THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (FSMA) who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus relating to Argo Blockchain PLC (**Company**), prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (**FCA**) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. Applications will be made to the FCA for all of the ordinary shares of £0.001 each in the Company (issued and to be issued pursuant to the Placing) to be admitted to the Official List of the United Kingdom Listing Authority by way of a standard listing under Chapter 14 of the Listing Rules and to the London Stock Exchange Plc (**London Stock Exchange**) for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (**Admission**). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 3 August 2018 (or such later date as may be agreed by the Company and Mirabaud being not later than 8.00 a.m. on 3 August 2018).

The Company and each of the Directors, whose names appear on page 54 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY SHAREHOLDERS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISK AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES 16 TO 44 OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.

ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.

ARGO BLOCKCHAIN PLC

(incorporated in England and Wales under the company number 11097258)

Conditional Placing of 156,250,000 Ordinary Shares at a price of 16 pence per Ordinary Share and admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities

Broker

Mirabaud Securities Limited

Mirabaud Securities Limited (**Mirabaud**) is authorised and regulated in the United Kingdom by the FCA and is acting as broker for the Company and for no-one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Mirabaud or for affording advice in relation to the contents of this document or any matters referred to herein. Mirabaud is not responsible for the contents of this document. This does not exclude any responsibilities which Mirabaud may have under FSMA or the regulatory regime established thereunder.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to as for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

APPLICATION WILL BE MADE FOR THE ORDINARY SHARES, ISSUED AND TO BE ISSUED PURSUANT TO THE PLACING, TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A - Introduction and warnings		
Element	**Disclosure requirement**	**Disclosure**
A.1	**Introduction and warnings**	**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.** Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Subsequent resale of securities or final placement of securities through financial intermediaries**	Not applicable as there are no financial intermediaries.
Section B - Issuer		
Element	**Disclosure requirement**	**Disclosure**
B.1	**Legal and commercial name**	The legal and commercial name of the Company is Argo Blockchain PLC.
B.2	**Domicile, legal form, legislation and country of incorporation**	The Company is a newly-established company incorporated under the laws of England and Wales under CA 2006. The Company was incorporated on 5 December 2017 as a private limited company and re-registered as a public limited company on 21 December 2017. The Company's registered number is 11097258 and its registered office is at Room 4, 1st Floor 50 Jermyn Street, London, United Kingdom. The Company is domiciled in the United Kingdom and is subject to the City Code.

<table>
<tr><td>B.3</td><td>Current operations /principal activities and markets</td><td>The Company commenced operations on 27 December 2017 operating out of Canada, China and the United Kingdom. On 12 January 2018, the Company incorporated a wholly owned subsidiary Argo Blockchain Canada Holdings Inc., which commenced trading on 29 January 2018.

The Directors of the Company intend to use some or all of the funds that have been raised in the Placing to:

• expand its Mining as a Service (MaaS) operations in existing and new jurisdictions;

• develop its technology;

• to fund the expenses of the Placing; and

• the day-to-day expenses of the Company.

The Company's objective is to build its MaaS offering and to take advantage of opportunities in different jurisdictions.

The Directors' intention is to create and operate a trading business, rather than an investment entity. It is not intended that the Company acquire minority stakes in target entities.</td></tr>
<tr><td>B.4a</td><td>Significant recent trends of the issuer and its industry</td><td>The MaaS industry is growing rapidly with increased demand from the public with a desire to mine crypto currency and profit of the appreciation of cryptocurrencies. The scale of operations, level of technical sophistication and capital required for individuals to establish their own mining farms has resulted in a shift from individual, home based, mining activities to commercial, for profit, mining activities. The Company's offering will enable individuals to procure mining services without the up front capital commitment to purchase hardware or the necessary technical skills to operate a home mining farm.</td></tr>
<tr><td>B.5</td><td>Group structure</td><td>The Company has one wholly owned subsidiary, Argo Blockchain Canada Holdings Inc., a company incorporated and registered in British Columbia, Canada.</td></tr>
<tr><td>B.6</td><td>Notifiable interests, different voting rights and controlling interests</td><td>The interests of the Directors together represent approximately 29.19 % of the issued and outstanding share capital of the Company as at 27 July 2018 (being the latest practicable date prior to the publication of this document) and are expected to represent approximately 13.66% of the issued share capital of the Company on Admission.

As at 27 July 2018, there were no outstanding loans granted (or any guarantee provided) by any member of the Group to any Director or Senior Management, nor by any Director or Senior Management to (or for the benefit of) any member of the Group.

Except for the interests of those persons set out in this paragraph, the Directors are not aware, at the date of this document, of any interest which immediately following Admission would amount to 3% or more of the Company's issued share capital:

<table>
<tr><th>Name</th><th>Ordinary Shares as at the date of this document</th><th>Percentage of Existing Ordinary Shares</th><th>Ordinary Shares on Admission</th><th>Percentage of Enlarged Share Capital</th></tr>
<tr><td>Durban Holdings Ltd.[1]</td><td>38,700,000</td><td>28.15%</td><td>38,700,000</td><td>13.17%</td></tr>
<tr><td>Banque Heritage SA</td><td>0</td><td>0%</td><td>28,125,000</td><td>9.57%</td></tr>
<tr><td>Miton Asset Management</td><td>0</td><td>0%</td><td>25,000,000</td><td>8.51%</td></tr>
<tr><td>Hadron Capital LLP</td><td>0</td><td>0%</td><td>15,625,000</td><td>5.32%</td></tr>
</table>
</td></tr>
</table>

Adrian Beeston	12,600,000	9.16%	12,600,000	4.29%
Second Wave Capital LP	9,000,000	6.55%	11,716,604	3.99%
Henderson Global Investors Limited	0	0%	11,000,000	3.74%
First Equity	0	0%	10,000,000	3.40%
IronPort Blockchain Financial Inc	9,000,000	6.55%	9,000,000	3.06%
Jupiter Asset Management	0	0%	9,000,000	3.06%
Pallasite Ventures Inc	6,250,000	4.55%	7,336,642	2.50%
Smaller Company Capital Limited	5,625,000	4.09%	5,625,000	1.91%
August First Ventures	5,400,000	3.93%	5,400,000	1.84%
White Umbrella Consulting Inc.	5,400,000	3.93%	5,400,000	1.84%
Plum Capital	5,400,000	3.93%	5,400,000	1.84%
Andrew Frangos[2]	4,500,000	3.27%	4,500,000	1.53%

1 Durban Holdings Ltd., is a company under the joint ownership and control of Jonathan Bixby and Mike Edwards, directors of the Company.
2 Andrew Frangos is a director and shareholder in Cornhill Capital Limited, which was previously appointed as the Company's broker.

No major holder of Ordinary Shares has voting rights different from other holders of Ordinary Shares.

To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.

B.7 **Historical key financial information of the issuer**

The table below sets out the summary financial information of the Company for the period from incorporation to 31 March 2018. The Company commenced business on 27 December 2017. The information has been prepared in accordance with International Financial Reporting Standards as adopted in the European Union.

Statement of financial position as at 31 March 2018:

The Statement of Financial Position of the Company and Group is stated below:

	Note	Company 31 March 2018 £	Group 31 March 2018 £
ASSETS			
Non-Current Assets			
Investments	3	1	-
Tangible assets	4	-	348,522
Intangible assets	4	-	240,175
		1	588,697
Current Assets			
Cash and cash equivalents	5	898,827	1,651,206 27,609
Debtors		1,403,519	
		2,302,346	1,678,815

Total Assets		**2,302,347**	**2,267,512**
EQUITY AND LIABILITIES			
Equity Attributable to owners			
Share capital	7	132,000	132,000
Share premium	7	2,420,000	2,420,000
Retained earnings		(270,047)	(638,255)
Total Equity		2,281,953	1,913,745
Liabilities			
Current Liabilities			
Creditors	6	20,394	353,767
		20,394	353,767
Total Equity and Liabilities		**2,302,347**	**2,267,512**

Consolidated statement of comprehensive income from incorporation to 31 March 2018

The Statement of Comprehensive Income of the Group is stated below:

	31 March 2018 £
Revenue	-
Administrative expenses	(638,949)
Operating result	(638,949)
Finance income	694
Result before taxation	(638,255)
Income tax	-
Total comprehensive loss for the period	(638,255)

Statement of changes in equity for the period from incorporation to 31 March 2018

The Statement of Changes in Equity of the Company is stated below:

	Share capital £	**Share premium £**	**Retained earnings £**	**Total equity £**
At incorporation	**1**	**-**	**-**	**1**
Loss for the period	**-**	**-**	**(270,047)**	**(270,047)**
Issue of ordinary shares (20/12/17)	**89,999**	**-**	**-**	**89,999**
Issue of ordinary shares (02/01/18)	**10,000**	**90,000**	**-**	**100,000**
Issue of ordinary shares (02/02/18)	**31,250**	**2,270,750**	**-**	**2,302,000**
Issue of ordinary shares (02/02/18)	**750**	**59,250**	**-**	**60,000**
As at 31 March 2018	**132,000**	**2,420,000**	**(270,047)**	**2,281,953**

The Statement of Changes in Equity of the Group is stated below:

	Share capital £	**Share premium £**	**Retained earnings £**	**Total equity £**
At incorporation	1	-	-	1
	-	-	(638,255)	(638,255)
Loss for the period				
Issue of ordinary shares (20/12/17)	89,999	-	-	89,999
Issue of ordinary shares (02/01/18)	10,000	90,000	-	100,000
Issue of ordinary shares (02/02/18)	31,250	2,270,750	-	2,302,000
Issue of ordinary shares (02/02/18)	750	59,250	-	60,000
As at 31 March 2018	132,000	2,420,000	(638,255)	1,913,745

Group and Company cash flow statement from incorporation to 31 March 2018.

The Statement of Cash Flows of the Company and Group is as follows:

			Note	Company 31 March 2018	Group 31 March 2018
		Cash flows from operating activities			
		Loss for the year		(270,047)	(638,255)
		Adjusted for:			
		Depreciation	4	-	31,684
		Equity settled share-based payment transactions	7	60,000	60,000
		Adjusted loss		(210,047)	(546,571)
		Changes in:			
		Increase in receivables	5	(1,403,519)	(27,609)
		Increase in creditors	6	20,394	353,767
		Finance income		(694)	(694)
		Net cash generated from operating activities		(1,593,866)	(221,107)
		Cash flows from investing activities			
		Investment in 100% subsidiary	3	(1)	-
		Purchase of assets	4	-	(620,381)
		Finance income		694	694
		Net cash from investing activities		693	(619,687)
		Cash flows from financing activities			
		Issue of ordinary shares	7	2,492,000	2,492,000
		Net cash from financing activities		2,492,000	2,492,000
		Net increase in cash and cash equivalents		898,827	1,651,206
		Cash and cash equivalents at beginning of period		-	-
		Cash and cash equivalents at end of period		898,827	1,651,206

There has been no significant change in the financial condition or operating results of the Company since incorporation, except for:

- an initial fundraising of £90,000 by the issue of 90,000,000 Ordinary Shares at a price of £0.001 per share;
- a subsequent fundraising of £100,000 by the issue of 10,000,000 Ordinary Shares at a price of £0.01 per share;
- a fundraising raising gross proceeds of £2,500,000 by the issue of 31,250,000 Ordinary Shares at a price of £0.08 per share;
- entry into the GoSun Agreement and the Quebec Lease;
- the Placing;
- the contingent liabilities to pay fees assumed by the Company on the appointment of the registrars;
- the entry into consultancy agreements or letters of appointment with the Directors (or their respective service companies) comprising £498,000 per annum in aggregate; and
- the expenses of the Company incurred in relating to the Placing and Admission amounting to approximately £2,215,056 plus VAT (as applicable).

			Net Assets of the Group as at 31 March 2018 (Note 1)	Warrants exercised (Note 2)	Issue of Placing Shares Net of costs (Note 3)	Unaudited pro forma adjusted aggregated net assets of the Group on admission
			£	£	£	£
B.8	**Key pro forma financial information**	**Non-current assets**				
		Tangible fixed assets	348,522	-	-	348,522

		Intangible fixed assets	240,175	-	-	240,175
		Non-current assets	588,697	-	-	588,697
		Current assets				
		Trade and other receivables	27,609	-	-	27,609
		Cash and cash equivalents	1,651,206	5,500	22,784,944	24,441,650
		Current assets	1,678,815	5,500	22,784,944	24,469,259
		Total assets	2,267,512	5,500	22,784,944	25,057,956
		Liabilities				
		Current liabilities				
		Trade and other payables	353,767	-	-	353,767
		Current liabilities	353,767	-	-	353,767
		Total liabilities	353,767	-	-	353,767
		Total assets less total liabilities	1,913,745	5,500	22,784,944	27,704,189

This has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position.

Notes to the unaudited Pro Forma Statement of Net Assets
The pro forma statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Group as at 31 March 2018 have been extracted without adjustment from the Historic Financial Information to which is set out in Part VI (B) of this document.

2. An adjustment has been made to reflect warrants for 5,500,000 Ordinary Shares exercised at £0.001 per Share, on 13 June 2018.

3. An adjustment has been made to reflect the proceeds of a placing of 156,250,000 Ordinary Shares of the Company at an issue price of £0.16 per Ordinary Share net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £2,215,056.

4. No adjustments have been made to reflect trading or other transactions of the Group, other than those described above since 31 March 2018

5. The pro forma statement of net assets does not constitute financial statements.

B.9	**Profit forecasts /estimates**	Not applicable; this document does not contain profit forecasts or estimates.
B.10	**Qualifications in the audit report**	Not applicable; there are no qualifications on such information.
B.11	**Working capital**	The Company is of the opinion that the working capital available to the Group, taking into account the Net Proceeds, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this document.

Section C - Securities		
Element	**Disclosure requirement**	**Disclosure**
C.1	**Description of type and class of securities being offered**	The securities the subject of the Placing and Admission are Ordinary Shares of £0.001 each. The Ordinary Shares will be registered with ISIN number GB00BZ15CS02 and SEDOL number BZ15CS0.
C.2	**Currency of securities**	The Ordinary Shares are denominated in pounds sterling and the Placing Price is payable in pounds sterling.
C.3	**Shares issued/ value per share**	The Company has 137,500,000 Ordinary Shares in issue and fully paid as at the date of this document, with the 156,250,000 Placing Shares to be issued conditional on Admission taking place. There are no shares in issue that are not fully paid.
C.4	**Rights attaching to the Ordinary Shares**	Each Ordinary Share ranks *pari passu* for voting rights, dividends and return of capital on winding up. Every Shareholder present in person, by proxy or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every Shareholder present in person, by proxy or by a duly authorised corporate representative shall have one vote for every Ordinary Share of which he is the holder. The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The directors of the Company can call a general meeting at any time. All members who are entitled to receive notice under the Articles must be given notice. Subject to the CA 2006, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the board of directors of the Company. On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the CA 2006 and the Insolvency Act 1986 (as amended), divide amongst the Shareholders in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine. The pre-emption rights contained in the Articles have been waived: (i) for the purposes of, or in connection with, the Placing; (ii) generally for such purposes as the Directors may think fit (including the allotment of equity securities for cash) up to a maximum aggregate amount not exceeding 32.5% of the aggregate nominal value of the Ordinary Shares in issue (as at the close of the first business day following Admission); and (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares. Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.
C.5	**Restrictions on free transferability of the Ordinary Shares**	Not applicable; there are no restrictions in place.
C.6	**Admission to trading / regulated markets where the securities are traded**	Application will be made for all of the Company's issued Ordinary Shares, including the Placing Shares to be issued conditional on Admission, to be admitted to a Standard Listing of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 3 August 2018 (or such later date as may be agreed by the Company and Mirabaud being not later than

		8.00 a.m. on 10 August 2018).
C.7	**Dividend policy**	The Company does not intend to pay dividends in the near future as any earnings during such time are expected to be retained for use in business operations. The declaration and payment by the Company of any dividends and the amount thereof will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.
Section D - Risks		
Element	**Disclosure requirement**	**Disclosure**
D.1	**Key risks specific to the Company and its industry**	• The Company proposes to operate a MaaS business which is primarily focussed on the cryptocurrency market which can be volatile. • Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations. • Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure which could have a negative impact on the cryptocurrency market as a whole. • Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment. • Restrictions in advertising the Company's services may adversely affect the number of customer sign-ups. • The Company may have difficulty finding suitable data centre locations. • The Company may not be able to source suitable mining hardware. • The Company may not be able to secure access to electricity on an unrestricted basis or at a price the Company is willing to pay. • The Company's operations may be adversely affected by electrical outages. • The Company's activities may be materially and adversely affected should cryptocurrencies transition away from proof of work validation towards other methods of validating transactions such as proof of stake. • If the awards of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease mining operations. Should such miners include the Company's users, the Company's operations and future prospects may be materially and adversely affected. • The Company has devised its business model on known and expected requirements, which may change. • The Company's operations may be materially and adversely affected by lack of customer take-up.

		• The Company's contracts are flexible and renewal is not guaranteed. • The Company's operations may be materially and adversely affected by a change in business strategy. • The Company's operations will be dependent on the Company keeping its operations current in the face of significant and continued technological change and ensuring sufficient availability of key technologies to the Company. • The Company will need to ensure physical security of its assets and may not be successful. • The Company's operational and future prospects may be adversely affected by future market entrants. • The Company is reliant on third parties meeting their obligations to the Company. • The Company or third parties on which it relies may become subject to regulation. • The value of cryptocurrencies may be subject to momentum pricing risk. • The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain. • The Company's cryptocurrency operations may be exposed to cybersecurity threats and hacks. • The encryption on which cryptocurrencies rely could be threatened by advances in quantum computing. • The cryptocurrency networks that the Company's mining services support may be subject to a 51% Attack which subverts the proper processing of cryptocurrency transactions. • The Company is newly-formed, with no operating history or revenues, meaning that there is no basis on which to evaluate its performance. • The Company may not be able to meet user demand. • The Company may lease assets which could be withdrawn. • The Company may be subject to regulatory compliance risk. • The Company is dependent on key executives and personnel. • The Company may be subject to foreign investment and exchange risks. • Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares • The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules will be financially material.
D.3	**Key risks specific to the Ordinary Shares**	• A Standard Listing affords shareholders a lower level of regulatory protection than a Premium Listing. • Any further issues of Ordinary Shares may dilute investors'

<table>
<tr><td></td><td></td><td>shareholdings. Pre- pre-emption rights have been waived.

