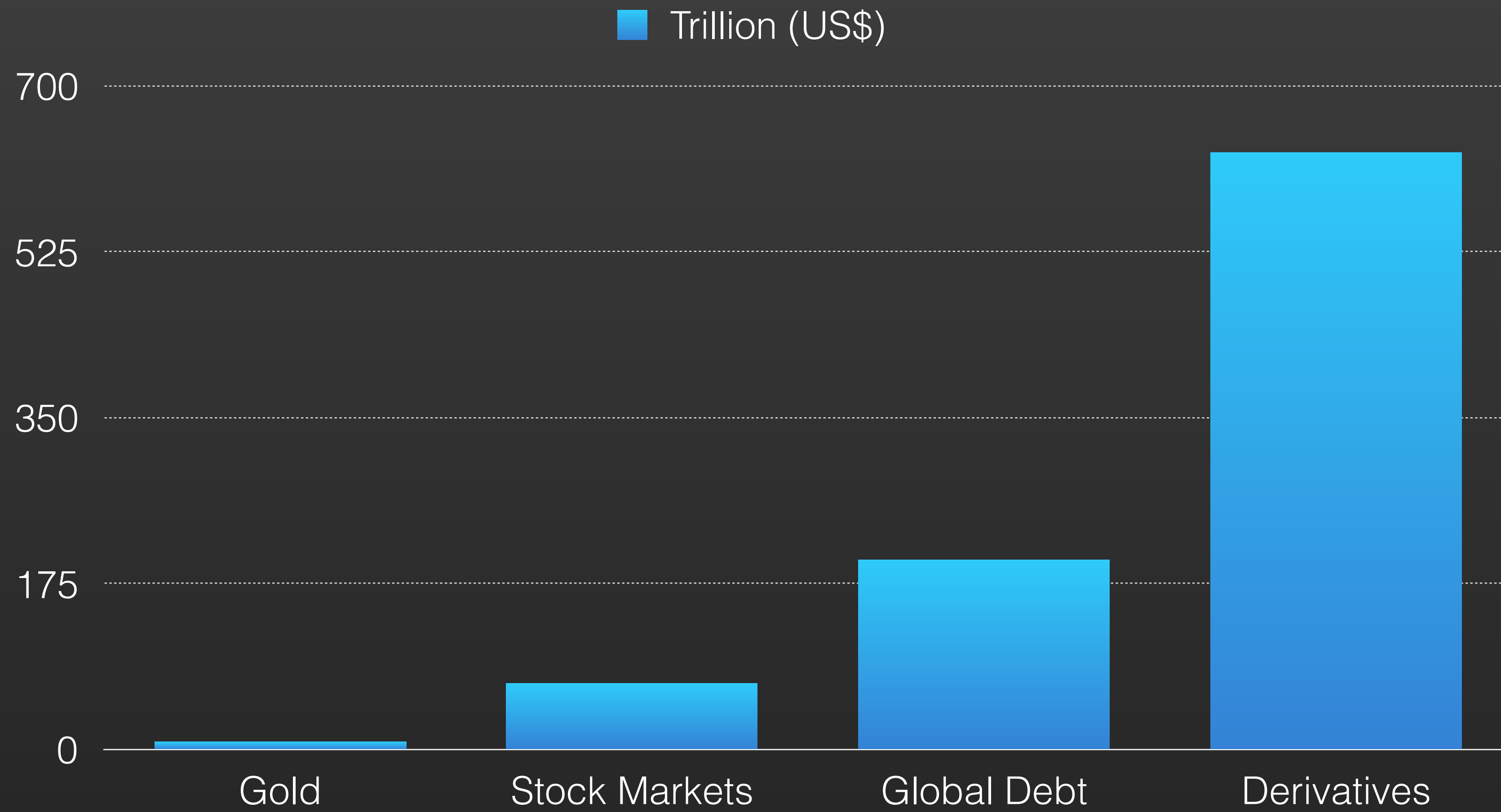


# WHEN WE THINK OF THE US DOLLAR WE THINK OF REAL MONEY





# DEBT & CENTRALIZED ASSETS MAKE THE WORLD GO ROUND





# IT ALL ENDS IN TEARS (512 US BANKS CLOSED SINCE 2008)

World War 2  
