OTC Markets
Joining us today, we have Shone Anstey, Chief Executive Officer of Liquid Technologies Corp. Uh, that trades on the OTCQB market under the ticker L Q W D F. Welcome Shone.

Shone Anstey
Thank you for having me Matt. Pleasure to be here.

OTC Markets
Yeah, ah we're excited to have you. I know we're going to be talking about Bitcoin. I'm excited to learn a bit today. Um, but to get started, ah you know, I always ask my guests to give a little bit of background on yourself and I guess Liquid Technologies and how you came to be Liquid Technologies.

Shone Anstey
Yeah, absolutely. So, in know my background, I've been in tech for 35 years, since the mid-90s, internet tech, which you know we went through the same trials and tribulations are going through now with Bitcoin. I've been in the Bitcoin space since 2012 and really 2011, but in that range. And since then, I've done Bitcoin mining, industrial Bitcoin mining. I have another company I founded called Big Digital Assets ah that we spend for Deep Analytics provides information on law enforcement and trades on the Canadian Stock Exchange and it's done well and continues to grow. And in late 2019, I started LQWD with an entire focus on the Lightning network. So, that's my tech background.

My personal background is you know I've traveled the world and being a person. My parents dragged me over to Israel of all places when I was younger. I'm not even Jewish. There were Christian missionaries of all things. And they wanted to stay there. And in order to stay there, they took up citizenship. I ended up getting drafted and serving in the first Gulf War as ah as an Israeli soldier, as a Canadian born in the Bible belt, as a Christian baptized. So, you know, I learned a lot from the Israelis, their toughness, um like, or not when they just, you know, and then also just the way they think in terms of risk and risk management and, you know, what is risk and how do you, how do you move forward to accomplish goals? So, and then applying those concepts to LQWD, replying to the past companies that have done well and where we have you know small but highly effective teams and we wait for our opportunities and we grow ah from there so it's a bit of a long-winded answer but uh it's both uh it's uh LQWD is the ticker in the name what we

call it liquid for short uh so to play on the word it's very you know we've...

OTC Markets
So, well, I guess my first question for you, you just called it LQWD. Is it liquid or is it LQWD?

Shone Anstey
Spent a lot of time. I'm up here in Vancouver. We spent a lot of time in a wa and in San Francisco. So it's definitely modeled after San Francisco thinking we're that kind of a company where, you know, we're trying to ah build into what we consider a mega trend that's bigger than us, get a toehold, get a brand, ah continue to ah find our niche in the like we've done. And then, and there's a lot of, you know, during that journey, there's always naysayers and this won't work or that won't work, but this trend is so much bigger than us that so it's carrying us up. And now you're starting to see that play out. So yeah, the name is tied to that kind of concept, which we like it. It's cool. It's memorable, but we call it Liquid for short.

OTC Markets
All right. So, I know you just established a partnership, but I guess I'm going to start with, uh, you know, you had mentioned before we started recording that you want to talk a little bit of Bitcoin. So, I know Bitcoin as if I bought it in high school, it would be worth a ton of money right now.

Uh, you know, 25 years ago, man, that makes me feel old. Uh, my question for you, uh, what are you doing in Bitcoin and how has that kind of shaped Liquid Technologies into what it is today? You know, I know. You work in the Bitcoin Lightning Network. You know, just give us a bit of background there.

Shone Anstey
Yeah, a little background so we can get into more about the what is Bitcoin, but what we do in the space and we've, you know, people see it as a store of value. It's this, it's this new, you know, currency as it were, people treat it as that. For that sake, here, Bitcoin has this layer one, which all the Bitcoin miners mine, and they process blocks and those transactions. But it's relatively slow, but extremely secure and really distributed around the world. And what we do is come in with the Lightning Network, which is this native layer that runs on top of it. And you can let you do you know millions of transactions per second, so you can actually