• The Company may be unable or unwilling to transition to a Premium Listing in the future.

• A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares.

• Returns on investment may not be realised within investors' perceived reasonable timescales, due to the potential illiquidity of the Ordinary Shares.

• Dividend payments on the Ordinary Shares are not guaranteed.</td></tr>
<tr><td colspan="3">Section E - Offer</td></tr>
<tr><td>Element</td><td>Disclosure requirement</td><td>Disclosure</td></tr>
<tr><td>E.1</td><td>Net proceeds and expenses</td><td>The Company has conditionally raised gross proceeds of £25,000,000 through the Placing, and estimated Net Proceeds of £22,784,944. The total costs of the Placing and Admission payable by the Company are estimated to be £2,215,000 (inclusive of irrecoverable VAT). The Placing and Admission will only be completed if the full £25,000,000 is raised. If the Placing and Admission do not proceed, funds will be returned to investors.</td></tr>
<tr><td>E.2</td><td>Reasons for the Offer and use of proceeds</td><td>The Directors of the Company intend to use some or all of the funds that have been raised in the Placing to fund:

<table><tr><th>Expenses</th><th>Estimated amount in first 12 months</th></tr><tr><td></td><td>£</td></tr><tr><td>Hardware acquisition and leasing costs</td><td>8,865,600</td></tr><tr><td>Operation costs - (electricity, support, local expenses)</td><td>1,838,111</td></tr><tr><td>Directors salaries</td><td>519,996</td></tr><tr><td>Head office costs</td><td>869,074</td></tr><tr><td>Marketing costs</td><td>2,993,140</td></tr><tr><td>Development costs</td><td>926,827</td></tr><tr><td>Working capital</td><td>6,772,196</td></tr><tr><td>TOTAL</td><td>22,784,944</td></tr></table>
This expenditure will allow the Company to:

• expand its Mining as a Service (MaaS) operations in existing and new jurisdictions;

• develop its technology;

• to fund the expenses of the Placing; and

• the day-to-day expenses of the Company.

The Company's objective is to build its MaaS offering and to take advantage of opportunities in different jurisdictions.

The Directors' intention is to create and operate a trading business, rather than an investment entity. It is not intended that the Company acquire minority stakes in target entities.</td></tr>
</table>

		The Company intends to apply the Net Proceeds in pursuit of its objective and business strategy. The gross proceeds of the Placing will be used to pay the expenses of Admission and the Placing and the Company's ongoing operational costs and expenses. Under the Placing, gross proceeds of £25,000,000 before expenses have been raised and the Net Proceeds will be approximately £22,784,944.
E.3	**Terms and conditions of the Offer**	The Placing is for 156,250,000 Placing Shares. The Placing Shares are being issued at the Placing Price of 16 pence per share. The Placing is subject to the satisfaction of conditions contained in the Placing Agreement. These conditions include conditions which are customary for transactions of this type (including Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 3 August 2018 (or such later time and/or date as the Company and Mirabaud may agree, being not later than 8:00 a.m. on 10 August 2018)) and the Placing Agreement not having been terminated prior to Admission. An investor who has applied for Ordinary Shares via Mirabaud shall be deemed to have agreed to the terms contained in Part III. Certain investors have participated in the Placing via subscription agreements directly with the Company on substantially similar terms. The Placing and Admission will not complete unless gross proceeds of £25,000,000 are raised. The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. Each investor undertakes to pay the Placing Price for the Placing Shares issued to such investor. The Placing will not be underwritten.
E.4	**Material interests**	The interests of the Directors together represent approximately 29.19% of the issued and outstanding share capital of the Company as at 27 July 2018 and are expected to represent approximately 13.66% of the issued share capital of the Company on Admission. As at 27 July 2018, the Company has issued the total of 5,600,000 Warrants over Ordinary Shares to its Directors, Senior Management and employees which remain outstanding. The Warrants have varying exercise prices and expiry dates. As at 27 July 2018 the Company has issued a total of 5,490,453 Warrants over Ordinary Shares to parties other than the Directors, Senior Management and employees which remain outstanding, and will, conditional upon Admission, issue a further 11,781,600 to Mirabaud in connection with the Placing. As at 27 July 2018, the Company has issued the total of 25,358,050 Options over Ordinary Shares to its Directors, Senior Management and employees pursuant to the Share Option Schemes. The Options have varying exercise prices and expiry dates. Save as set out above, it is not expected that any Director will have any interest in the share capital of the Company on Admission or have any conflict of interest between his duties to the Company and any private interests or other duties.
E.5	**Name of the Offeror/Selling Shareholders and lock-up agreements (if any)**	The Placing Shares are being placed by Mirabaud on the terms set out in Part III and directly by the Company pursuant to subscription letters on substantially similar terms. Each of the Directors (in the case of Jonathan Bixby and Mike Edwards, through their company Durban Holdings Ltd.) and Adrian Beeston have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the 52,737,500 Ordinary Shares held by them (representing, in aggregate, 17.95% of the Enlarged Share Capital) for a period of 12 months following Admission subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director).

<table>
<tr><td></td><td></td><td>Under lock-in agreements dated 27 July 2018, certain of the Company's early shareholders have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the respective Ordinary Shares for the period set out below:

<table>
<tr><th>Shareholder</th><th>Lock-in Period</th><th>Number of Shares</th><th>Percentage of Shares on Admission</th></tr>
<tr><td>IronPort Blockchain Financial Inc.</td><td>12 months from Admission</td><td>9,000,000</td><td>3.06%</td></tr>
<tr><td>Second Wave Capital LP</td><td>12 months from Admission</td><td>9,000,000</td><td>3.06%</td></tr>
<tr><td>Pallasite Ventures Inc.</td><td>6 months from Admission</td><td>5,000,000</td><td>1.70%</td></tr>
<tr><td>Andrew Frangos</td><td>12 months from Admission</td><td>4,500,000</td><td>1.53%</td></tr>
<tr><td>Smaller Company Capital Ltd</td><td>6 months from Admission</td><td>4,500,000</td><td>1.53%</td></tr>
<tr><td>Hew Rattray</td><td>6 months from Admission</td><td>500,000</td><td>0.17%</td></tr>
</table>

In addition, holders of certain warrants have undertaken to the Company that, other than in certain limited circumstances, they will not dispose of any interest they hold in the Ordinary Shares held by them for a period of 12 months from either the date of issue, or the date of the agreement.</td></tr>
<tr><td>E.6</td><td>Dilution</td><td>Under the Placing, 156,250,000 Placing Shares have been conditionally subscribed for by investors at the Placing Price, representing 53.2% of the Enlarged Share Capital. The Placing and Admission will result in the Existing Ordinary Shares being diluted so as to constitute 46.8% of the Enlarged Share Capital.</td></tr>
<tr><td>E.7</td><td>Expenses charged to investors</td><td>Not applicable; no expenses charged to the investors by the Company.</td></tr>
</table>

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

RISKS RELATING TO THE COMPANY'S BUSINESS

The Company proposes to operate a MaaS business which is primarily focussed on the cryptocurrency market which can be volatile

The MaaS business is exposed to the cyclical nature of the crypto mining sector. The crypto mining sector is affected by a variety of factors that may consequently affect the Company, including but not limited to pricing, mining difficulty, energy costs, hardware costs, evolving crypto-currency algorithms, the regulatory environment and popular attitude towards cryptocurrencies (whether specifically or as a whole).

The MaaS market is constantly changing and evolving, particularly in relation to new technologies to meet the needs and expectations of new generations of miners. Failure to invest in and keep ahead of such developments could have a materially adverse effect on the business of the Company.

The MaaS market is highly competitive. Competition in the market may result in the Company struggling to gain market share and develop and maintain its intended revenue streams. Some companies in this sector will have greater capital and other resources available to them, as well as an established market position. There is no assurance that the Company would be able to compete successfully against such competitors. Any such competition could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently. Certain governments have deemed certain actions with cryptocurrency illegal (often in line with other policy objectives) while others have indicated a more flexible regulatory attitude towards their creation, use and trade. Ongoing and future regulatory opinions and actions may change, potentially to an extent which would have a material adverse effect on the ability of the Company to continue to operate or on its business, financial condition, results of operations and/or prospects.

Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction.

Governments may also take regulatory action that may increase the costs of working with cryptocurrencies and/or subject cryptocurrency companies to additional regulation.

For example:

- on 25 July, 2017 the United States Securities and Exchange Commission released an investigative report which indicated that the United States Securities and Exchange Commission would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to U.S. securities laws;
- on 12 September 2017 the Financial Conduct Authority issued a consumer warning about the risks of initial coin offerings, noting in particular that:
    - most ICOs are not regulated by the FCA and many are based overseas;
    - it is extremely unlikely that an investor would have access to UK regulatory protections like the Financial Services Compensation Scheme or the Financial Ombudsmen Service;
    - like cryptocurrencies in general, the value of a token may be extremely volatile;
    - there is the potential for fraud;
    - ICO white papers may be unbalanced, incomplete or misleading and that a sophisticated technical understanding is required to fully understand the tokens' characteristics and risks;
    - typically ICO projects are in a very early stage of development and their business models are experimental; and
    - there is a good chance of losing your whole stake,
- on 18 January 2018, the International Organisation of Securities Commissions (IOSCO) issued a 'Communication on Concerns related to Initial Coin Offerings' in which IOSCO noted that '*ICOs are highly speculative investments in which investors are putting their entire invested capital at risk*' and '*the increased targeting of ICOs to retail investors through online distribution channels by parties often located outside of an investor's home jurisdiction – which may not be subject to regulation or may be operating illegally in violation of existing laws – raises investor protection concerns. There have also been instances of fraud, and as a result, investors are reminded to be very careful in deciding whether to invest in ICOs*';
- also on 18 January 2018, the United States Securities and Exchange Commission released a staff letter entitled 'Engaging on Fund Innovation and Cryptocurrency-related Holdings'. In this letter, the United States Securities and Exchange Commission noted the development and interest of registered funds in which would hold digital products, however noting that there are a number of significant investor protection concerns which need to be examined before sponsors begin offering such funds to retail investors. These were identified as follows:
    - **Valuation** – the need to be able to calculate the value of the net assets of the fund and report these on a daily basis, and the accounting policies and treatment of the cryptocurrencies;
    - **Liquidity** – the need for daily redeemability of interests in the funds, and the necessity to hold sufficient liquid assets so as to enable such daily redemptions and manage liquidity risk;
    - **Custody** – the ability for digital asset based funds to be able to maintain custody of their holdings, including standards relating to custodians and verification of holdings, and the management and mitigation of security risks;
    - **Arbitrage (for Exchange Traded Funds)** – for Exchange Traded Funds, the regulatory regime requires stability in market price and NAV, and whether the highly volatile nature of cryptocurrencies would affect the ability of Exchange Traded Funds to comply with their obligations; and
    - **Potential Manipulation and Other Risks** – given the lower investor protection available in connection with cryptocurrencies compared with traditional securities market, that there is a greater

opportunity for fraud and manipulation, and therefore whether these are suitable investment opportunities for the retail market.

The United States Securities and Exchange Commission also highlights that compliance is an on-going requirement, and therefore alterations to existing funds would be considered in the same manner as new funds. Consequently the United States Securities and Exchange Commission did not think that registrations for digital asset funds were appropriate until the above concerns could be addressed satisfactorily;

- on 29 January 2018, the Financial Conduct Authority warned of increased risk of online investment fraud as investors lose £87,000 per day to binary option scams. The FCA urged the public to be vigilant to the threat of online investment fraud, and noted that fraudsters are offering investments into binary options, contracts for differences and cryptocurrencies, such as Bitcoin, which advertise themselves online and via social media channels such as Facebook, Instagram and Twitter. The FCA further noted that cryptocurrencies are not generally regulated by the FCA, so consumers do not have the protections offered by the UK's financial regulatory framework;
- on 6 February 2018, the United States Senate Banking Committee held a hearing entitled 'Virtual Currencies: The Oversight Role of the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission". At the hearing, J. Christopher Giancarlo, the chairman of the Commodity Futures Trading Commission and Jay Clayton, chairman of the Securities and Exchange Commission, testified about virtual currencies, blockchain and initial coin offerings. In both the prepared remarks and the following question and answer session the two chairmen emphasised their respective agencies' role in regulation, from virtual currencies, blockchain and financial products tied to virtual currencies such as bitcoin futures and exchange traded funds.

  In particular:

  - Jay Clayton, Chair of the Securities Exchange Commission, declared that every initial coin offering he had seen is a security, and that if the ICO functions like a security, it is a security. He further noted that no ICOs have been registered with the Securities Exchange Commission, and that ICOs take advantage of the global nature of the product and the promise of secondary trading on unregulated platforms while attracting retail investors who are deserving of appropriate investor protections;
  - both Chairman agreed that legislation may be required given the retail focussed nature of virtual currencies, and that in conjunction with the Treasury and Federal Reserve, may request further legislation;
  - retail investors assume that virtual currency trading platforms are regulated like traditional exchanges, but warned that they are not registered entities;
  - any proposed federal regulation of virtual currency trading platforms should be carefully tailored to the risks posed by the relevant trading activity and enhancing efforts to prosecute fraud and manipulation;
  - appropriate oversight of virtual currency trading platforms may include data reporting, capital requirements, cybersecurity standards, measures to prevent fraud and price manipulation and anti-money laundering (AML) and know your customer (KYC) protections,
- on 16 February 2018, FINMA, the Swiss Financial Market Supervisory Authority, published guidelines on Initial Coin Offerings. These guidelines identified that each case must be decided on its own merits, and that FINMA would focus on the economic function, purpose and transferability of the tokens when considering how they are categorised under the guidelines. FINMA identified three categories of tokens:

  - **Payment tokens –** as tokens which have no further functions or links to other development projects, including those which only develop the necessary functionality and become accepted as a means of payment over time. In such cases, FINMA will require the ICO to comply with anti-money laundering regulations but will not treat them as securities;

- **Utility tokens** – as tokens which are intended to provide digital access to an application or service (which must be in existence at the time the token is issued). Provided that the sole purpose of the token is to confer digital access rights to an application or service and if the utility token can already be used in this way, then the utility token will not qualify as a security. If a utility token functions solely or partially as an investment in economic terms, FINMA will treat such tokens as securities, in the same way as it does for asset tokens; and
- **Asset tokens** – as tokens which represent assets such as participations in real physical underlying assets, companies, earning streams, entitlement to dividends or interest payments, and FINMA has viewed these as analogous to equities, bonds or derivatives. FINMA has confirmed that these will be regarded as securities, and that securities law requirements for trading in such tokens, as well as civil law requirements under the Swiss Code of Obligations (such as prospectus requirements).

FINMA also identified that a token could be a hybrid, i.e. to fall within one or more of the above categories, and in such case the requirements applicable to both would apply. The cited example was a utility token which could also be widely used as a means of payment or is intended to be used as such, which would have to comply with anti-money laundering regulation.

Nonetheless, the announcement states 'FINMA recognises the innovative potential of blockchain technology and therefore supports the federal government's Blockchain/ICO Working Group in which it is participating. Clarity about the underlying civil law framework will be a decisive factor in establishing this technology sustainably and successfully in Switzerland';

- on 22 February 2018 Bloomberg reported that the Authorite des Marches Financiers, the French regulator, said that online trading platforms for cryptocurrency derivatives fall under the European Union's MiFID II regulations and face tough new reporting and business conduct standards. Furthermore, the French regulator stated that platforms should be barred from advertising the products electronically;
- on 22 February 2018 Bloomberg issued an article entitled 'U.K. starts Cryptocurrency Inquiry as Lawmakers Weigh Regulation' noting that
  - Parliament's Treasury Committee will examine the impact of Bitcoin and its peers on banks and consumers and consider whether they could ultimately replace traditional money;
  - Nicky Morgan, a Conservative lawmaker and the committee's chairwoman stated "striking the right balance between regulating digital currencies to provide adequate protection for consumers and businesses, while not stifling innovation, is crucial'; and
  - Lawmakers will also look at how blockchain, the technology powering Bitcoin, affects financial institutions including the Bank of England,
- on 23 February, Bloomberg reported that the Austrian Finance Ministry was looking at the trading rules for gold and derivatives as inspiration for the regulations on cryptocurrencies for Austria and the European Union, with a goal to prevent virtual currencies from facilitating money laundering, and to bring trading platforms under similar oversight to that which already exists for financial instruments. Measures such as being required to identify counterparties and to report trades exceeding 10,000€ to the financial intelligence unit have been suggested, along with requirements for those undertaking initial coin offerings to prepare digital prospectuses which would need approval by the FMA, and to introduce rules which criminalize market manipulation, insider trading or front running;
- on 9 March 2018 the South Carolina Attorney General's Office Securities Division issued a cease and desist letter to Swiss Gold Global, Inc. and Genesis Mining Ltd., as it had classified the activities of those companies in offering mining contracts as investment contracts which were securities, and that an investment contract includes an investment of money in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor.

  As a result of the mining contracts constituting securities, Swiss Gold Global, Inc. and Genesis Mining were offering securities in South Carolina which were not a federal covered security, exempt from

registration or registered, and that Swiss Gold Global, Inc. transacted business as an unregistered broker dealer and employed or associated with an unregistered agent, in each case in breach of applicable law or regulation.

As a consequence of those contraventions, the Securities Commissioner of South Carolina issued an Administrative Order to Cease and Desist against Swiss Gold Global, Inc. and Genesis Mining Ltd, which included both parties being permanently barred from participating in any aspect of the securities industry in or from the State of South Carolina, and that any exemption from registration for the parties may have has been permanently revoked.