US\$3 Trillion



2008 Bailout  
US\$8.5 Trillion

This really annoyed  
**Satoshi Nakamoto**

All other US  
Wars Ever



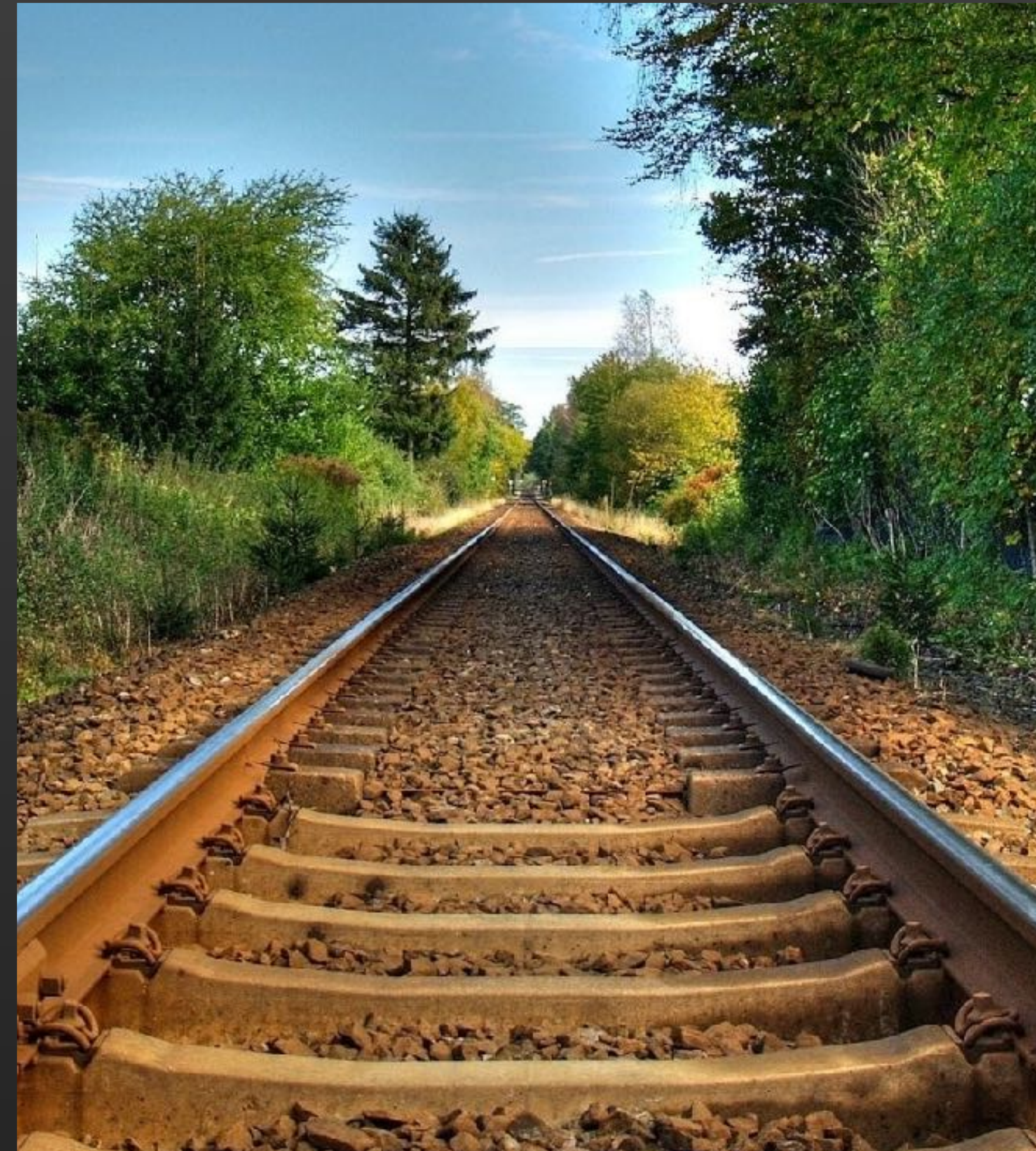
# BITCOIN

( first successful asset traded on blockchains )