then you use Bitcoin to pay for a cup of coffee. More importantly, though, it's not just for Bitcoin that you now have a thing called Taproot digital assets, which means you can start to do stablecoins across the Lightning Network. So instant settlement, ah in and this whole network is set up in a non-custodial way, really. And it really fills in for where the ah open source payment solution for the internet itself. And so let's just take a step back here. I think one of the questions when I give talks and stuff like that, and I've written a book, and the the real question I like to ask is I ask people is, what is Bitcoin? And then the answers are always like, well, it's money, it's a payment, now we're good to start valuing. Yes, but that's an incomplete answer. That's effectively wrong in many ways. What is that at its, what is it at its core? At its core, it is a trust protocol extending the very capabilities of the internet where money and finance is its first use case. What do we mean by that? So if you, because of my background, not because I'm some jeans, I worked in internet tech for a long time. And on a gene because of my background, I was able to identify this early on. And that's why I believed in it very quickly. Because if you understand how the internet's made, it's made up of seven technology layers. It's called the OSI stack. You can Google it. It's in every textbook. It's out there. There's a thousand Wikipedia. And it basically represents the plumbing of the internet. Layer one, that's the jack in the wall. Layer seven, those are the websites. There's layer four, layer five. They do different things that were built up over time, starting in the 50s and 60s that are building out ARPANET and all the things that came together in the 90s to create the internet that we're literally using right now. And the internet went through the trials and tribulations. And so back in the day, ah the government was going to shut it down, all this kind of stuff. All those durations, you hear about Bitcoin. Bitcoin comes in there as the eighth layer of that seven-layer stack. It comes in there as the trust protocol. It solves the ability for trust in the digital age without involving a third party. and This sounds so simple and sounds like it doesn't value. It's not valuable. It's incredibly valuable because it's going to change the way that the very plumbing of the internet is going to work and trust in the digital age as you move into AI and all the different things that are happening here. and At the end of the day, what is money and what is what are financial rails trust? and so the yes it's Yes, it's money, yes it's but it is for many other things that are kind of kind going to come up here as we continue the revolution of the internet. This is a continuation of the revolution of the internet. That's what it is at its core. And we have the same gyrations where, you know, the internet came along there and decimated industries to turn them on their head and did all these crazy things. And now in the next parts come here for the world of finance and money and governments. And it has a whole new way to create, yeah yeah you know,

visibility into what's going on in currencies and this and changing trading with zero instant settlement, no three day settlement, two days. So it's, it's changing the world of finance and the world overnight. And that's just the first part of it. So then you look into like, you know, why does Bitcoin, and what's its value? Why is it trading what it says? I don't believe in it, et cetera, et cetera. Well, you know, the value of the internet back in 1999 was valued at $200 billion. Uh, and that was, um, I remember that laughing going really, I was telling people, you got to get an email address. It's going to change everything. And the banks would take your, they take your bank account away because you were a dot.com company and the lawmakers are talking about taxing everything and regulating or shutting on the internet. I i was laughing. I'm like, there's no way to stop the strain. Same thing with Bitcoin. Bitcoin is the internet. There's no way to stop the train. Back then, they validated it. There's valuations going, oh, internet's worth $200 billion. dollars That's what it would take in a Microsoft Yahoo, the big companies to... I'm like, okay, so by 2010, you get the iPhone one in 2006. By 2010, what's the the internets estimated worth though? $10 to $20 trillion. dollars What is the internet worth today? $500 trillion, $1,000 trillion, the entire society runs on it. That's the original seven layers of technology that power the internet. OK, so now they've identified that Bitcoin is the eighth layer effectively, and it solved the trust issue that we tried to do in the 90s and failed. And it's really you know a discovery, not ah not a – and so it's even more impactful because they discovered how to do it. Uh, where we think the value of Bitcoin is going to be a trillion dollars. It's going to change the entire globe. It's going to change the entire way the internet works. Of course not. It's, and it's happening a short order because time is compressed. Then you have time being compressed because, you know, back in the back in the nineties, Yahoo would put engineers on a plane, send them to Japan with hard drives to plug it in and transfer the data because you couldn't send the data over the wire. It would take, it would take a month. You know, now you wouldn't even think about that. That's insert. That's like, you would like what? Um, you know, that kind of stuff really doesn't happen. So time is compressed. Everybody's got smartphones. The whole mobile revolution has brought everybody together. And so you start to see things happening faster and faster, and which is why AI and all these kinds of things are just rolling out. And, and, uh, like I, uh, well, Paul, um, if you listened to me, he's going to be commented as the, as the exponential age, as all the stuff is morphing together. It's an interesting, interesting concept, but ultimately it's just technologies compressing together. So from our perspective as LQWD, we're in the next phase of of the payment rails and the trust rails that are going on for Bitcoin. And it also solves another problem that we had back in the 90s where there's a response goal code