The Company considers that its activities are substantially different from those carried on by Swiss Gold Global, Inc. and Genesis Mining Ltd. as the Company's offerings:

- o are monthly contracts which do not lock in the Company's users (i.e. they lapse if not renewed);
- o contracts entitle the user to a specific amount of processing power which is utilised at the users' discretion (the user is free to change the cryptocurrency they are mining during the contract period);
- o users must select which cryptocurrency they wish to mine;
- o do not include offering a mining pool, instead the user selects a different mining pool operated by third parties to contribute to; and
- o do not involve the Company taking custody of the users' cryptocurrency.

The Company is not intending to actively target the United States, however the Company cannot guarantee that, whether or not the Company puts in place technical or other measures to restrict such access to the Company's services, persons from the United States will not access and utilise the Company's services. Should this be the case, the Company may become subject to the regulatory regime of the United States in relation to the services provided to such person. Similar concerns may also apply to other jurisdictions.

The Company, however. cannot be certain that the Company or its Group will not become subject to similar registration requirements or, in the event of a failure to register, subject to similar regulatory action, whether in the United States or elsewhere. Such regulatory action may include an Administrative Order to Cease and Desist such as in the case of Swiss Gold Global, Inc. and Genesis Mining Ltd, an injunction or enforcement proceedings being brought against the Company.

In the event that the Company or the Group becomes subject to regulatory action, the Company will take such advice as is considered necessary and appropriate to enable the Company to engage with the regulator concerned and address or rebut their stated concerns. There can be no guarantee that the Company will be successful in such efforts, and if the Company is unsuccessful, the Company may have to alter the structure of its offering, or refrain from conducting business in the relevant jurisdiction;

- on 5 April 2018, the Reserve Bank of India announced that regulated financial institutions in India can no longer provide services to companies or individuals dealing with virtual currencies. As a result, regulated financial institutions are not allowed to provide services to cryptocurrency exchanges and other businesses which utilise cryptocurrency. Although this does not amount to a ban on cryptocurrency trading, it severely restricts the usage of cryptocurrency within India unless the business or user has a bank account outside of India or the trade is conducted solely in cryptocurrencies (and therefore no bank account is required). While the Company and the Group do not deal in the exchange of cryptocurrencies, or accept cryptocurrencies as payment, In the event that the measures are considered to include limiting transactions in fiat currencies which relate to cryptocurrencies, the Company's and the Group's activities and financial prospects may be adversely affected, and if other jurisdictions adopt a similar approach, the Company's and the Group's activities may be materially and adversely affected; and
- on 11 June 2018, the Financial Conduct Authority sent a letter to the CEOs of major banks in relation to cryptoassets and financial crime, and good practice for how banks handle the financial crime risks posed by such products. It noted that there are many non-criminal motives for using cryptoassets, but there is

the risk of abuse given the potential anonymity and ability to move money between countries. The FCA identified that banks should take 'reasonable and proportionate measures to lessen the risk' of banks 'facilitating financial crimes which are enabled by cryptoassets'. It is noted that, where current or prospective clients derive significant business activities or revenues from crypto-related activities, banks may need to consider enhancing their scrutiny of clients and their activities. The FCA notes in particular:

- o where banks offer services to cryptoasset exchanges which effect conversions between fiat currency and cryptoassets and/or between different cryptoassets;
- o trading activities where clients of banks or counterparties source of wealth arises or is derived from cryptoassets;
- o where banks wish to arrange, advise on, or take part in 'initial coin offerings'.

The FCA letter identifies prudent steps which banks can take to manage risk, specifically identifying that not all businesses operate in the same manner, and that risk sensitive measures should be adopted, along similar lines to existing processes and procedures for analogous circumstances. The FCA further identifies that retail customers contributing large amounts to ICOs may be at heightened risk of falling victim to investment fraud, and noting previous guidance provided to banks as to good and poor practice which is also relevant to ICOs.

Statements have also been made by the Canadian Securities Administrators, the Securities and Futures Commission of Hong Kong, the People's Bank of China and the European Securities and Markets Authority in relation to cryptocurrencies and token issues indicating their regulatory approach, and in certain cases, the future intentions of the applicable regulator.

The Company has considered the statements of regulators and note that the Company's business does not involve:

- the acquisition, holding or sale of cryptocurrency by the Company (other than where the Company has mined cryptocurrency on its own account utilising excess capacity or as a result of test implementations, held such cryptocurrency in a third party wallet and subsequently sells such cryptocurrency on a regulated exchange);
- the Company issuing its own cryptocurrency, token or coin (by way of initial coin offering or otherwise);
- the establishment of a fund holding digital assets such as cryptocurrencies;
- the offering of exchange facilities in relation to cryptocurrencies;
- the creation or offering of binary options, contracts for differences or other synthetic financial instruments based on cryptocurrencies; or
- the creation or implementation of the Company's own distributed ledger technology.

The Company's business is providing hardware and software solutions which can be selected by the user to mine cryptocurrencies on their own account. The users configure and use the system to produce the cryptocurrency reward which is distributed to them in accordance with the protocol governing the particular cryptocurrency they wish to mine. The company does not take custody of the users' coins at any point in the process.

The statements by regulators primarily concern:

- the acquisition, holding and sale of cryptocurrencies;
- the mechanisms through which cryptocurrencies are issued and exchanged;
- the risk profile of a potential investment in cryptocurrency and the volatility in value of cryptocurrencies;
- the risk of loss, fraud and illegal activity;
- the legality of cryptocurrency;
- the regulatory environment, lack of regulatory oversight and compliance with existing regulatory requirements;

- the multi-jurisdictional nature of cryptocurrencies, tokens and coins; and
- the practical and technological risks with holding cryptocurrencies, coins or tokens.

The Company's operations require an active and functioning crypto-currency market and therefore any impact on that market is likely to have a direct effect on the Company's business. Should the market for cryptocurrencies (and, by extension, cryptocurrency mining) be materially and adversely affected by regulation, or the use, holding or sale, or activities connected with the use, holding or sale, the Company's business, financial condition, results of operations and/or prospects may be materially and adversely affected.

Depending on the application and interpretation of regulatory measures adopted, the Company's activities may be affected, and may need to consider the jurisdictions in which its services are made available to ensure compliance with applicable law as it evolves.

Any regulatory action, including but not limited to an Administrative Order to Cease and Desist, would have a negative impact on the Company's ability to operate in the particular jurisdiction depending on its terms. The Company would refrain from carrying out activities in the particular jurisdiction until such a time as the matter was resolved with the appropriate authorities. This would potentially increase costs and reduce revenue, therefore adversely affecting profitability.

The Company would face increased costs as a result of:

a) technical complexity of introducing measures to prevent (so far as possible) access from a particular jurisdiction;

b) additional compliance costs and delays from filtering and processing applications and user queries in relation to the block; and

c) additional legal costs in dealing with the issues raised by the particular jurisdiction.

The Company's potential market for its services would be reduced, and the Company considers it likely that this would have a corresponding effect on customer sign-ups. In addition, should the regulatory action be from a particular jurisdiction (such as a US state) which inherits its securities law from a wider jurisdiction (such as federal law) the Company may choose to refrain from carrying out activities in all similar jurisdictions. This could result in a significantly smaller market for the Company's services.

The Company has considered a number of mechanisms to seek to prevent persons from a particular jurisdiction from accessing the Company's services, and consider that the following are the most proportionate and potentially effective methods:

a) blocking users based on physical location – the Company could employ geo-blocking technologies which employ IP localisation and whitelisting/blacklisting to determine the location of the end user;

b) restricting payment cards issued by banks issued in the particular jurisdiction - the Company could, in conjunction with its payment processing provider, restrict payments from payment cards registered to a particular jurisdiction.

Each such method has the risk of unintentionally preventing access to a customer who would otherwise be entitled to access the Company's services, which could have a negative effect on the Company's operations. The Company will seek to ensure that any measures adopted are focused and proportionate to the compliance requirement. Should the Company adopt such measures, it will ensure that there is an opportunity for a user who may be affected by the measures adopted to make representations to the Company as to why the block should not apply to them. The Company will review the representations received and if sufficient and verifiable information is provided and it is proportionate and technically feasible to do so, will enable access for that user.

Despite the Company's efforts, users may use technical (such as Virtual Private Networks) and other methods (such as family or friend's details or payment mechanisms) in an effort to circumvent the technical measures employed by the Company to restrict access to the Company's services. There can be no guarantee that measures adopted by the Company (whether technical or otherwise) will be successful in all cases, and the Company could be subject to increased or further regulatory scrutiny itself, and potential adverse regulatory action, including censure or penalties. Should the Company identify a user who has circumvented the Company's

technical measures, the Company may terminate the user's access to the Company's services, add additional filters and/or take such other steps as may be appropriate in the circumstances.

Should the Company, as part of regulatory action or otherwise, face negative publicity, the appeal of the Company's services to parties in unrelated jurisdictions may be materially and adversely affected.

Each of these may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure which could have a negative impact on the cryptocurrency market as a whole

The actions of unrelated third parties, including but not limited to cryptocurrency exchanges or other trading venues, could have a substantial impact on the Company's operations. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, a number of BTC Exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed BTC Exchanges were not compensated or made whole for the partial or complete losses of their account balances in such BTC Exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and malware (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

To the extent that such parties are involved in fraud or experience security failures or other operational issues, it could result in a reduction in cryptocurrency prices, which could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment

A number of companies that operate cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks, sometimes at short notice. Banks may refuse to provide bank accounts and other banking services to cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system, and harming public perception of cryptocurrencies, or could decrease its usefulness and harm its public perception in the future.

Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of key businesses providing cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Third party terms and conditions may adversely affect the availability of the Company's services

The Company anticipates that users will be able to interact with the Company's services on a range of devices, including computers, tablets and mobile telephones. In order for the Company to interact with tablets and mobile users in the most efficient manner, the Company may develop a mobile application for certain devices. In order for the Company to submit its application to certain application stores including the App Store (Apple) and the Play Store (Google) the application must comply with the requirements and terms and conditions of those stores. The Company is aware that Apple has taken steps to restrict access to and remove from the application store cryptocurrency mining applications where the mining is carried out 'on device', and there are suggestions that Google may follow suit. If developed, the Company's application would be an extension of the Company's service offering, which is mining as a service carried out by purpose built servers owned by the Company. The current

restrictions adopted by Apple would therefore not apply to an application which managed the Company's servers remotely.

Should further restrictions be introduced, the availability of the Company's applications (if any) may be restricted or the applications removed from the relevant application store. If the Company introduced device specific applications and such measures were introduced, they could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Restrictions in advertising the Company's services may adversely affect the number of customer sign-ups

The Company's activities are reliant on customers subscribing for its services. The Company anticipates that it will need to undertake substantial marketing in the early stages of the Company's development to secure brand awareness and a customer base.

The Company anticipates that the majority, if not all, of its advertising will be conducted on web-based properties such as major social media channels and websites. The Company is aware that Facebook, Google and Twitter have recently outlined a policy and steps targeting adverts which promote cryptocurrencies, including bitcoin, and initial coin offerings. While these restrictions do not, on face value, restrict the Company from advertising on Facebook, Google or Twitter, Facebook has said its policy is to prevent people from advertising 'financial products and services frequently associated with misleading or deceptive promotional practices' and that no advertiser, even those that operate legal, legitimate businesses, will be able to promote such activities. Furthermore, Facebook has confirmed that the 'policy is intentionally broad while we work to better detect deceptive and misleading advertising practices' and that Facebook will revisit this policy and how Facebook enforces it as their signals improve. Google has stated that "Cryptocurrencies and related content (including but not limited to initial coin offerings, cryptocurrency exchanges, cryptocurrency wallets, and cryptocurrency trading advice)" may not be publicised through its platform. Twitter has stated that "All ads related to initial coin offerings (ICOs), token sales, exchanges and wallet services - excluding public companies listed on major stock markets - will be removed from the site", and the Company anticipates that by virtue of Admission, the Company would meet the public company listed on major stock markets exemption from Twitter's policy. In addition, email distribution provider MailChimp has updated its acceptable use policy with effect from 30 April 2018 to restrict the use of the service for crypto marketing campaigns which relate to sale, transaction, exchange, storage, marketing or production of cryptocurrencies, virtual currencies, and any digital assets relating to an Initial Coin Offering.

There is no guarantee that the Company's activities will be correctly categorised and allowed to advertise on Facebook, Google and/or Twitter, or to utilise email distribution services such as MailChimp. In addition, should any other companies follow suit, the effect may be compounded and the Company may be required to find alternative advertising media to reach potential users.

Any restriction, whether temporary or permanent, on the advertising available to the Company could negatively affect the number of customer sign-ups, and have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company may have difficulty finding suitable data centre locations

The Company will operate its activities in data centres in a number of locations and jurisdictions. The Company will consider a number of important characteristics in selecting the location of its data centres, including but not limited to electrical infrastructure, electrical costs, internet connectivity, proximity to suitable staff, physical security, ambient temperature, local planning laws, permits, business licensing, permitted uses of facility and noise restrictions. The Company may have difficulty locating sites which satisfy the Company's requirements at a cost the Company is willing to pay. If the Company is unable to find suitable datacentre locations this may have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company may not be able to source suitable mining hardware

The Company's operations will be reliant upon the Company being able to acquire and configure certain hardware solutions. Some of the hardware the Company's operations require are in limited supply, and therefore

the Company may have to pay higher prices for the chosen hardware, select alternative hardware which may be less profitable or wait for delivery of the hardware once it becomes available.

To mitigate against this risk, the Company will seek to ensure that it has access to multiple vendors, and that its software development permits the use of hardware from different vendors. Mitigating against shortages will increase the Company's costs through additional testing and software development requirements, and therefore any shortages could have a material and adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company may not be able to secure access to electricity on an unrestricted basis or at a price the Company is willing to pay

Cryptocurrency mining is dependent on access to stable and reliable electricity supply. There has been a substantial increase in the demand for electricity for cryptocurrency mining, and this has had varying impacts on local electricity supply.

On 7 June 2018, the Quebec government announced it would stop approving new projects for cryptominers so as to give time for the government to consider restrictions on the operations of cryptominers and raising the rates paid for power by cryptominers. State owned generator, Hydro-Quebec, asked the province to limit total power available to all digital currency miners to a block of 500 MW, which is equivalent to a single aluminium smelting plant, and a fraction of the 17,000 MW capacity requested by cryptominers looking to operate in Quebec. Quebec Energy Minister Pierre Moreau stated that the province will establish rules to enable it to welcome "the best among the companies" from the cryptocurrency sector. The change does not impact existing projects, and the Company has agreed prices in place with a number of energy suppliers to provide electricity to the Company.

On 9 June 2018, it was reported that Quebec was going to lift the moratorium put in place on 7 June 2018. It was noted that new regulations would be introduced for cryptocurrency mining operations and that such operations will pay different rates of electricity and Hydro-Quebec will have a license to cut off power to such businesses when the grid is at maximum capacity. Quebec Premier Philippe Couillard noted 'There needs to be added value for our society; just having servers to transaction mining and acquire new bitcoins, I don't see the added value.'

On 18 June 2018, provincial regulator Regie de l'energie authorised HydroQuebec to charge CDN$0.15 per kWh to blockchain companies on a temporary basis. "We don't want to send a message to the market that this is the price for cryptocurrencies in Quebec", Hydro-Quebec spokesman Jonathan Cote noted, "It's more that requests are suspended until we have the proper framework determining conditions for that market". The temporary pricing does not apply to existing clients and their operations, which are estimated to total around 120 MW. Hydro-Quebec is proposing to file an application with the regulator proposing a selection process for the blockchain industry, to which it will allocate 500 MW, and will enable Hydro-Quebec to survey the industry on what it considers a fair price and to gauge what investment and jobs the applicants will generate. The temporary pricing is expected to be in place for several weeks until the regulator sets a tariff that will then be applicable to all. If this includes parties, such as the Company, which are currently or have previously been entitled to a lower electricity price, it would result in increased the applicable electricity costs.

Should the Company's operations require more electricity than can be supplied in the local area or should the grid be unable to provide the demand required, the Company may have to limit or suspend activities, or reduce the speed of the Company's proposed expansion, either voluntarily or as a result of either quotas imposed by energy companies or governments, or increased prices for certain users (such as the Company). If the Company is unable to procure electricity at a suitable price, the Company have to shut down its operations in that particular jurisdiction either temporarily or permanently. If any of these events occur, they could have a material and adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company will seek to mitigate against this risk by housing its operations in a number of datacentres in different locations and jurisdictions with good connectivity to the electrical grid, and by purchasing power from multiple suppliers. The Company will also seek to work with local power providers and regulators to ensure the continued availability of electricity sufficient to meet the Company's anticipated needs.

The Company's operations may be adversely affected by electrical outages

The Company's operations may be affected by acts of god, utility equipment failure or scheduled maintenance which result in power outages at the Company's facilities. These power outages may occur with limited or no warning and be of an unpredictable duration. Traditionally, datacentres have adopted measures such as uninterruptable power supplies and backup power generation to ensure continued availability of computer services in such instances. As cryptocurrency mining is power intensive, UPS and backup power generation would be expensive to procure and may not be sufficient to power all of the Company's mining equipment in that location for the duration of the outage.

In the event of a power outage, the Company will shut down its mining operations in that location until such time as the power supply is restored. This interruption to activities may have a material and adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company will seek to mitigate against this risk by housing its operations in a number of datacentres in different locations and jurisdictions with good connectivity to the electrical grid, and by purchasing power from multiple suppliers. The Company will also seek to work with local power providers and regulators to ensure the continued availability of electricity sufficient to meet the Company's anticipated needs.

The Company's activities may be materially and adversely affected should cryptocurrencies transition away from proof of work validation towards other methods of validating transactions such as proof of stake

Proof of stake is an alternative method in validating cryptocurrency transactions to the Proof of Work implementation utilised by most major cryptocurrencies. Should major cryptocurrencies shift from a proof of work validation method to a proof of stake validation method, mining cryptocurrencies would require less energy and may render the Company less competitive as other miners are able to mine cryptocurrencies with lower energy requirements. The Company intends to put in place technical and other measures to ensure that the Company's equipment and facilities are utilised in the most profitable manner, including but not limited to dynamically shifting the tasks undertaken (and by extension, the cryptocurrency mined) by its equipment so as to ensure that the Company's operations are as profitable as possible utilising the hardware and software available to the Company. To the extent that the Company is not able to optimise its activities to market forces, the Company's business, financial condition, results of operations and/or prospects could be materially and adversely affected.