vs

# BLOCKCHAINS

( the underlying technology - a shared ledger )





## WHAT ARE THE BENEFITS OF DISTRIBUTED **PUBLIC** LEDGERS?

- ① They provide an **immutable** tamper-proof audit-trail of the truth
- ① Data can be easily **shared** and independently verified by third-parties
- ① Vastly increased **security** that is much less vulnerable to attack or outage
- ① Programmable **contracts** that can radically reduce human errors and costs



“While Fintech Disrupts Banks,  
the Blockchains Disrupt Fintech”



## INTERESTING BITCOIN BLOCKCHAIN FACTS TO REMEMBER

- ⦿ Bitcoin blockchain released in January 2009 by Satoshi Nakamoto
- ⦿ We do not know who Satoshi is, or what their religion or political views are
- ⦿ However, the bailout of 2008 was cited as primary catalyst for its creation
- ⦿ US\$12 per coin in 2013 (when we bought) - now over US\$1,176 per coin
- ⦿ The Bitcoin network is currently processing over 250,000 daily transactions
- ⦿ The network's market capitalization is currently around US\$19 billion
- ⦿ 21 million maximum finite supply, decreasingly dispersed every 10 minutes
- ⦿ **But most importantly of all is the technology behind it...**



# BITCOIN AND BLOCKCHAINS HAVE NO NEW TECHNOLOGY



- HASH - Theorized in the 1800s - Coined by IBM in the 1950s
- SHA - Encryption method first introduced by US Navy in 1993
- P2P - Peer to peer protocol popularized by Napster in 1999