402. So for anybody who's been on the internet and you get a page, you can't find it, you get an error code 404. And that is a response code that every web server and all the and your your web browser, it's built into it as a native standard from like the late 80s to, you know, the 89, 99. These are the standards were built in there. Well, 402 is payment required. Nothing seems to be able to use it because there'll be nothing to scale at the level of the internet itself that's truly open source that anyone can hop on and anyone can use without any kind of barriers. and until now. And that's the Lightning Network. And so it's continuing to rule forward and get ahead of steam. And we were heavily betting on it. ah We believe in our thesis, we believe in our past experiences and where it's going to go. um that We put our own, you know, I put my own money in, I take no salary, I tell me how work every day, we're here to make make it make a change. And we're, you know, we're heavily invested in what's going on there. So um a bit of a long answer, but I'll stop there.

OTC Markets
No, that's helpful and it's fascinating. You know, I didn't think about ah how they used to have to transfer data back in the day, but I guess it was a very manual process, right internationally?

Shone Anstey
Sure. Right a little.

OTC Markets
Yeah, it's just things you don't think about. So, is that the Lightning network that you're working on?

Shone Anstey
Sure. Yeah, the Lightning Network. So, let's break down the Lightning Network. So, we know that Bitcoin, layer one, we got the Bitcoin miners, the marathons, the riots, they're all processing blocks, they're all over the world and they get rewarded by the network. And that's it's great for sending $10 million dollars or $1 million dollars but if you want to send a smaller amount, um it's slower and not as effective enough. But the Lightning Network scales the same way we scale the internet. Bitcoin's scaling the same way we scale the internet by multiple layers that are stacked on top of each other that have very specific use cases. So, you have this core layer, which is the ultra secure layer. And then you have Lightning Network work which inherits security from the core layer and other things that will come about over time here as necessity side. So, the Lightning Network is made

up of series of what they call nodes and channels. A node is just a server. Somewhere in the world could be running in your office, could be running anywhere you want. We have 20 of them running in about 20 countries or one where one of the largest node operators and channel operators out there. And those nodes have Bitcoin on them and you establish channels with other node operators. And so the requirement of the network though is you must have Bitcoin on the channel. It's like an abacus. So, Bitcoin is sent back and forth in a non-custodial way and it acts as a marker as it goes across from hop to hop until ah the payment gets to the final destination. This is very similar to how Internet traffic works, where if you go and you want to go to Google.com or Yahoo.com or MSN, yeah if you're paying it and you want to find the traceroute, it'll go through multiple hops until it gets to those servers and the data will come back and it may go different paths. and they go the shortest path or the best path, whatever may happen. So, the Lightning Network works like the internet. And so within there, if you want to send stuff across the Lightning Network, there are fees. The fees are relatively low, but it is a volume gain when we see it being very high volume in terms of the routing. So that's called we're called a routing provider on that aspect. And we are able to route transactions on behalf of the Get Albies and the third parties of the world. And just anybody who may just, we're connected to Lyra Canada and it was connected to, you know, 1100, 1200 different channels all over the world that we have 20 nodes. So we see traffic coming from all different components and we just, we don't know where it's coming from, where it's going. We make sure on the rail lines that we control, because we, we own the toll roads that every we get, we charge a hot one piece for every hop and it gets to where it's got to go. And so that is just running and growing. We've had our, we've had the volume triple over the last year. Now that's one component of our business. The second component of our business is we actually provide liquidity on demand.

And so, um, I'll stop there in case there's questions about Lightning ever, because it is an unusual concept, but

OTC Markets
No, I mean, I do want to touch on, ah you know, I think you mentioned Albie just now too. How does the, ah you know, I know you have a partnership with Albie. Maybe you could tell us a little bit about Albie, but how does that partnership enhance your Lightning Network?