Additionally, proof of stake validation would require the Company to hold balances of cryptocurrencies so as to enable the Company to carry out its business of MaaS. This holding of cryptocurrency is subject to the risks relating to cryptocurrency set out in this section, and a loss of such cryptocurrency could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

If the awards of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease mining operations. Should such miners include the Company's users, the Company's operations and future prospects may be materially and adversely affected

As the number of coins awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees.

In order to incentivise miners to continue to contribute processing power to the network, the network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record on the blocks they solve only those transactions that include payment of a transaction fee, or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions.

Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain, or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant coins and prevent the expansion of the network to retail merchants and commercial businesses. As a consequence, existing users may be motivated to switch between cryptocurrencies or back to fiat currency. This decreased use and demand for cryptocurrency may adversely affect their value and result in a reduction in the market price of such cryptocurrency.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce collective processing power, which would adversely affect the confirmation process for transactions (i.e., decrease the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the network more vulnerable to a malicious actor or botnet obtaining control in excess of 50 percent of the processing power. Any reduction in confidence in the confirmation process or processing power of the network could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company has devised its business models based on known and expected requirements, which may change

The Company's business model is based on a number of assumptions which are predicated on the current market and extrapolated for anticipated change. These assumptions cover topics such as electricity requirements, heat generation and cooling requirements, space, equipment requirements, staff ratios and packages and performance of currently available hardware.

The Company has begun to test and validate its assumptions on the basis of smaller scale test set-ups, however the Company may need to refine its business model on the basis of these tests, particularly if the tests show any of the assumptions are incorrect.

Should the tests have a material difference from the Company's business model, this may have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company's operations may be materially and adversely affected by a lack of customer take-up

It is intended that a large portion of the Company's revenues will derive from its core MaaS offering. There is a risk that customers may not subscribe to the company's offerings and thus the Company's revenue will be lower. If the customer take up is not as high as anticipated, the Company will not invest in further equipment to provide mining capacity and therefore revenue (and costs) will be lower and the Company will not be able to take advantage of the economies of scale it anticipates. A slow down of the implementation of the Company's strategy could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company's clients may cease to use the Company's MaaS solution. The Directors of the Company have agreed that Board approval will be required in order to take on any one user which is more than ten per cent of its revenue. In doing so, the Board is aiming to mitigate the impact of any one user ceasing to mine. If a material number of clients cease to use the Company's MaaS solution then it may materially and adversely affect the Company's business, revenue, financial condition, profitability, prospects and results of operations.

The Company's contracts are flexible and renewal is not guaranteed

The Company's contracts are on a monthly rolling basis, and the Company anticipates that for the life of that contract (that is for as long as it renews automatically on a month by month basis), the contractual terms are certain and will not change. On renewal, the Company may offer different terms to those offered previously. Users will have a choice to agree to such terms, or in the absence of such acceptance, cease mining or utilise other services.

The Company anticipates that the flexibility offered by the Company's offerings will enable greater user demand and while there is the flexibility to cease mining at the end of a monthly period the Company's users will want to retain the Company's services on an ongoing basis. Should the MaaS market move negatively, the Company may not be able to secure either renewal by customers or as advantageous terms on renewal by existing users or from new customer sign ups. If this is the case, then it could have a material adverse effect on the Company's business, operations and financial condition.

If the MaaS market moves positively, the Company may not be able to secure more advantageous terms unless users cancel their existing plans and start a new plan at a higher price. The Company believes, however, that an increase in prices for the Company's services could reduce the likelihood of the user terminating their agreement with the Company as they would lose the lower price they currently pay.

In addition, the Company may enter into large contracts with third parties over and above the standard packages offered to users more generally. As a result of purchasing power or other commercial factors, the Company may not be able to secure as advantageous terms from the third party, though this may be offset by the potential revenue or certainty such a contract offers. However, the Directors of Argo Blockchain have agreed that Board approval will be required in order to take on any one user which accounts for more than ten per cent of its revenue.

Each of these contracts would be between the Company and the user concerned, and should the Company seek to enforce the agreements, may be required to do so in the relevant jurisdiction in which the user is located.

The Company's operations may be materially and adversely affected by a change in business strategy

If cryptocurrency mining ceases to be a viable business, user demand or pricing is such that the Company's operations are no longer fully utilised or utilised at a price acceptable to the Company, the Company may explore alternative uses of its technology, such as selling server capacity for virtual desktops, gaming, industrial design, HPC visualisation, 3D modelling and rendering, 3D application streaming, machine learning, high performance databases, computational fluid dynamics, computational finance, seismic analysis, molecular modelling and genomics. The Company has not explored these opportunities to date, and there can be no guarantee that the Company would be able to successfully adapt its business model to suit the requirements of these potential use cases. Should this be the case, the Company's business, financial condition, results of operations and/or prospects could be materially and adversely affected.

The Company's operations will be dependent on the Company keeping its operations current in the face of significant and continued technological change and ensuring sufficient availability of key technologies to the Company.

The markets for the Company's services are characterised by rapidly changing technology, and increasingly sophisticated client requirements. Changing client requirements and the introduction of products or services or enhancements embodying new technology may render the Company's existing products obsolete, unmarketable or competitively impaired and may exert downward pressures on the pricing of existing products. It is critical to the success of the Company to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis and keep pace with technological change.

To remain competitive, the Company will continue to invest in hardware and equipment required for maintaining the Company's mining activities. Should there be new developments in hardware and software, or should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace.

The increase in interest and demand for cryptocurrencies has led to a shortage of mining hardware as individuals purchase equipment for mining at home. This has resulted in a reduction in availability of certain hardware and led to chip producers Nvidia and AMD to consider producing graphic cards specifically designed for mining cryptocurrencies. It is not certain, however, when these cards will be available for sale, or the pricing of level of stock of such cards.

These factors may place excessive strain on the Company's capital resources which may adversely impact on the revenues and profitability of the Company or the Company's ability to achieve its objectives. The Company cannot give assurances that it will on a timely basis successfully develop new products or services or enhance and improve its existing products or services, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhancing existing products by others, or changing client requirements, will not render the Company's products or services obsolete. The Company's inability to develop products or services that are competitive in technology and price and that meet client needs could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

The Company's equipment will also require replacement from time to time. Shortages of graphics processing units may lead to unnecessary downtime as the Company searches for replacement equipment to ensure the

Company's facility is running smoothly, and if the necessary hardware remains unavailable, the Company may have no alternative but to source alternative hardware which may either be at a higher cost or offer lower performance, or both, resulting in a lower return on the Company's investment. This could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company will need to ensure physical security of its assets and may not be successful

The Company's operations are dependent on costly computer hardware which has a variety of uses, and cryptocurrency mining is a 'hot' topic leading to significant attention on not only the market as a whole, but the Company's operations. Consequently, the Company's datacentres and equipment may be targeted by thieves.

The Company will seek to mitigate against this risk by developing physical security plans and ensuring, so far as the Company is able, that access to the equipment is only possible to people who have a need to be there. If the Company's efforts are unsuccessful, the interruption to mining activities through theft may have a material and adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company's operational and future prospects may be adversely affected by future market entrants

As the MaaS sector develops, the directors anticipate that additional competitors will enter the market. New entrants to the market could include an existing partner or supplier become a competitor to, rather than partner of or supplier to, the Company. There can be no guarantee that the Company's current competitors or new entrants to the market will not bring superior technologies, products or services to the market or equivalent products at a lower price which may have an adverse effect on the Company's business. Such companies may also have greater financial and marketing resources than the Company. Even if the Company is able to compete successfully, it may be forced to make changes to one or more of its products or services in order to respond to changes in clients' needs which may impact negatively on the Company's financial performance.

These factors may prevent the Company from being able to charge appropriate fees or may reduce the market share the Company is able to capture through its operations. Unless the market for MaaS expands at a higher rate than the increase in number of providers, the Company's customer base may decrease, and this may have a dilutive effect on the Company's profit margin. The Company will focus its marketing resources in global first and second tier cities. This may enable its competitors to develop and build brand loyalty in other parts of the world, where the Company has no presence.

The Company's reputation or brand may be damaged by its own actions or the actions of unrelated third parties

The Directors believe that the reputation and the quality of the Company's brand will, over time, play an increasingly important role in the success of the Company. Further, the Directors believe that the Company's brand has and will continue to be built on the high quality of its service offering and client service. Therefore any incident that negatively affects client loyalty towards the Company's brand could materially adversely affect the Company's business, revenue, financial condition, profitability, prospects and results of operations. The Company's brand may be negatively affected by any negative publicity, regardless of accuracy, or whether it relates to the Company or other participators in the cryptocurrency sector. This includes any negative commentary on social media platforms, including weblogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested parties.

The Company may not be able to achieve its strategic aims

The value of an investment in the Company is dependent on the Company achieving its strategic aims. While the Directors are optimistic about the prospects for the Company, there is no certainty that it will be capable of achieving its strategy or the anticipated revenues or growth or that it will ultimately become profitable on a sustainable basis. The Company's future operating results will be highly dependent upon how well it manages its planned expansion strategy and the timeframe within which that strategy is executed.

The Company may not have sufficient financial controls and internal reporting procedures

The Company will implement systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail, the Company may

be unable to produce financial statements accurately or on a timely basis and this may expose the Company to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Company has in place could adversely affect the Company's share price.

The Company is reliant on certain key individuals

The Company's business, development and prospects are dependent on a small number of key management personnel. The loss of the services of one or more of such key management personnel may have an adverse effect on the Company. The Directors believe that the experience, technical know-how and commercial relationships of the Company's key management personnel help provide the Company with strategic focus and a competitive advantage. The Company's ability to develop its business and achieve future growth and profitability will depend in large part on the efforts of these individuals and the Company's ability when required to attract new key management personnel of a similar calibre. The Directors believe that the loss of the services of any key management personnel, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact the business, development, financial condition, results of operations and prospects of the Company. The Directors believe the Company operates a progressive and competitive remuneration policy which includes share incentives and that the future development and implementation of this policy will play an important part in retaining and attracting key management personnel. The Company does not currently have a key person insurance policy in place as the Board does not consider key person insurance to be necessary at present, however, it will keep this decision under review.

The Company is reliant on third parties meeting their obligations to the Company

The Company and its management are reliant on the expertise and experience of its core partners in Canada, China and Northern Europe. Consequently, the Company may be exposed to risks should its partners fail to manage the Company's facilities in a proper manner, or should their activities be adversely affected by third party action.

Where the Company is reliant upon on third parties, including payment processing providers, hardware suppliers, data centres, internet service providers and trading venues, there can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Company. In certain circumstances, the Company may be liable for the acts or omissions of its partners. If a third party pursues claims against the Company as a result of the acts or omissions of the Company's partners, the Company's ability to recover from such parties may be limited.

There is a risk that parties with whom the Company trades or has other business relationships (including partners, clients, suppliers, subcontractors and other parties) may become insolvent or their circumstances may change. This may be as a result of general economic conditions or factors specific to that company. If a party with whom the Company trades becomes insolvent or if its circumstances change, this could have an adverse impact on the revenues and profitability of the Company.

The Company or third parties on which it relies may become subject to regulation

The provision of IT services is not a regulated business and the Company is not regulated. It will, however, need to interact with financial institutions worldwide which are regulated in their own jurisdictions and whose business, or business relationship with the Company, may be affected by such regulation. There is a risk that parties with whom the Company trades or has other business relationships (including partners, clients, suppliers, subcontractors and other parties) may breach regulations or lose regulated status which is required for them to carry on their business or provide the services on which the Company relies. This may adversely affect the Company's business, and, as a result, may also have an adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations. Financial regulation is constantly under scrutiny and changing and there is no way of predicting future changes to such regulation which may alter the market of the Company's clients.

The Company has structured its services so as to fall outside the remit of the UK's regulation of collective investment schemes, by means (among others) of subscribers managing their own mining activities and only receiving the rewards, if any, of their own mining activities. Regulatory change could have an adverse effect on

the ability of the Company to continue to operate or on its business, financial condition, results of operations and/or prospects either in the UK or in other jurisdictions.

Please also note the risk factor entitled "Regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations" above.

The value of cryptocurrencies may be subject to momentum pricing risk

Momentum pricing typically is associated with growth stocks and other assets where valuation, as determined by the investing public, accounts for an anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, prices may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company's MaaS offering and thereby have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behaviour wanes, adversely affecting the value of the Company's offering.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short-term positive impact on the prices. For example, in March 2013, a report of uncertainty in the economy of the Republic of Cyprus and the imposition of capital controls by Cypriot banks motivated individuals in Cyprus and other countries with similar economic situations to purchase BTC. This resulted in a significant short-term positive impact on the price of BTC. However, as the purchasing activity of individuals in this situation waned, speculative investors engaged in significant sales of BTC, which significantly decreased the price of BTC. Crises of this nature in the future may erode investors' confidence in the stability of cryptocurrencies and may impair their price performance which would, in turn, adversely affect the Company's investments.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based on a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry include, but are not limited to —

- continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;

- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain

Currently, there is relatively small use of cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects

As relatively new products and technologies, cryptocurrencies and the network on which they are based have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, strategies, and profitability.

The Company's operations, investment strategies and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies

The Company competes with other users and/or companies that are mining cryptocurrencies. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles (whether exposed directly or indirectly to cryptocurrencies), or to invest in cryptocurrencies directly which could limit the market for the Company's shares and reduce liquidity.

The Company's cryptocurrency operations may be exposed to cybersecurity threats and hacks

Cryptocurrencies are based on computer code which has been written by third parties. As with any other computer code, flaws in this code have been exposed by certain actors, sometimes for malicious ends. The cryptocurrency community will often identify and correct errors and defects including those that disabled some functionality for users and exposed users' information, however there can be no guarantee that all errors and defects will be identified, or will be identified and resolved prior to a malicious actor being able to utilise them. While the Directors believe that the number of flaws and exploitations in the source code that allow malicious actors to take or create money are relatively rare, there have been a number of recent events where such attacks have taken place.

A recent hacking example occurred in late July or 2017 in relation to Ethereum. An unknown hacker exploited a critical flaw in the Parity multi-signature wallet (a third party wallet application) which operates on the ETH network and drained three large wallets that had a combined total of over US$31 million worth (at then current prices) of ETH. If left undetected, the hacker could have been able to steal an additional ETH worth about US$150 million at then current prices. Fortunately, the loss was limited to the US$31 million of ETH as white-hat hackers (non-malicious actors) acted swiftly to protect the remaining accounts at risk.

There have been other significant vulnerabilities in cryptocurrencies and associated technologies, and there can be no guarantee that the Company will be unaffected by current (known or unknown) or future vulnerabilities.

The encryption on which cryptocurrencies rely could be threatened by advances in quantum computing

Like all cryptographic systems, cryptocurrencies may be vulnerable to quantum computing. Whilst quantum computers have not been widely adopted, certain companies including IBM, have made them available to third parties. If quantum computers become more widely available, cryptocurrencies, along with the cryptography used to protect other financial institutions, may be vulnerable and therefore adversely affected unless steps are taken to secure them against such technologies. If quantum computers are developed it is likely that the Company's financial position and financial prospects may be adversely affected.

The Company's coins may be subject to loss, theft or be restricted access

The Company's future operations may require that the Company operate a wallet into which the cryptocurrency generated through mining activities is deposited. Should this be the case, the Company will seek to utilise technical and other measures to mitigate the risk posed by the utilisation of a wallet, however there can be no guarantee that such measures will be successful.

There is a risk that some or all of the coins that are mined on the platform could be lost or stolen, whether through the wallet being compromised or otherwise. Access to the coins could also be restricted by cybercrime (such as a Distributed Denial of Service ("DDoS") attack) against a service at which the Company or its users maintain a hosted online wallet. Any of these events may adversely affect users of the Company's services and the operations of the Company and, consequently, its investments and profitability.

If the Company is required to hold a wallet, the loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held. The wallet's public key or address is reflected in the network's public Blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its coins and such private keys will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrencies could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Incorrect or fraudulent coin transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Company may not be capable of seeking compensation for any such transfer or theft. Although the Company's transfers of coins will regularly be made by experienced members of the management team, it is possible that, through computer or human error, or through theft or criminal action, the Company's coins could be transferred in incorrect amounts or to unauthorised third parties, or to uncontrolled accounts.

In addition, errors in the code of the cryptocurrency itself, or contracts built on top of the cryptocurrency blockchain, could render funds which were correctly sent inaccessible through a misconfiguration or other error. Such funds are (with limited exceptions) currently irretrievable and would represent a loss to the holder. Such a situation may affect the Company, and where it is considered necessary and prudent to do so, the Company may recompense the third party for the loss. This recompense would come at the expense of the Company and, should it be a sizable amount or made prominent in the press or other media, could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects. Similarly, the Company may be could have materially and adversely affected (in terms of its business, financial condition, results of operations and/or prospects) should the same happen to a third party from which the Company will receive any amounts, and the third party be unable or unwilling to recompense the Company for such amount.

The cryptocurrency networks that the Company's mining services support may be subject to a 51% Attack which subverts the proper processing of cryptocurrency transactions

If a malicious actor is able to harness 51% of network mining power, the malicious actor may be able to subvert the processing of transactions through a so called '51% attack'. Cryptocurrencies, as a result of the blockchains on which they are based, rely on consensus, i.e. that the majority is correct. If the majority is acting maliciously,

they may be able to subvert the transactions being processed to their own ends, including enabling double spend of existing cryptocurrency holdings.

The Company will be reliant on certain key systems, the failure of which could cause significant disruption and interruption to the Company's services

The Company's position as an IT infrastructure service provider via the cloud exposes the Company to significant risk if its technology or the Company's systems experience any form of damage, interruption or failure. Any malfunctioning of the Company's technology and systems, or those of key third parties, even for a short period of time, could result in a lack of confidence in the Company's products, with a consequential material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Although the Company intends to implement significant protection to its equipment and facilities, and intends to run detailed monitoring programmes of its equipment and software and employ advanced DDoS cover to protect the Company from attacks, the Company's systems will always be vulnerable to damage or interruption from events including but not limited to —

- natural disasters;
- power loss;
- telecommunication failures;
- software failures or viruses;
- computer hacking activities such as DDoS attacks; and
- acts of war or terrorism.