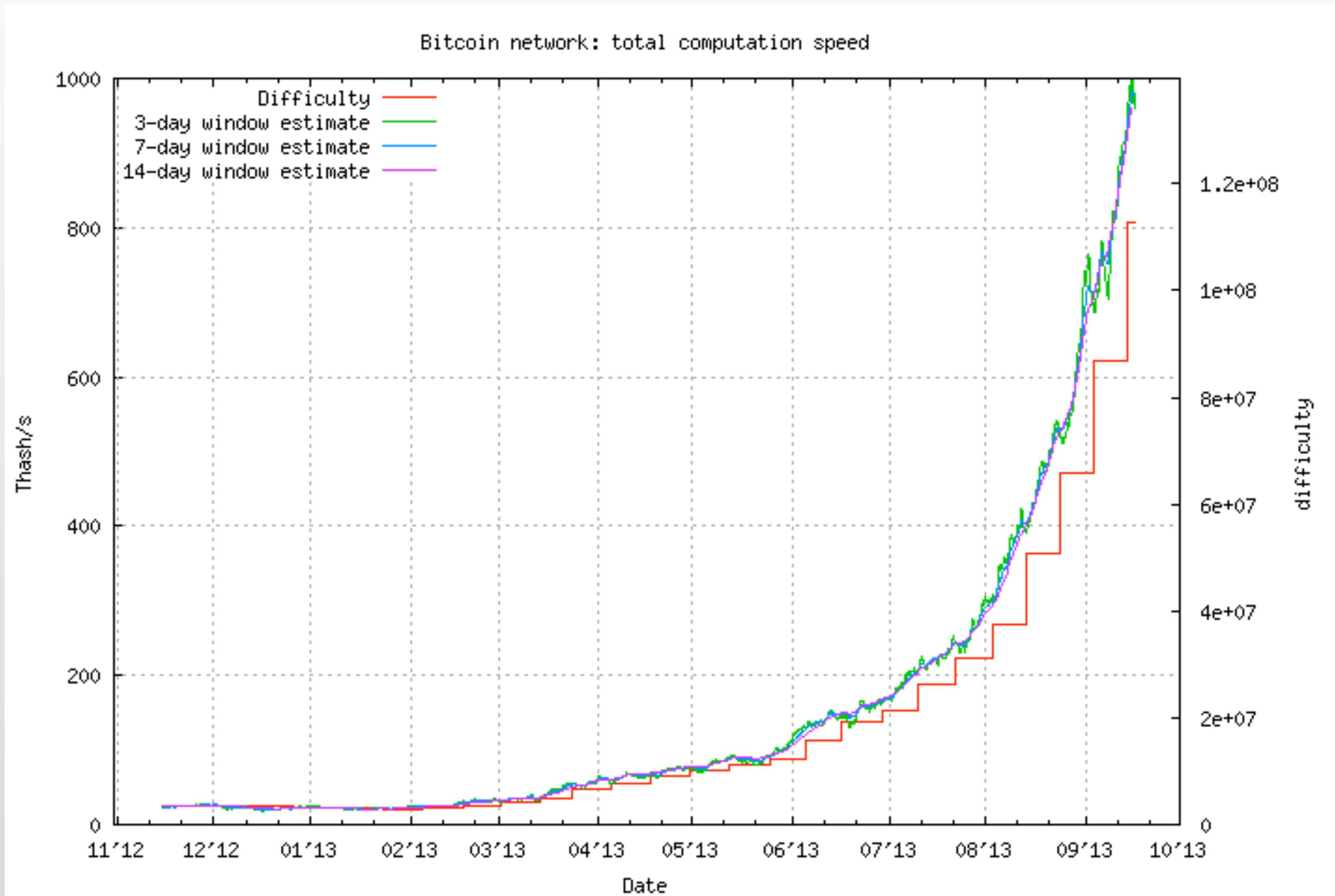
# MINING FOR NUMBERS

- To reach **consensus** as to which node has the right to add the next block to the chain, miners compete in a race to solve cryptographic equations
- Miners gather and in-turn verify unconfirmed transactions into blocks
- They then add a nonce (one use number) to the block and hash it
- If the hash has X number of zeros at the beginning it becomes a valid block
- Otherwise the miners increase the nonce and they hash the block again
- Solving these cryptographic equations is becoming increasingly difficult