Shone Anstey

Sure. So that's the, that's the other component of our business. So you've got, uh, you've got Breeze Technologies out of Israel, one of the leading wallet providers. You've got Albie. We've got some others that we're working with and they provide end user support. So, they work with end users. We're in infrastructure play. We don't deal with end users. We don't have that. Okay. We see, we don't have all that kind of problem. We don't deal with that. But what we do is we can have this thing called chain liquidity with the Lightning Network requires liquidity on it in order to make sure transactions go. Money's got to go across the wire. And so we show up with our, we have 115 Bitcoin on the balance sheet, and we're looking to expand that. And we put that Bitcoin to work on the Lightning Network in a non-custodial way. We maintain control of our keys. And they can actually call liquidity off of us on demand. So we have this thing with the Get Albi. We have this thing with the breeze. There's a very clever thing called chain liquidity. So they can actually call liquidity and get channels on demand ah for their users in real time. And we actually charge and we charge a fee for that. So, we make way more money on the liquidity on demand. And we do on the routing but the routing is this exponential business where we built on we built we've literally used uh nvidia's AI engine to help manage our routing and we built all kinds of stuff around there and all as well as reporting for doing audits and all these kind of things that create the mode around what we have and we're a leading player in the space and everybody knows who we are uh so we have two components of the business we have the routing business where we earn fees off of every transaction goes across one of our nodes and we earn those fees in bitcoin. And those fees are starting to climb, and the and the end of volume is starting to it has tripled on the year. And we have the liquidity on demand business, where we integrate with wallet providers and other players like get Albie or the Breezes of the world, and they can call liquidity on demand. And that's actually where the the margins are and the and more profit is for doing that. And we do it also in an non-custodial way. So we kind of have this weird, you know amazing opportunity where you know you can actually put capital to work at a non-custodial way and earn it in Bitcoin. What we need to do, what we're seeing is the Lightning that was growing at 1,100%, 1,200% a year. It just continued to compound on itself. And it's like anything in tech, it's slowly, slowly, and suddenly all at once. And you need to be there. You can't be there too early, but you need to be there early enough to establish your brand and where you are in the system. So we've done all that. We've gone through the hard times. We're sitting here in a unique spot. You know we're trading on the Toronto Stock Exchange. We're trading on the OTCQB. You know, we're a pure play in Bitcoin, so our balance sheet is you know tied

to Bitcoin. And our operations are tied to Bitcoin, and we'll continue down that path. So we're very, very focused on just that one thing.

OTC Markets
So, you keep saying, you know, I've heard a few times where you're growing and you're a big player in the space. I know that you um just looks like you completed a private placement recently. How do you plan to use those funds, ah you know, to continue to grow the Bitcoin Lightning Network?

Shone Anstey
Yeah, absolutely. So, Bitcoin is a liquidity network. We put more Bitcoin to work on the network, and we want based on our forecast, we want more Bitcoin. So yeah we'll yeah we'll use some regenerative working capital, but ultimately, we will buy more Bitcoin on the balance sheet. The more Bitcoin we have, the more we can put to work. So, we need to continue to make that wheel bigger and at it just continue to add. We raise capital, but continue to take most of it and put it into Bitcoin. So we don't have a huge burn. We got a really great team. We have those philosophies of being small but tough and known for my Israeli military background um and just still learning to you know have excellent people and then teams that can succeed. So we're going to maintain that philosophy and just continue to put the money to where it's got to go and then let the time is the magic elixir where even the growth of the technology and the industry itself has you know come a long way in the last 24 months and continues to accelerate. We've gone from a way where the technology was working most of the time to now it's working um all the time or a lot of it and working really well. And there's a lot of great things that are coming out there. So we're you know we're still early days, but we have an amazing opportunity. But you know we've gone through so I've been through a lot of cycles in Bitcoin from 2011, 2012 on. So, and I've seen it from 10 to 60 to 300, back to 60, back to this, back to 1200, back to 275. I've written it all.

OTC Markets
Well, fascinating story, fascinating background. I'm looking forward to seeing you grow. Ah, Shone, we are coming up on time here. um So I guess if our listeners do have any more questions, how can they best contact you, and or Liquid?

Shone Anstey
Yeah, absolutely. There's information on our website, lqwdtech.com. You can

reach out to us on Twitter where we're active there. You know, we're really only active on Twitter. I don't really, and it certainly can look up for me. I'm at Shone Anstey on Twitter. Please, please follow me and follow the company as well. We're happy to get more information out there and stay tuned to what we have in store and we're working hard.

OTC Markets
Stay tuned is right. Again, we have Shone Anstey, Chief Executive Officer of Liquid Technologies Corp. And you trade on the OTCQB under the ticker LQWDF and on the TSX-V under the symbol LQWD.

Shone, thank you very much for your time today.

Shone Anstey
Great, thank you Matt. Appreciate it.

**This is an autogenerated transcript and may contain typos.*