The Company is also potentially vulnerable to break-ins, sabotage and intentional acts of vandalism by internal employees and contractors as well as third parties. Any interruption in the availability of the Company's website, core cloud-based software solution, support site or telephone systems could create a business interruption and a large volume of client complaints. The Company's products and the software on which they are based are complex and may contain undetected defects, and problems may be discovered from time to time in existing, new or enhanced products or services. To the extent that any such defects or problems materialise, the Company's operations may be materially and adversely affected.

The Company's reliance on, inter alia the internet and broadband internet access and the development and maintenance of internet and telecommunications infrastructure by third parties

The delivery of the Company's products and services will depend on third party telecommunications and internet service providers to continue to expand high-speed internet access, to maintain reliable and efficient networks with the necessary speeds, quality of service, capacity and security. In relation to internet access, changes in access fees (for example, introducing bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users and their guests to access the Company's services. Changes in access fees to distributors, such as the Company or its service providers, or a departure from ''net neutrality'' (the principle that all forms of internet traffic are subject to equal treatment in transmission speed and quality) could result in increased costs to the business.

In relation to telecommunications services, changes to access fees to the Company could result in increased costs to the business and this may ultimately deter clients from using the Company's services. In addition, deterioration in the infrastructure may adversely affect the ability or willingness of clients to use the Company's services. In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in internet or telecommunications performance and/ or internet or telecommunications reliability may decline. Internet or telecommunications outages, intermittent disruptions or delays could adversely affect the Company's ability to provide services to its clients. All of these factors are out of the Company's control and the manifestation of any of them could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

The Company may not be able to secure adequate insurance coverage on terms or for a cost which are acceptable to the Company

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency mining and associated businesses, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. In addition, given the relatively short life expectancy of mining equipment, the Company may consider that the costs of the insurance outweigh the potential benefits.

The occurrence of an event that is not covered in whole or in part by insurance could have a material adverse effect on the Company. In addition, insurance may not be available in all jurisdictions, and in the event of a claim, the Company may have difficulty recovering the relevant amounts from insurers should settlement not be forthcoming, and the Company may be obliged to take legal action against such insurer which could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company will seek to mitigate against this risk by housing its operations in a number of datacentres in different locations and jurisdictions so as to minimise the risk of a single event causing significant loss to the Company.

The Company will enter into binding agreements with Customers which it may have to enforce in jurisdictions other than its home jurisdiction

The Company will enter into contracts with all of its users, though these may be agreed to electronically, either through electronic signature, tick box confirmation or through terms and conditions of service which are agreed to during registration. Should a user breach the terms of the agreement, the Company may be required to seek to enforce that agreement, or alternatively will terminate the services available to that user.

The Company's operations may be materially and adversely affected as a result of constitutional change in the United Kingdom

On 23 June 2016, the United Kingdom held a referendum on the United Kingdom's continued membership of the European Union. This resulted in a vote for the United Kingdom to exit the European Union. There are significant uncertainties in relation to the terms and time frame within which such an exit would be effected, and there are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including inter alia, the UK's financial regulation and the conduct of cross-border business and export and import tariffs. There is also uncertainty in relation to how, when and to what extent these developments will impact the economy in the United Kingdom and the future growth of its various industries, and on levels of investor activity and confidence on market performance and on exchange rates. There is also a risk that the vote by the United Kingdom to leave could result in other member states reconsidering their respective memberships in the European Union. Although it is not possible to predict fully the effects of the exit of the United Kingdom from the European Union, any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

The Scottish National Party's policy to continue to seek independence from the UK creates a risk of Scotland adopting the Euro or other currency and having different legislation, policies, regulators and trading arrangements and agreements. Prolonged uncertainty in relation to the position of Scotland within the UK could have a material adverse effect on the Company's business, operations and financial condition.

The Company may be liable to taxation in more than one jurisdiction

The Directors intend that the Company will expands its operations following Admission into additional overseas jurisdictions, and consequently it will need to ensure that it is compliant with the tax registration requirements and tax filing requirements in not only Canada, China, northern Europe and the UK, but also in those overseas jurisdictions.

There can be no certainty that the current taxation regime in the UK or in overseas jurisdictions within which the Company plans to operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company, which may have a material adverse effect on the Company's financial position.

The Company will be exposed to currency risk

The Company will report its results in Sterling, whilst a majority of its costs and revenues may be denominated in other currencies. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

The Company's activities may be adversely affected by exchange controls

The jurisdictions in which the Company operates (and in the future, may operate in) may institute or have existing exchange controls which may affect the ability of the Company to repatriate income earned in those companies and/or make payments into another country to cover its costs and expenses. Any such controls could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY

The Company is a newly formed entity with no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out the business of offering MaaS globally

The Company is newly-formed, having been incorporated on 5 December 2017. It has no operating results and commenced initial operations on 28 December 2017. The Company lacks an established operating history and therefore, investors have no basis on which to evaluate the Company's ability to achieve its objective of operating a business. The Company's substantive operations will only commence operations following completion of the Placing, Admission and receipt of the Net Proceeds.

The Company is a start-up business entering a new market. The Company will compete with established competitors who may have more resources and a more recognisable brand presence in the market. The Directors believe that they have the experience and connections to ensure that the business is able to compete with established rivals and take advantages market opportunities they have identified.

The Company may not be able to meet user demand

Existing providers of mining as a service have experienced difficulty scaling their offering to meet user demand. The Company anticipates that it will scale its offering to match demand, however if that demand is higher than expected or the Company's expansion is slower than anticipated there may be a mismatch between demand and the Company's ability to supply. In such circumstances the Company will create a waiting list of interested parties so as to manage demand. If the Company is not able to meet the demand in a timely manner, this may have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company may lease assets which could be withdrawn

The Company may decide to lease certain equipment in the future. This equipment may be fundamental to the future performance of the business. While leasing offers more flexibility and provides the Company with greater opportunity for expansion, if the Company is unable to meet the commitments under the lease agreements the equipment may be withdrawn by the lessor. Should this occur, this would have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company may be subject to regulatory compliance risk

Following commencement of business the Company will be subject to the rules applicable to the business of providing MaaS. The Company may require licences or consents to carry on the business of providing MaaS in Canada, China, Northern Europe and any other market it chooses to enter.

The MaaS sector is one in which in the majority of jurisdictions foreign owned institutions are permitted to operate without restriction. If the Chinese, Canadian or northern European governments (or governments of any other jurisdiction the Company operates in) impose restrictions on foreign ownership, in any of the sectors in which the Company will operate, then the Company will consider alternative structures to enable it to continue to operate in these jurisdictions. The alternative structures considered may include, but will not be limited to, "Variable Interest Entity" structures, under which the Company may work with local partners (see below).

Any future regulatory changes may potentially restrict the operations of the Company in such industry, impose increased compliance and regulatory capital costs, reduce investment returns or increase associated fees, increase corporate governance/ supervision costs, reduce the competitiveness of any business of the Company, reduce the ability of the Company to hire and retain key personnel or impose restrictions on whether individuals may be appointed or retained as directors of the Company and impose other restrictions and obligations which could adversely affect the Company's profitability.

It is possible that any regulations would include restrictions on foreign ownership of companies and assets, restriction on participation in certain activities and in certain industries, as well as restrictions to the grant of any licences or permits required for operation of the Company. Changes in legislation or regulation may affect:

- the grant of any necessary licences or permits;
- pricing structures which could be utilised by the Company;
- taxes, duties and fees applicable to the Company; and
- environmental, safety and health standards which the Company could be obliged to adhere to.

Whilst the Company would aim to be aware of any prospective changes in any relevant sectors and to comply with such changes as required, there can be no assurances that this will be possible. The Company may be adversely affected by variations of any regulations under which it operates.

The Company may be adversely affected by global economic conditions

The recent global economic environment and volatility of international markets have caused governments and central banks to undertake unprecedented interventions designed to stabilise global and domestic financial systems, stimulate new lending and support structurally important industries and institutions such as banks, which may be at risk of failing. Many developed economies have experienced and some are continuing to experience recessions and growth has slowed in many emerging economies with serious adverse consequences for asset values, employment levels, consumer confidence and levels of economic activity. These factors, either individually or collectively, may have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company is dependent on key executives and personnel

Although the Directors have entered or will at the time of Admission enter into letters of appointment with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company.

The Company believes that Mr Mike Edwards' and Mr Jonathan Bixby's experience will be particularly vital for the Company, especially in the short term. The Company will also rely heavily on the experience of its directors. The future performance of the Company will depend heavily on its ability to retain the services and personal connections/contacts of key executives especially Mr Edwards and Mr Bixby, and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel.

The future performance of the Company will depend heavily on its ability to retain the services and personal connections/contacts of key executives and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel.

The Company may be unable to hire or retain personnel required to support the Company

The Company may determine that it requires increased support to operate and manage the business in accordance with the Company's overall business strategy. There can be no assurance that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy.

It is important that any MaaS company is able to attract and retain appropriately qualified datacentre operators and software engineers. The Company will seek highly qualified staff with an appropriate background in datacentre services. The Company recognises that the individuals it hopes to be able to attract and retain may not be readily available in the market and that this may pose a risk to the Company's business plan, operations, trading performance and prospects, with a consequential effect on the Company's share price.

The Company is particularly aware that the cryptocurrency sector is growing at a rapid pace and staff skilled and experienced in this sector are in short supply. As a consequence the Company may have difficulty securing the services of and retaining long term staff as competition from other companies in this and connected fields is high. If the Company is unable to secure the services of and retain long term staff, this may have a material impact on the financial position, opportunities and prospects of the Company, and by extension, on its share price.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in sterling. Any business the Company carries out may require the conduct of operations or make sales in currencies other than sterling. Due to the foregoing, changes in exchange rates between sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk. If there was a material adverse movement in such currency, it may have adverse consequences on the financial condition of the Company.

The Company's risk management policies and procedures may prove inadequate

The policies and procedure for managing market, regulatory and operational risk that may be utilised by the Company following commencement of the business may prove ineffective. Some of the Company's methods for managing risk may be based upon observations of historical market behaviour, and statistical techniques are applied to these observations to arrive at quantifications of its potential risk exposures. However, these methods may not accurately quantify the Company's risk exposures, especially in situations that cannot be identified based on its historical data. In particular, if the Company enter new lines of business, historical data may be incomplete. Following the global financial and economic crisis, models and techniques used to predict future conditions, behaviours and valuations have become less effective. As additional information becomes available, additional provisions may need to be made.

If circumstances arise whereby the Company did not identify, anticipate or correctly evaluate certain risks in developing its statistical models, losses could be greater than the maximum losses envisaged under its risk management system. In addition, certain risks may not be accurately quantified by risk management systems. Material deficiencies in risk management or other internal control policies or procedures may result in significant market, regulatory or operational risk, which may in turn have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Variable Interest Entity

A variable interest entity structure would involve the incorporation of a new company that complied with any regulations imposed by the government on foreign ownership of companies operating in the MaaS market. This newly incorporated company would most likely act as the operating entity and would enter into contractual relationships with the Company to ensure that the Company was able to exercise control over the new operating company and receive any profits.

The laws around the use of variable interest entities are currently unclear which means there is some uncertainty over the enforceability of the contractual relationships that would be necessary to operate a variable interest entity structure. Even if the Company were to operate through a variable interest entity, there would be a risk of the loss of control of such entity as a result of the change of laws. The Directors would seek to mitigate such loss by having the contractual right to withdraw support from the entity upon a loss of control. The loss of control and subsequent withdrawal of support may in turn have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many Organisation for Economic Co-operation and Development (**OECD**) countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries, including in the datacentre services industry more generally. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of the Company will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

For more information about the effect of general global, regional or national macroeconomic deterioration on the datacentre services sector, see "Risks relating to the Company and its Business Strategy" and "Risks Relating to the Company's Business".

The Company may be subject to restrictions in offering its Ordinary Shares as a consideration for future transactions or may have to provide alternative consideration which may have an adverse effect on its operations. In addition the use of new Ordinary Shares as consideration could result in significant dilution of existing Shareholders

The Company may offer new Ordinary Shares or other securities, in the form of fixed or floating rate loan notes which may or may not be convertible into Ordinary Shares, as consideration in future transactions in particular for the purchase of future businesses and assets. However, in certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares in this manner or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a particular acquisition more costly which in turn may have an adverse effect on the results of operations of the Company and/or the ability of the Company to achieve its target return for Shareholders. As the jurisdiction in which any future acquisition may take place is not yet known, the details of such potential restrictions are also unknown; however, they may include local central bank currency controls and prohibitions regarding the issue of publicly traded securities not approved by local regulators. Such restrictions may make any acquisition impractical to complete, as the proposed contractual consideration may be unable to be accepted by the vendor(s).

Furthermore, where new Ordinary Shares are issued for non-cash consideration in connection with any acquisition, Shareholders will have no pre-emptive right to new Ordinary Shares issued. If the Company does offer its Ordinary Shares as consideration or part consideration in making any acquisition, depending on the number of new Ordinary Shares offered and the value of such new Ordinary Shares at the time, the issuance of new Ordinary Shares could materially dilute the value of the new Ordinary Shares held by existing Shareholders at the time. Where an acquisition target has an existing large shareholder, an issue of new Ordinary Shares as consideration or part consideration may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding). In addition, in order to avoid triggering a mandatory bid under the City Code, the Company may, if appropriate, issue shares with limited or no voting rights for a period of time.

RISK FACTORS RELATING TO THE COMPANY'S AREAS OF OPERATION

Canada, China and Northern Europe

The Board's initial geographical focus will be on Canada, China and Northern Europe, due to the experience of the Directors in these countries and the opportunity the directors consider is available to setup profitable operations in each country.

Operating in these jurisdiction may expose it to considerations or risks associated with companies operating in such jurisdictions, including but not limited to: regulatory and political uncertainty; tariffs, trade barriers and regulations related to customs and import/export matters; international tax issues, such as tax law changes and variations in tax laws; cultural and language differences; rules and regulations on currency conversion or

corporate withholding taxes on individuals; currency fluctuations and exchange controls; employment regulations; crime, strikes, riots, civil disturbances, terrorist attacks and wars; and deterioration of relevant political relations. Any exposure to such risks due to the countries in which the Company operates could negatively impact the Company's operations.

The Company will consider opportunities in these and other jurisdictions, parts of which are not as politically or financially secure as developed markets. Future growth of any company operating in such countries is dependent on political, economic, regulatory and social conditions in the relevant countries.

Any deterioration of the global economic environment, particularly in any areas relevant to the Company's operations, could have a material adverse effect on the Company's business, results of operations or financial condition. In addition, such conditions may affect the Company's ability to access additional equity funding, capital markets and to obtain credit on favourable terms.

RISKS RELATING TO THE ORDINARY SHARES

The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this document entitled **"**Consequences of a Standard Listing" on page 45 of this document. Shareholders should note that as noted in that section, Chapter 10 of the Listing Rules does not apply to the Company and as such, the Company is not required to seek Shareholder approval for an acquisition under this Chapter (although it may be required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).

The pre-emption rights in the Articles of the Company have been disapplied, and the Company may be required to raise cash through issuing substantial additional equity, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares

Although the Company will receive the Net Proceeds from the Placing, the Directors believe that further equity capital raisings may be required by the Company in order to implement its business plan, which may be substantial. The Directors have been generally authorised to issue Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares up to a maximum aggregate nominal value of £470,000.00 following the General Meeting, of which, up to a maximum aggregate nominal value of £289,655.46 is on a non-pre-emptive basis. If the Company does offer its Ordinary Shares as consideration in the future, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. If the issue of shares results in a large shareholder, that shareholder may be able to exert significant influence in the Company. The pre-emption rights contained in the Articles have also been disapplied in relation to the issue of new Ordinary Shares for cash pursuant to the Placing and subsequently. See paragraph 3.12 of Part VII: Additional Information for further details. The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of new Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder.

The Company may be unable or unwilling to transition to a Premium Listing in the future

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This

would include where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the difference in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 45 of this document.

Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Ordinary Shares after the Placing also can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Placing Price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law. Payments of such dividends will be dependent on performance of the Company's business. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any. The Company does not expect to pay dividends in the foreseeable future.

Fluctuations and volatility in the price of Ordinary Shares

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares which are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. Two of the Directors are residents of Canada. Consequently, it may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under the country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents of the UK, Canada or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to deliver its business plan

The Company's Directors are required to commit such time as is necessary for them to fulfil their duties to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Directors are engaged in other business endeavours. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to deliver the business plan.

The Directors are currently affiliated and may in the future become affiliated with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Company and may have conflicts of interest in allocating their time and business opportunities

Each of the Directors has, is currently or may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those intended to be conducted by the Company.

In addition, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company. In such instances they may decide to present these business opportunities to other entities with which they are or may be affiliated, in addition to, or instead of, presenting them to the Company. Due to these existing or future affiliations, the Directors may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Company cannot provide any assurance that any of the Directors will not become involved in one or more other business opportunities that would present conflicts of interest in the time they allocate to the Company. In addition, the conflict of interest procedures described in Part II: Directors, Senior Management and Corporate Governance of this document may require or allow the Directors and certain of their affiliates to present certain acquisition opportunities to other companies before they may present them to the Company.

The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company and the Directors

The Directors and one or more of their affiliates may in the future enter into other agreements with the company that are not currently under contemplation. It is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors.