# THIS IS THE HASHING POWER OF THE NETWORK IN 2013









# MINING IS NOW A BILLION DOLLAR BUSINESS

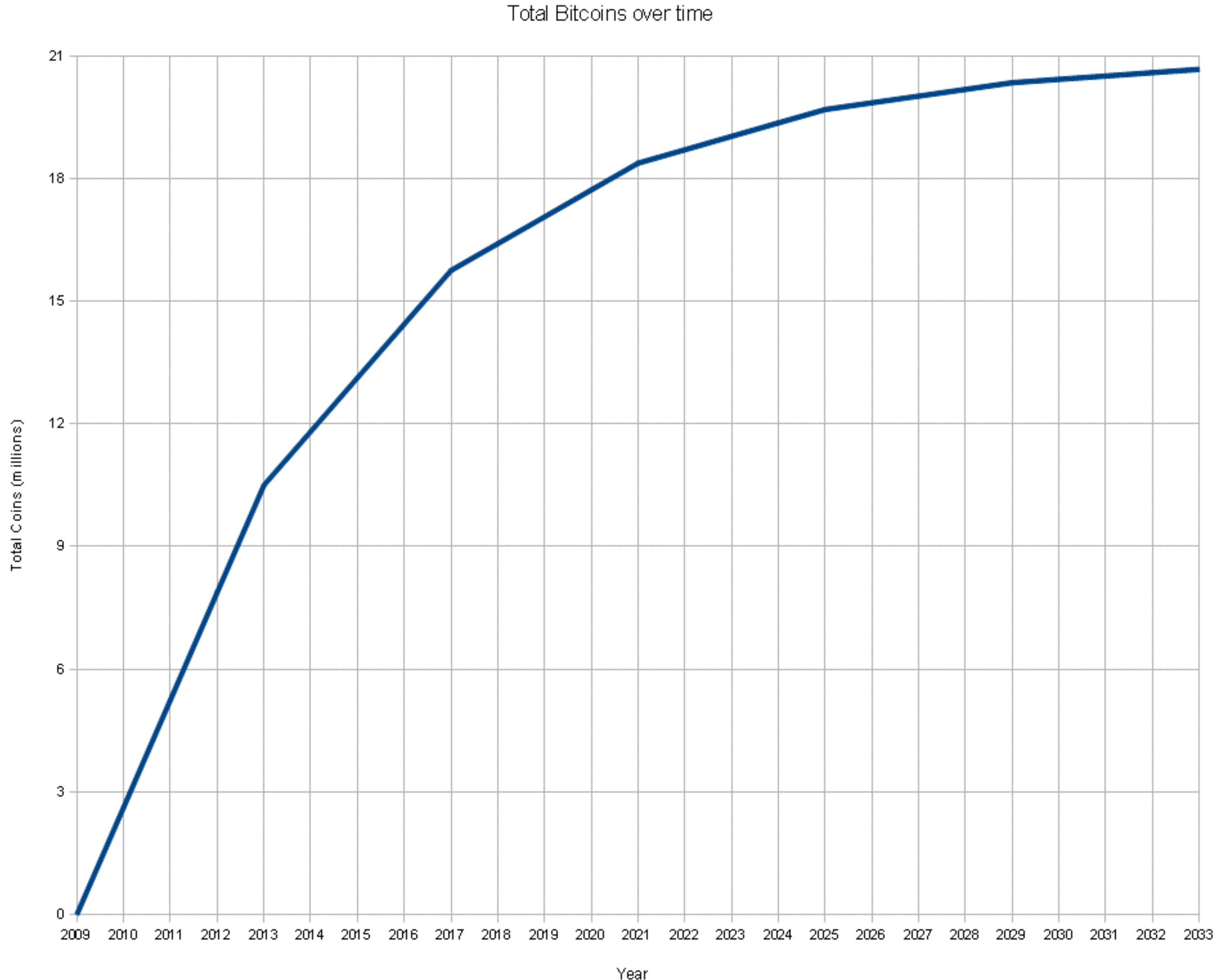








# BITCOIN SUPPLY - 21 MILLION - 2009 to MAY 7th, 2140





# IS BITCOIN A CURRENCY, COMMODITY OR TOOL ...?

<b>Traits of Money</b>	Gold	\$\$\$	Bitcoin
Durability		<b>fragile</b>	
Portability	<b>heavy</b>		
Divisibility	<b>difficult</b>	<b>limited</b>	
Uniformity	<b>if processed</b>		
Limited Supply	<b>theoretically</b>	<b>printed at will</b>	
<b>Sunnah Money</b>	Commodities	\$\$\$	Bitcoin
Intrinsic Value		<b>representation</b>	
Inflation Proof	<b>unknown</b>	<b>debt based</b>	
Acceptabilty	<b>limited</b>		<b>growing daily</b>



# IMPORTANT TO HAVE CLEAR, EFFICIENT FINAL THOUGHTS

Bitcoin is not legal tender and must be used at the investors own risk



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

- ⦿ This is no different to gold, currencies from other countries or commodities
- ⦿ Although the fate of Bitcoin is uncertain, there will always be public currencies
- ⦿ The potential for tamper proof data storage is endless and certain ...



# THANK YOU

NOW IS THE TIME TO QUESTION THINGS

LEARN MORE ABOUT



neuroware

<http://neuroware.io>