Historical results of prior investments made by, or businesses associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

Shareholders are directed to the information set out in the descriptions of the Directors in Part II: Directors, Senior Management and Corporate Governance. The information set out therein is presented for illustrative purposes only and Shareholders are cautioned that historical results of prior investments made by, or businesses or transactions associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

GENERAL TRANSACTION RISK & RISKS ASSOCIATED WITH A STANDARD LISTING

Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares

The Placing Shares are being issued at the Placing Price of 16 pence per share. The estimated net asset value post the Placing will be approximately 8 pence per share. The premium to net asset value of approximately 8 pence per share places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in the Placing and Admission. The initial investors who financed the Company at the earlier stages in its development have subscribed for Ordinary Shares at lower prices per Ordinary Share than the Placing Price and will hold 46.8% of the Enlarged Share Capital. There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Placing following Admission and the price of the Ordinary Shares may fall.

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules will be financially material

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Rules and Disclosure and Transparency rules will be financially material due to the Company's relatively small size on Admission.

The listing of the Company's securities may be cancelled if the Company no longer satisfies its continuing obligations under the Listing Rules, which includes that a sufficient number of Ordinary Shares are in public hands, as defined in the Listing Rules, at all times.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside the UK may reduce any net return to Shareholders

It is possible that any return the Company receives from any assets, company or business which the Company acquires and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the group to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term).

In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to above materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares (issued and to be issued pursuant to the Placing) to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UK Listing Authority.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25% of the shares of the class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 25% of the shares of any listed class in public hands at all times in one or more EEA states and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure and Transparency Rules.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company notes that in the case of an acquisition, the UKLA may consider the Company to be a Special Purpose Acquisition Company and that an acquisition may trigger the reverse takeover provisions set out in Listing Rule 5.6. The Company does not currently anticipate making any acquisitions.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing and reverse takeovers). If completing a Reverse Takeover, the Company's existing Standard Listing will be cancelled and the Company intends to apply for a new Standard Listing or a listing on another appropriate securities market or stock exchange for the ordinary share capital of the Company. The granting of a new Standard Listing or a listing on another appropriate securities market or stock exchange following a Reverse Takeover cannot be certain. The Company may have its listing suspended in the event of a Reverse Takeover. These situations are described further in the "Risk Factors" section of this document.

On announcing a Reverse Takeover (or in the event of a leak of information prior to announcement), the Ordinary Shares would typically be suspended unless sufficient information was available to Shareholders and the wider market in the form of an approved new prospectus. This will be discussed with the UKLA at the time. During the period of suspension, the Company would remain subject to the continuing obligations of a Standard Listing.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document, the Placing or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, inter alia, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions meaning any subsequent additional acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. It should therefore be noted that related party transactions will not require Shareholder consent;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED IN THIS DOCUMENT THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. No arrangement has however been made with the competent authority in any other member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

FORWARD-LOOKING STATEMENTS

Some of the statements under "Summary", "Risk Factors", "Part I: Information on the Company, Investment Opportunity and Strategy" and elsewhere in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability implement effective growth strategies for the Company's business;
- the Company's ability to ascertain the merits or risks of the operations of the Company's business;
- the Company's ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally (and specifically in the MaaS market);
- impairments in the value of the Company's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company's, or as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 12 of Part VII: Additional Information of this document.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Rules, the Market Abuse Regulation, the Listing Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement,

whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, The Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

NOTICE TO EEA SHAREHOLDERS

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a "relevant member state") with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the "relevant implementation date"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million, as shown in its last annual or consolidated accounts;

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such relevant member state; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of these provisions, the expression an "offer to the public" in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, and the expression "Prospectus Directive" includes any relevant implementing measure in each relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales and the majority of the Directors are residents of either Canada or the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of either Canada or the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company's website, www.argoblockchain.com from the date of this document until the date which is one month from the date of Admission.

THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DATA PROTECTION

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering or anti terrorism procedures;

(b) carrying out the business of the Company and the administering of interests in the Company;

(c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and

(d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

(a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

(b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in Part VIII: Definitions, starting on page 145 of this document.

CURRENCY

Unless otherwise indicated, all references in this document to "GBP", "£", "pounds sterling", "pounds", "sterling", "pence" or "p" are to the lawful currency of the United Kingdom; all references to "$", "US$" or "US dollars" are to the lawful currency of the US; and all references to "€" or "euro" are to the lawful currency of the Euro zone countries.

NO INCORPORATION OF WEBSITE TERMS

Except to the extent expressly set out in this document, neither the content of the Company's website or any other website nor the content of any website accessible from hyperlinks on the Company's website or any other website is incorporated into, or forms part of, this document.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other

adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Mirabaud will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 July 2018
Announcement confirming results of Placing	30 July 2018
Admission and commencement of unconditional dealings in Ordinary Shares	3 August 2018
Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts	3 August 2018
Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than	17 August 2018

All references to time in this Document are to London time unless otherwise stated.

PLACING STATISTICS

Number of Existing Ordinary Shares	137,500,000
Placing Price	16 pence per Ordinary Share
Number of Placing Shares	156,250,000
Enlarged Share Capital in issue following the issue of the Placing Shares and Admission	293,750,000
Percentage of Enlarged Share Capital represented by Placing Shares	53.2%
Gross proceeds of the Placing	£25,000,000
Proceeds of the Placing receivable by the Company (after deduction of transaction costs)	£22,784,944

DIRECTORS, AGENTS AND ADVISERS

Directors	Jonathan Bixby *(Executive Chairman)* Mike Edwards *(Executive Director and President)* Timothy Le Druillenec (*Executive Director and CFO*) Gil Penchina (*Non-Executive Director*) *(All c/o the registered office)*
Company Secretary	Timothy Le Druillenec
Registered Office	Room 4, 1st Floor 50 Jermyn Street London United Kingdom
Broker	Mirabaud Securities Limited 10 Bressenden Place London SW1E 5DH United Kingdom
UK Solicitors to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG United Kingdom
UK Solicitors to the Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
Auditors and Reporting Accountants	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD United Kingdom
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

Bankers	Metro Bank PLC 1 Southampton Row London WC1B 5HA United Kingdom
Website	www.argoblockchain.com www.argomining.co www.minewithargo.com
Ticker	ARB

PART I
INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY

1. Introduction

Argo Blockchain plc is a newly-established company incorporated in England and Wales, formed for the purpose of raising capital to develop a global datacenter management business facilitating accessible, easy to use, cryptocurrency Mining as a Service (MaaS) to be rapidly available at scale to anyone, anywhere in the world.

Cryptocurrency mining, or cryptomining, is a process in which transactions for various forms of cryptocurrency are verified and added to the blockchain digital ledger.

When a user transfers a coin, a transaction is created on the cryptocurrency network. These transactions are 'broadcast' onto the network. Miners receive them, are responsible for ensuring the authenticity of information and updating the blockchain with the transaction, and process them into blocks of transactions. All of the transactions posted to the network are combined with data from the previous block (through a one way cryptographic function called a 'hash') to form a new block. This process ties every new block to the existing blocks on the blockchain. The first cryptocurrency miner to crack the code is rewarded by being able to authorize the transaction, and in return for the service provided, cryptominers earn small amounts of cryptocurrency of their own.

MaaS is analogous to the cloud computing opportunity of the last 10 years, whereby Amazon's EC2 and AWS and Microsoft's AZURE were able to provide customers with near instantaneous storage, networking and database services on a global scale from numerous locations, without the end user needing to own the underlying hardware.

The Company's MaaS offering is a cloud based platform which enables users to onboard, access and manage the mining services they need via the internet. Clients use an ''on demand'' or ''pay for what you use'' model. A user subscribes for a prescribed amount of mining capacity ("pay for what you use") which is available, on demand, through access to state of the art cryptocurrency mining capability on a large scale. This capacity is managed and maintained by the Company and located across the world. By accessing pre-installed and pre-configured hardware and software made available by the Company, the user is able to commence cryptocurrency mining more quickly and cheaper than should a user be required to build their own physical server platform, install and configure the necessary software and obtain network connectivity, which could take several months, by which time the client's mining advantage could be obsolete. All plans to be offered by the Company are on a recurring monthly basis, and offer greater flexibility when contrasted with the longer term contracts offered by the Company's competitors, which are commonly for either a 12 month or 24 month minimum term.

Argo has started initial operations and will launch its fuller offering in the course of 2018 with a global footprint in three jurisdictions: Canada, China and northern Europe. As at the latest practicable date prior to publication of this document, the Company has 7 racks, each comprising 10 servers with 8 GPUs in each in operation and available to users. It has an experienced Board of Directors, who believe that Argo Blockchain is positioned to benefit from anticipated growth in the market for MaaS, the continued adoption of cloud computing and the opportunity for accelerated growth through operations in a number of jurisdictions. It should be noted that the Company is not a cryptocurrency company, in that the MaaS is made available to users to enable them to carry out cryptocurrency mining. Each user selects which cryptocurrency they mine, and the cryptocurrency generated through the mining process is passed directly from the mining pool (as chosen by the user) to the user's chosen wallet. The Company does not take custody of cryptocurrency on behalf of users.

The Company was incorporated as GoSun Blockchain Limited on 5 December 2017 with an initial share capital of £1 divided into 1 ordinary share of £1. On 20 December 2017, the Company subdivided the initial share capital of £1 into 1,000 Ordinary Shares. On 20 December 2017, the Company issued and allotted 89,999,000 Ordinary Shares with an aggregate nominal value of £89,999.00. On 21 December 2017 the Company changed its name to Argo Blockchain Limited and re-registered as a public limited company becoming Argo Blockchain plc.

On 2 January 2018, the Company raised a gross amount of £100,000 by the issue and allotment of 10,000,000 Ordinary Shares to certain early stage investors, and on 2 February 2018, the Company raised gross proceeds of £2,500,000 by the issue and allotment of 31,250,000 Ordinary Shares to certain investors. At the same time

437,500 Ordinary Shares were issued and allotted to Tim Le Druillenec, a director of the Company, in consideration of services provided by him to the Company and 312,500 Ordinary Shares were issued and allotted to Align Research Ltd in consideration of services provided to the Company. Subsequent to this, certain Warrant Holders exercised their warrants in respect of Ordinary Shares, and the Company allotted 5,500,000 Ordinary Shares to those Warrant Holders. Further details are set out at paragraph 3 of Part VII of this document.

The Company has conditionally raised gross proceeds of a further £25,000,000 through the Placing. The Placing and Admission will not complete unless gross proceeds of £25,000,000 have been raised. If the Placing and Admission do not complete, funds will be returned to investors. Placees subscribing through Mirabaud will be deemed to have agreed to the terms of the Placing set out in Part III of this Document, and Placees subscribing through subscription letters directly with the Company have agreed to substantially similar terms. The Placing is conditional, amongst other things, on Admission having become effective on or before 8.00 a.m. on 3 August 2018 (or such later date as may be agreed between the Company and Mirabaud being not later than 8:00 a.m. on 10 August 2018) and the Placing Agreement not having been terminated prior to Admission.

On 12 January 2018, the Company incorporated a wholly owned subsidiary, Argo Canada. Argo Canada was incorporated for the purpose of carrying out trading activities in Canada and shall be the counterparty to the consultant and staff contracts, commercial contracts with third parties (predominantly in relation to the Group's activities in Canada, but also certain other jurisdictions as appropriate), and any leases in relation to the Group's facility in Quebec. Argo Canada commenced trading on 29 January 2018.

On Admission, the Company will be authorised to issue one class of share (the Ordinary Shares). It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapters 2 and 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.

The Directors consider that a listing on the Main Market may attract greater opportunities, both from the perspective of investors, who may not be willing or able to invest in a company whose shares are listed on a different securities exchange.

The Company has commenced initial operations utilising certain hardware based in its facility in Quebec, Canada, and the Net Proceeds of the Placing are expected to be used to finance substantially all of the Company's initial operations and expansion as further described below. If the Directors deem appropriate and as required, the Company may subsequently seek to raise further capital for the purposes of the business.

The Board is responsible for the Company's objectives and business strategy and its overall supervision. The Board has considerable experience in the MaaS sector and will seek to establish the Company's presence in that sector and provide a platform for the Company's growth in that sector.

2. Company's objective

The Company's objective is to generate an attractive rate of return for Shareholders, predominantly through capital appreciation, by establishing a managed datacenter business focussed on MaaS which is user friendly and flexible and growing that business organically. The Directors are responsible for carrying out this objective, implementing the Company's business strategy and conducting its overall supervision. The Directors' intention is to create a trading business, rather than an investment entity.

3. Background to the MaaS opportunity

Introduction to Blockchain and Cryptocurrency

Blockchain technology was invented in 2008 as the database technology that underpins Bitcoin, the world's first cryptocurrency. Even though the technology has remained synonymous with Bitcoin and other cryptocurrencies, blockchain technologies are capable of much more than serving as a database for a decentralized digital currency. Blockchain is gaining widespread adoption and has the potential to be the backbone of a new digital world enabling automated transactions with fewer middlemen and greater efficiency.

A significant advantage to blockchain technology is that it can store data and distribute it in a decentralized manner whereby users have access to the entire data store. The decentralization of information increases security as the data is cryptographically secured but also offers additional functionality to its users. Blockchain

technologies are making a significant impact in many areas of business, including but not limited to finance, information management and governance, but it is still in the early stages that present significant future opportunities.

A cryptocurrency is a form of encrypted and decentralized digital currency, transferred directly between peers across the internet, with transactions being processed, confirmed and recorded in a distributed public ledger by a process known as “mining”.

Units of a cryptocurrency exist only as data on the internet, and are not issued or controlled by any single institution, authority or government. Whereas most of the world’s money currently exists in the form of electronic records managed by central authorities such as banks, units of a cryptocurrency exist as electronic records in a decentralized tamper-proof transaction database called a blockchain. The ledger is publicly available to anyone and secured with public key encryption.

What is a cryptocurrency and how does it work?

Cryptocurrencies are decentralized digital currencies that enable anyone who holds a compatible wallet, anywhere in the world, to hold and transfer that cryptocurrency. Cryptocurrencies operate on an online, peer-to - peer network that hosts the public transaction ledger, known as the blockchain. The blockchain is a decentralised ledger, which records all of the transactions in that particular cryptocurrency. Each cryptocurrency has its own blockchain.

Each cryptocurrency has a source code that comprises the basis for the cryptographic and algorithmic protocols governing the blockchain. The source is commonly open source and therefore can be inspected by anyone, and is maintained on an ongoing basis through contributors proposing amendments to the protocol which are peer reviewed and adopted by consensus.

These protocols govern the ownership and transfer of the cryptocurrency, and are executed on decentralised peer-to-peer infrastructure. The peer-to-peer infrastructure on which the blockchain operates is not owned or operated by a single entity or state. Instead, the infrastructure is collectively maintained by a decentralized user base. Each peer is known as a ‘miner’, and each miner processes transactions in accordance with the protocols of the relevant cryptocurrency.

As a result, cryptocurrency does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of the coins. Rather:

1. the creation of the coins is governed by the source code (there is no central authority (for example a reserve bank issuing currency);
2. the transmission of the coins is governed by the source code and processed by the decentralised peer to peer network (there are no banks which process payments); and
3. the value of a coin is determined by the market supply of and demand for the coins, the prices set in transfers by mutual agreement or barter as well as through acceptance directly by merchants in exchange for goods and services as an alternative to fiat currencies.

Each account is identified solely by its unique public key. Other than being unique, the public key does not have any identifying features (there is no IBAN for example, which would provide details of an issuing bank and consequently the state where the account is held). The lack of identifying features making means public keys are basically anonymous.

Each account is secured with its associated private key (which is kept secret, like a password). The combination of private and public cryptographic keys constitutes a secure digital identity in the form of a digital signature. As long as the private key is kept private (i.e. confidential to the owner of the wallet) it provides strong control of ownership.

How are transactions processed?

Transactions are processed by peers in a decentralised network in a process known as mining. Cryptocurrency mining, or cryptomining, is a process in which transactions for various forms of cryptocurrency are verified and added to the blockchain digital ledger.

Every peer has his or her own copy of the blockchain, which contains records of every historical coin transaction. This record makes it possible to track the ownership of every coin from its issue to the current holder, and effectively, records of all account balances (as you can identify what account holds what value through the decentralised ledger).

When a user transfers a coin, a transaction is created on the cryptocurrency network. These transactions are 'broadcast' onto the network. Miners receive them, are responsible for ensuring the authenticity of information and updating the blockchain with the transaction, and process them into blocks of transactions. All of the transactions posted to the network are combined with data from the previous block (through a one way cryptographic function called a 'hash') to form a new block. This process ties every new block to the existing blocks on the blockchain. The first cryptocurrency miner to crack the code is rewarded by being able to authorize the transaction, and in return for the service provided, cryptominers earn small amounts of cryptocurrency of their own.

Consequently, cryptocurrencies can be transferred without the involvement of intermediaries or third parties as would be the norm in traditional fiat currency transactions. Without any such intermediaries, the transactional costs in direct peer-to-peer transactions are significantly lower than those for traditional fiat currency where intermediaries are required.

How are blockchains protected from malicious alteration?

The process of hashing acts as a sort of tamper-evident seal that confirms the validity of the new block and all earlier blocks. Alterations made to any earlier block would make the hashes of all subsequent blocks are invalid, as the discrepancy would be easily detected by future miners through the protocols governing the blockchain, and that block would be discarded in favour of one from a different peer which complied with the requirements of the protocol. Thus, miners vote with their computer power, expressing their acceptance of valid blocks by working on extending them and rejecting invalid blocks by refusing to work on them.

As a result, the consensus of the majority is represented by the longest blockchain, because the majority would have the greatest computing power and therefore is able to process the greatest number of blocks in a given time.

Proof of Work

In order to prevent malicious actors from collating sufficient computing power to subvert the blockchain, the protocol governing the particular cryptocurrency sets out the requirements for the blocks – they must fit certain criteria before they can be added to the blockchain. This is called 'proof of work' and is a process whereby the results are computationally expensive to produce, but are easy to verify. This increases the difficulty of the transaction, requiring greater computing power to be able to successfully complete a block. The difficulty requirements result in one malicious actor have difficulty orchestrating sufficient computing power to become the majority (and therefore able to process the longest blockchain) when competing with the decentralised peer-to-peer network. This difficulty also means it is infeasible for a malicious actor to 'edit' a previous block and recalculate all subsequent blocks while surpassing the longest chain on the network (as would be required for 'honest' miners to accept the blockchain as the authoritative one).

In order to incentivise miners to invest their computing power into solving new blocks; a miner that successfully verifies and solves a new block is awarded a newly generated quantity of coins in accordance with the protocols governing the cryptocurrency, plus the transaction fees of the underlying transactions. If one miner solved the block on its own, the miner would receive the entirety of the cryptocurrency reward. Due to the processing power required to complete a block first, miners work in pools which aggregate their combined computing power with a view to solving the next block more quickly than any other miner.

Individual miners versus mining pools

While one individual miner from a pool will be the one to solve the block, the miners have aggregated their computing power to ensure the best chance of being the first to solve that block. As a result, that miner does not get the full amount of the cryptocurrency reward and transaction fees. Instead, the total amount of new cryptocurrency and transaction fees are split between the organiser and contributors to the pool, in an amount usually proportional to the miner's contributed hash rate/work in accordance with the rules of the pool.

The difficulty of the proof-of-work puzzles is automatically adjusted so that a new block is mined on a specified basis (usually a time interval, for example, ten minutes in the case of Bitcoin). Therefore the difficulty increases or decreases based on the total mining power active on the network over a given reference period.

Proof of Stake

With cryptocurrencies gaining greater adoption, and the number of transactions and miners increasing significantly, proof of work mining has become computationally demanding. Proof of stake is an alternative method in validating cryptocurrency transactions.

With proof of stake, the creator of a new block is chosen in a deterministic way, depending on its wealth. No block rewards are given to the miners, instead, they receive transaction fees. The main advantage claimed for the proof of stake systems are that they can provide a similar level of blockchain security at greatly reduced electricity and GPU power requirements. The specifications are still being debated and have not yet been adopted by mainstream cryptocurrencies; the company will monitor the relevant currencies and adapt pricing plans accordingly.

In May 2017, Ethereum's creator Vitalik Buterin released an implementation guide to merge proof-of-work mining with Ethereum's proof of stake system, Casper. Casper requires validators (miners) to submit deposits to participate in the mining pool and may remove their deposits if the protocol determines violations of certain rules and conditions. Certain cryptocurrencies already utilize the proof of stake method instead of proof-of-work, including Peercoin, BlackCoin, and Mintcoin. See "Risk Factors – *Possibility of cryptocurrencies transitioning to proof of stake validation*" in Part II of this document.

The Directors believe that proof of stake is the likely evolution for cryptocurrencies to enable a more sustainable platform than proof of work, but that it is far from certain this will be the chosen direction for all cryptocurrencies. Adoption of proof of stake or other validation mechanisms are likely to occur at different times and utilize different solutions for each cryptocurrency. The Company intends to be an active participant in the discussion process leading up to any proposed changes and adoption.

Assuming proof of stake becomes adopted for a particular currency the Company will continue to calculate profitability that can be derived from GPU hardware and will ensure that the Company's offering allows users to mine using whatever the current reward scheme is for successfully creating new blocks.

The Directors believe the company will take advantage of its adoption and the corresponding savings to enable the Company to offer competitive rates to customers. The Directors believe it is also possible pricing models will need to move to combinations of stake and hashpower, rather than just hashpower, and for the user to determine whether their profits should be paid out or kept to increase the stake in their account.

Why Cryptocurrencies?

A blockchain, on which a cryptocurrency is recorded, enables market participants to make and verify transactions on a network instantaneously without a central authority (i.e., a clearinghouse in the traditional financial system). The Directors believe that blockchain, the technology behind cryptocurrencies, and the distributed ledger that is updated by miners, has the potential to disrupt multiple industries through making processes more democratic, secure, transparent and efficient. Interbank transactions which can currently take days for clearing and final settlement, especially outside of working hours can be reduced to transaction times of minutes and would be processed 24/7, unlike traditional banking transactions.

Cryptocurrencies can offer many advantages over traditional fiat currency, including —

- acting as a fraud deterrent, as cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by sender;
- immediate settlement (though in practice users will wait for a number of subsequent blocks to be added to the blockchain to reduce the risk of the block being 'orphaned' from the main blockchain);
- eliminating counterparty risk;
- no trusted intermediary required;
- lower fees;
- identity theft prevention;

- accessibility by everyone;
- transactions verified and protected through a confirmation process, which prevents the problem of double spending currencies;
- decentralization: no central authority (government or financial institution);
- universal recognition; and
- not bound by government imposed exchange rates.

Usage of a cryptocurrency

Coins can be used to pay for goods and services or can be converted to fiat currencies, such as the US dollar, at rates determined by various exchanges. Bitcoin.org lists a number of Bitcoin Exchanges, including international exchanges such as: Bitsquare and Bitstamp which are available to holders of cryptocurrency. Country-based and regional Exchanges also exist, and certain third party service providers can also used for transfers, however may charge higher fees for processing transactions.

Because cryptocurrencies/digital currencies are completely digital and they can be used in ways that ordinary currencies cannot; primarily, they are used like the digital equivalent of cash. Unlike credit or debit cards that are issued by banks, consumers don't need an account or good credit to use digital currencies. Further, digital currencies are becoming increasingly accepted globally by retailers and institutions.

Example

Assume, for example, that Alice is sending some quantity of cryptocurrency Bob. The amount of the cryptocurrency to send is combined with Bob's public key and some information from the previous transaction(s) that Alice's Bitcoins came from, into a message that Alice signs with her private key. The transaction message is then broadcast to the decentralised peer-to-peer network, where it is received by miners who verify the transaction in accordance with the protocol governing the cryptocurrency; place it with others into a transaction block; and work to solve the proof-of-work cryptographic puzzle that links the new block to the existing blockchain.

Other uses of a cryptocurrency

The blockchain behind a cryptocurrency offers greater opportunities than simply being a ledger of transactions in a particular cryptocurrency.

A smart contract, the term coined by computer scientist Nick Szabo in 1994, is "a computerized transaction protocol that executes the terms of a contract. The general objectives of smart contract design are to satisfy common contractual conditions (such as payment terms, liens, confidentiality, and even enforcement), minimize exceptions both malicious and accidental, and minimize the need for trusted intermediaries. Related economic goals include lowering fraud loss, arbitration and enforcement costs, and other transaction costs."

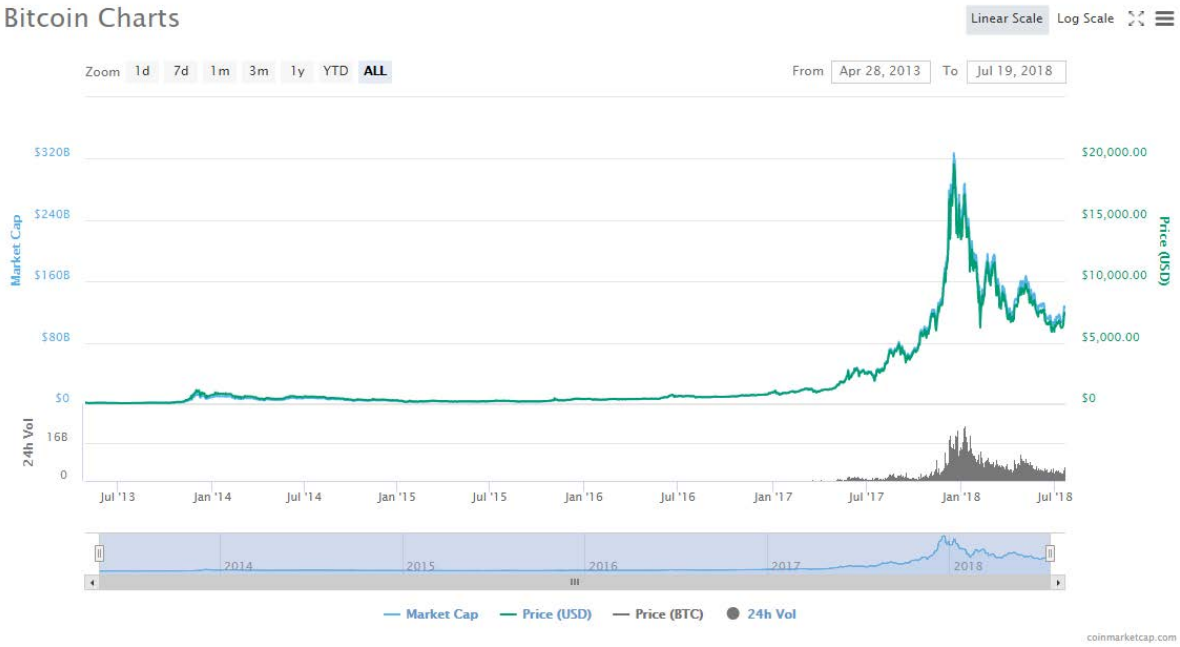
Not all cryptocurrencies enable smart contracts to be processed (for example Bitcoin can only process transactions), however newer cryptocurrencies have included this, for example smart contracts involving conditional payment can be implemented in Ethereum via transfer of Ether. This is considered further below.

Prominent Cryptocurrencies

The Company has decided to initially target four cryptocurrencies, being Bitcoin Gold, Ethereum, Ethereum Classic and Zcash. As the Company's operations are based on GPU mining (as detailed later in this Part I) the Company will not be targeting Bitcoin initially, as this is more efficiently mined with application specific integrated circuits (brief details of which are set out later in this Part I). The Company may, in future, add or remove cryptocurrencies from its service offerings. A brief overview of some prominent cryptocurrencies is set out below.

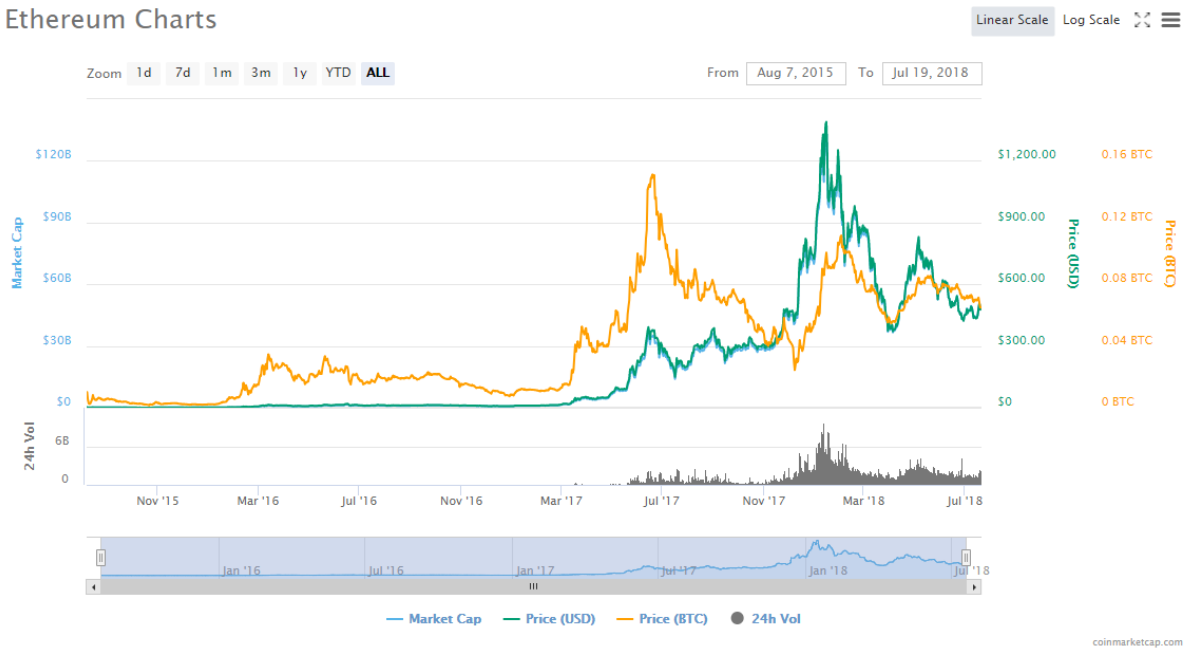
Bitcoin

Cryptocurrencies surfaced publically in 2009 with the debut of Bitcoin as the world's first decentralized cryptocurrency. The initial exchange rate (recorded on October 5, 2009) for Bitcoin was 1 BTC = US$0.000764. In part due to its first mover advantage, Bitcoin has remained the number one cryptocurrency in terms of market capitalization (approximately US$132.6 billion as at 23 July 2018).



Ethereum

The cryptocurrency Ether (or ETH), and its corresponding platform Ethereum, have been gaining favour. Ethereum incorporates significant technological improvements over Bitcoin, and is currently ranked as the currency with the second highest market capitalization (US$ 48.4 billion as at 19 July 2018) and 100.7 million Ether circulating.



Ethereum's additional possibilities

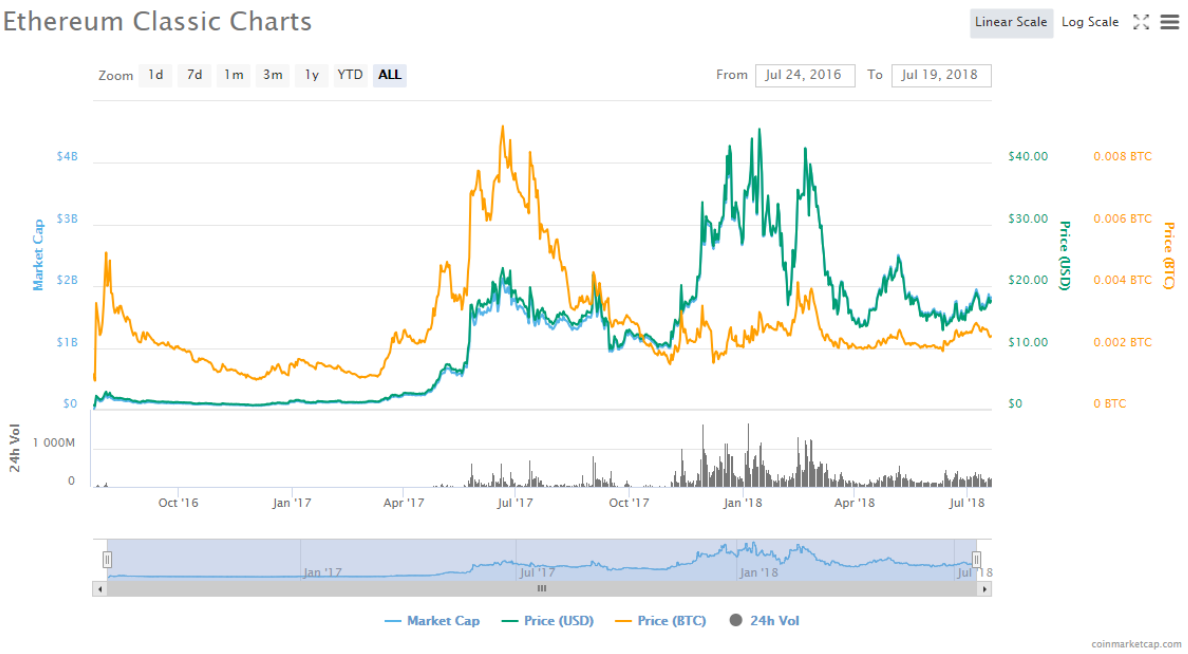
Ethereum includes the ability to build applications and code smart contracts directly into the blockchain, and this smart contract ability and flexibility have created new applications. Cryptocurrency users no longer focus on just the peer-to-peer currency transfer abilities of Bitcoin but instead look for other functionalities, such as global decentralized computing or smart contracts infrastructure.

Whereas Bitcoin was originally designed to be a secure digital cash system, the goal for Ethereum was to create a fully-programmable blockchain. First proposed by its inventor Vitalik Buterin in 2013, Ethereum provides an open, decentralized blockchain platform that runs smart contracts and distributed applications ("**dapps**"), using its integrated cryptocurrency, called Ether. The primary programming language for Ethereum, Solidity, is a high-level contract-oriented language that facilitates the programming of smart contracts and dapps that run on the Ethereum Virtual Machine. Developers can also write programs for the Ethereum platform that integrate as blockchain-based components of more complex web applications.

Ethereum Classic

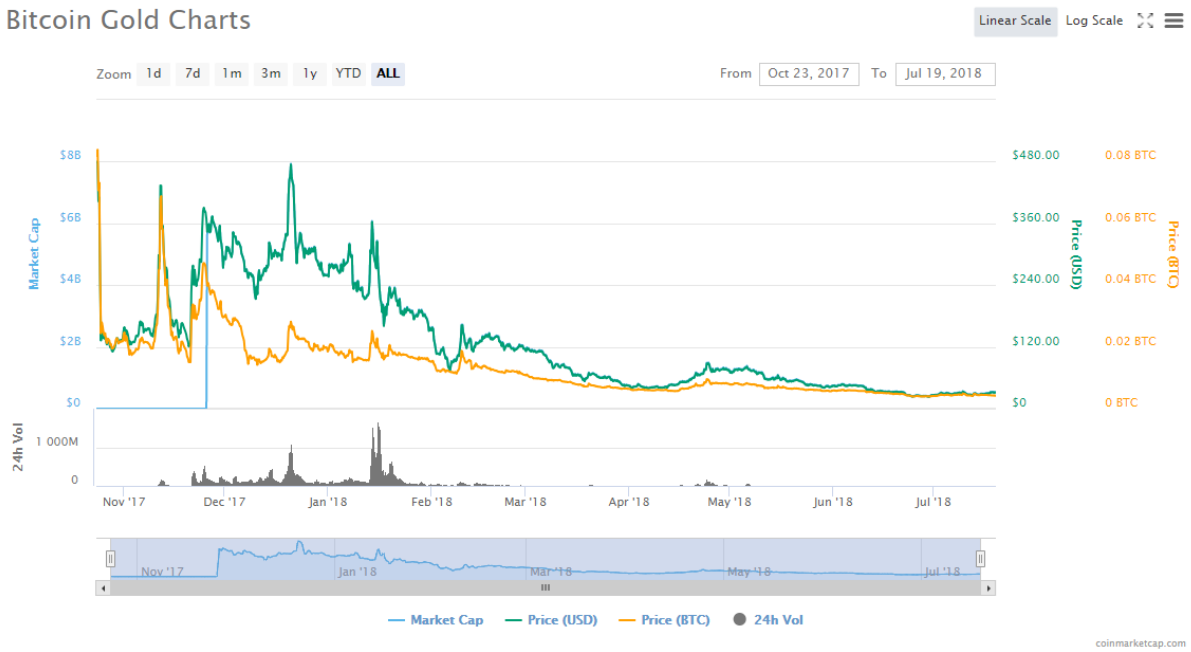
Ethereum Classic is one of two separate versions of the Ethereum Blockchain. Ethereum Classic came into existence when some members of the Ethereum community rejected the hard fork on the grounds of "immutability", the principle that the blockchain cannot be changed, and decided to keep using the unforked version of Ethereum.

Ethereum Classic is at 19 July 2018 ranked as the currency with the fifteenth highest market capitalization (US$ 1.8 billion as at 19 July 2018) and has over 103 million Ether circulating.



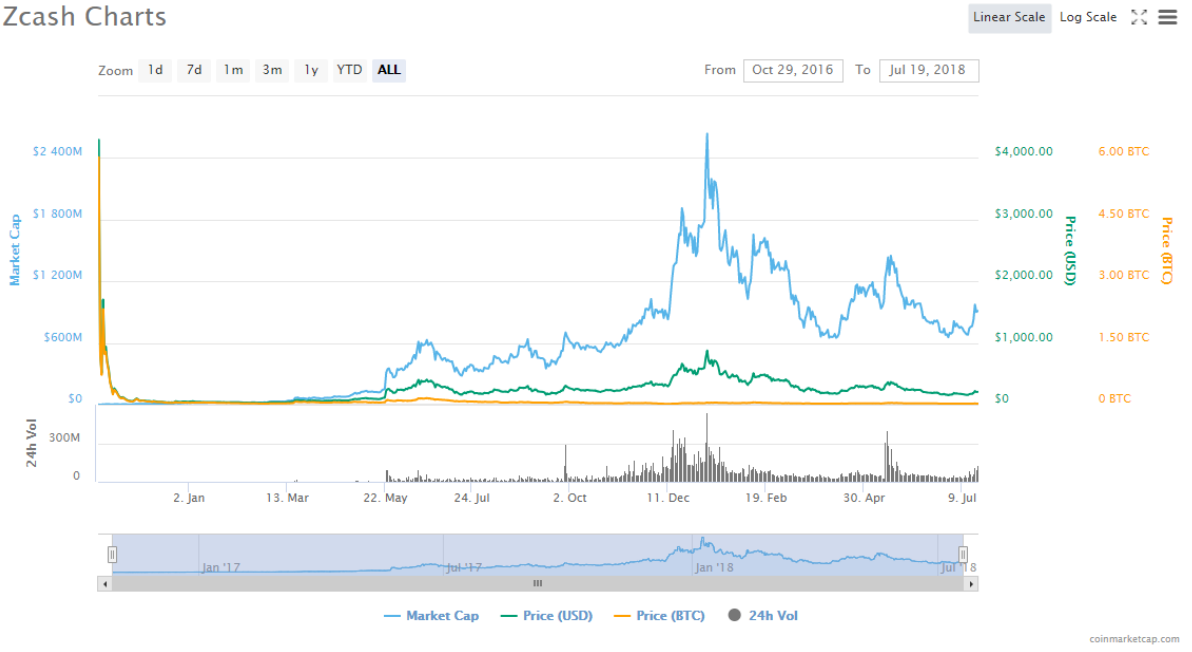
Bitcoin Gold

Bitcoin Gold (BTG) is a hard fork of the open source cryptocurrency Bitcoin. The fork occurred on 24 October 2017, the purpose of the fork is to restore GPU mining functionality to Bitcoin. As at 19 July 2018 Bitcoin Gold is ranked as the currency with the thirty first highest market capitalization (US$ 534 million as at 19 July 2018) and has over 17.1 million BTG circulating.



Zcash

Zcash is a cryptocurrency created in 2016 aimed at using cryptography to provide enhanced privacy for its users compared to other cryptocurrencies such as Bitcoin and Ethereum. As at 19 July 2018 Zcash is ranked as the currency with the twenty first highest market capitalization (US$ 907 million as at 19 July 2018) and has over 4.3 million Zcash circulating.



How do miners process cryptocurrency transactions?

Miners use computer hardware to cryptographically 'hash' transactions. Originally utilising computer processors to carry out the calculations, the increased competition in mining has resulted in the adoption of 'application specific integrated circuits' or ASICs and 'graphic processing units' or GPUs to carry out the calculations required to solve a block.

ASICs

Application specific integrated circuits or ASICs are integrated circuits which are customised for a particular use as opposed to being general computing hardware.

In Bitcoin mining, ASICs were the next development after mining on central processing units (CPUs), graphics processing units (GPUs) and field-programmable gate arrays (FPGAs). As ASICs are capable of out-performing CPUs, GPUs and FPGAs in both speed and efficiency, ASICs are the principal technology used for mining Bitcoin.

ASICs are application specific and are restricted to processing the particular algorithm for which they were designed. Therefore an ASIC designed to process the algorithm required by Bitcoin (SHA256d) cannot be repurposed for the algorithm required for an alternative cryptocurrency. In addition, as the difficulty increases in a proof of work system, the ASICs are outperformed by newer, more efficient ASICs. This results in existing ASICs becoming obsolete and less profitable as a result.

Given the limitations of using ASICs, the Company will offer their services utilising GPUs as the underlying hardware.

GPUs

The graphics processing unit (GPU) is a specialized electronic circuit designed originally to cater with the demands of high resolution 3d graphics. This requires the GPU to be able to rapidly manipulate and alter memory in order to accelerate the creation of images in a frame buffer that is intended for output to a display device. Today, GPU's can be seen in embedded systems such as mobile phones, personal computers, and game consoles, but have also been adopted to be utilised for crypto-mining.

GPU-accelerated computing is the use of a GPU together with a CPU to accelerate deep learning, analytics, and engineering applications, and is the future of computing systems today. Breakthroughs in deep-learning have set in motion the AI revolution, and the GPU is being used to accelerate these innovations.

Machines that are powered by AI neural networks are able to solve problems that are far too complex for human coders, and importantly they solve them much faster. These computing systems learn from data and improve with use, and their progress is exponential. Nvidia is betting that GPU-accelerated computing is going to be the workhorse of modern AI, explaining that the computer platform to run new AI software must have an architecture that can efficiently execute programmer-coded command as well as parallel training of deep neural networks.

The integration of GPU's and AI is extremely important in the recent rise of cryptocurrency mining. Miners have an extensive need for powerful GPU's in order to process the complex proof of work problems associated with the blockchain and cryptocurrencies. Both Nvidia and Advanced Micro Devices (AMD) have issued mining specific GPU's to combat the increasing demand for general GPUs and the cryptocurrency mining's energy intensive process, and both companies are reporting strong revenue growth after the recent and intense advancement of cryptocurrencies such as Bitcoin and others which utilise proof of work validation. Data from JPR indicates that "over 500,000 GPUs, or 33% of GPUs sold in retail, were sold to cryptocurrency miners" during Nvidia's Q2 of this year. The Directors believe that this demand clearly demonstrates the growing need for complex processing platforms in order to meet the demand for complex computations.

Introduction of Mining as a Service (MaaS)

As the demand for cryptocurrencies increases and cryptocurrencies become more widely accepted, there is an increasing demand for professional-grade, scalable infrastructure to support growth of the expanding blockchain ecosystem as individual, home based, mining becomes less efficient and less profitable.

Connecting and managing large-scale industrial mining environments, such as are currently required to generate significant cryptocurrency mining potential, is complex and time consuming to establish, as well as expensive to maintain. As mining becomes more difficult, the Directors believe this demand is only going to increase as most consumers are unlikely to be able to collate, build and run the infrastructure and make the connections required themselves to conduct cryptocurrency mining on such a scale. As an alternative, the Directors believe that many will choose MaaS services to remove the need to acquire expensive hardware and manage complex software.

The Directors believe that MaaS will transform cryptocurrency mining and will allow for it to be scaled to anyone, anywhere in the world.

By choosing a MaaS company as a service provider, consumers can reduce IT overheads and trade in a variety of cryptocurrencies and test and deploy new mining strategies without significant cost or downtime. MaaS can cater to the requirements of these traders from the same cloud-based platform, allowing them to mine on multiple preset or bespoke Mining Plans that allow users to scale their environments as they see fit. By introducing a truly global data centre environment that can scale the Directors believe the MaaS market can deliver advanced, practical and cost effective services to miners of any size.

Cryptocurrencies available to mine

The Company has decided to initially target four cryptocurrencies, being Bitcoin Gold, Ethereum, Ethereum Classic and Zcash. The Company has selected these initial cryptocurrencies on the basis of the following factors:

- supporting GPU based proof of work;
- use of Ethash and Equihash as the hashing algorithm;
- existing large market cap and mining base; and
- existing mining pools and wallets supporting the particular cryptocurrency.

This means that the Company will not support Bitcoin on launch but could support Bitcoin over time with future acquisition of ASIC Bitcoin mining hardware. The Company's software allows it to add GPU based cryptocurrencies to its offering in a modular manner. The Company will evaluate adding further cryptocurrencies based on a number of factors including, but not limited to, those set out above, and the Company may add or remove cryptocurrencies from its service offerings in the future.

Alternative uses for the Company's equipment

The Company may, in the future, explore alternative uses of its technology, such as selling server capacity for virtual desktops, gaming, industrial design, HPC visualisation, 3D modelling and rendering, 3D application streaming, machine learning, high performance databases, computational fluid dynamics, computational finance, seismic analysis, molecular modelling and genomics. While the Company has not explored these opportunities to date, the Company's hardware would be suitable for adaptation to the uses mentioned above, and may provide an alternative source of revenue to the Company in the future.

Established cloud computing businesses such as Amazon and Microsoft offer services in this regard, namely Amazon EC2 Elastic GPUs and Microsoft Azure N-Series, while others such as Paperspace and FloydHub also offer services in this sector.

Effect of Cryptocurrencies moving to proof of stake

Individual Cryptocurrencies in the future might move from proof of work (where the probability of mining a block is dependent on how much work is done by the miner) to proof of stake (where the probability of mining a block is dependent on how many coins the miner stakes). The move to proof of stake has not yet been confirmed by major cryptocurrencies, and is unlikely to happen for every cryptocurrency at the same time. The transition to proof of stake does, however, appear increasingly likely in the face of ever increasing transaction levels for each cryptocurrency. If cryptocurrencies move to proof of stake, the Company's business model would have to change to accommodate this change, and the Company's offerings adapted to suit. The Company acknowledges that this is a risk and will take the necessary steps to mitigate this risk by continuing to offer GPU based Proof of Work mining on individual cryptocurrencies, or forks of currencies, that use proof of work as well as investigate how the Company can support proof of stake algorithms.

Fees

The Company's services will be paid for in fiat currency through established payment processing providers. The Company will enable the user to select the particular service they require through the Company's website and this will generate a monthly cost. This monthly cost is charged to the card selected by the customer, and the payments are processed through the payment processing providers.

The Company has considered a number of payment processing providers and has entered into a payment processing arrangements with Payfirma and Shopify, pre-eminent processing providers. The Company will work with its payment processors to ensure that the correct customer identification is carried out to reduce the risk of fraud or money laundering and will comply with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and all other regulation as far as it applies to the Company.

Competition

Increased popularity of cryptocurrencies have resulted in a greater number of transactions, which requires a greater amount of computing power at a given difficulty.

In the cryptocurrency industry, a number of online companies offer cryptocurrency MaaS as well as companies, individuals and groups that run their own mining farms. Miners can range from individual enthusiasts to professional mining operations with dedicated data centres, however, the vast majority of mining is now undertaken by mining pools.

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

The Directors are aware of HIVE Blockchain, a TSX listed company which looks to "build a bridge" between the blockchain market to traditional capital markets, and is strategically partnered with Genesis Mining, a cryptocurrency mining hashrate provider and currently the world's largest mining-as-a-service provider. The Company's activities will be competitive with those of HIVE Blockchain.

The Directors anticipate that publicly traded companies operating in the cryptocurrency and blockchain sector include the following:

Company	**Market**	**Description**
DigitalX	ASX	Initially a bitcoin mining company, DigitalX has now exited the mining business and refocussed on bitcoin trading as well as developing both retail and consumer applications.
Blockchain Global	ASX	This company runs various blockchain related businesses, including an institutional exchange platform, transaction verification services (bitcoin mining), a blockchain start-up accelerator, and a blockchain technology consultancy. In 2017 Blockchain Global announced they were merging with BTCS, an early entrant in the Digital Asset market and one of the first U.S. publicly traded companies to be involved with Digital Assets and blockchain technologies. As far as the Directors are aware Blockchain Global does not have an MaaS business in its portfolio.
360 Blockchain	CSE	Since going public, the company has announced a joint venture with NOS Blockchain, a subsidiary of Nerds on Site, that its acquisition SV Cryptlab entered into contracts to mine ethereum and Zcash, and the establishment of 360 Blockchain USA, a subsidiary to focus on developing and investing in blockchain technologies in the US. 360 Blockchain looks to provide financial services to both private and public companies, including finance advisory, merchant banking, IPO consulting and business advisory services. As far

Company	Market	Description
		as the Directors are aware 360 Blockchain does not have an MaaS business in its portfolio.
BTL Group	TSX	BTL is a Vancouver-based company that offers blockchain solutions across multiple industries – from banks to energy. BTL has a money transfer platform using distributed-ledger-technology and smart contracts, called Interbit. BTL does not offer a MaaS service.
Coinsilium Group	NEX	Coinsilium Group is a London-based blockchain technology investor that develops and invests in blockchain technologies, aiding new fintech applications. Coinsilium does not mine cryptocurrency or offer a MaaS service.
.eXeBlock Technology	CSE	eXeBlock's services include blockchain technology consulting, blockchain application development, and custom blockchain development. .eXeBlock does not mine cryptocurrency or offer a MaaS service.
HashChain Technology	TSX	HashChain is the first publicly-traded cryptocurrency mining company to have filed a final prospectus in Canada. The company's primary focus is on cryptocurrency mining, with a target of 26,500 mining rigs. HashChain is a cryptomining business which does not offer MaaS.

The Directors anticipate that other competitors may include institutions such as:

Company	Sectors	Description
Genesis Mining https://www.genesis-mining.com/	MaaS	Founded in 2013, Genesis is the current leading cryptocurrency provider with over a million customers, also recently bought 30% interest in HIVE.
HUT 8	MaaS	Hut 8 Mining Corp. partnering with Bitfury Group to acquire & operate North American's largest bitcoin mining datacenters.
GMP https://gmpsecurities.com	MaaS	Toronto-based Securities company partnering with HIVE Blockchain Technologies Ltd. to start cryptocoin mining.
Cloud hashing https://en.wikipedia.org/wiki/CloudHashing	MaaS	One of the largest bitcoin mining companies worldwide, merged with HighBitcoin to create PeerNova in 2014. Their mines are located in Iceland. Does not appear to be in service anymore.

Company	Sectors	Description
BitFury http://bitfury.com/	MaaS	The world's largest bitcoin miner outside of China and holds 11% of the technology's market share. Has recently partnered with North America's HUT 8.
Bitmain https://www.bitmain.com/	MaaS	Chinese based mining company that accounts for 56% of global bitcoin mining, also the world's largest cloud miner.
BTC Corporation https://btc.com/	MaaS	Bitcoin mining company based in China that also runs a Bitcoin exchange, wallet, and more.
F2Pool https://www.f2pool.com/	MaaS	Chinese mining pool with servers in mainland China, Hong Kong and the US.
BW https://www.bw.com/	MaaS	Established in 2014, Chinese based company BW Pool currently mines about 5% of all blocks.

4. The Company's Business Plan and Strategy

Overview

The Company is at an early stage of operations. The Company is in the process of establishing a datacenter management business focused in the crypto mining space. The Company's business is offering MaaS to the general public from a global network of Company managed datacentres. By utilising datacentres in a number of countries, the Directors believe that they can deliver advanced, practical and cost effective services to the Company's clients.

The primary focus of the Company will therefore be the global crypto mining market, of which the Directors have extensive experience, though the Directors recognise that the equipment utilised in crypto mining has alternative uses which may be explored in the future (for example, 3D modelling, artificial intelligence and machine learning).

The Directors believe that there is an underdeveloped need for MaaS as customers look for an opportunity to gain access to cryptocurrency in a cost effective manner. The Directors believe that they can promote the importance of a well managed large scale and comprehensive solutions to those seeking services in this area.

The Directors believe that, by offering the Company's clients the ability to choose the location in which the MaaS takes place, the size of the hashing power given to mining a particular cryptocurrency and the type of cryptocurrency they wish to mine at any given time, there will be a compelling customer offering. Furthermore, the Directors believe that by offering a flexible and transparent monthly pricing plan without a minimum period that the Company's MaaS offering will be differentiated from that offered by others in the market, particularly the incumbent operators who offer fixed term 12 or 24 month contracts.

The Directors intend that the Company's MaaS will be user-friendly and accessible to a wider pool of people than would otherwise be the case if the user was required to purchase hardware, set-up and configure the necessary hardware and software themselves, while giving them control over what their subscription is being used to achieve. The Company's system will allow the user to configure and manage the cryptocurrency they wish to mine, which mining pool they wish to contribute to and how they would like to store the generated coins. The Company does not intend to offer any form of cryptocurrency custody service, and therefore the user will be responsible for the storage and security of their cryptocurrency.

Where the Company's equipment would otherwise be un-utilised or under-utilised, or while the equipment or software is being set up and/or tested, the Company may mine cryptocurrencies on its own account. In such situations the Company would utilise a third party wallet to hold any cryptocurrency generated through such activities until such time as they are exchanged for fiat currency through a regulated exchange. The Company will not take custody of either its own or other users cryptocurrency coins in the course of its activities.

Company objectives

The Company intends to become a large provide of MaaS utilising the most up to date technology. Alongside its commercial offerings, the Company's marketing strategy includes developing a forum and 'Bloomberg' type commentary on cryptocurrencies. The Directors believe this forum will give users an opportunity to gain a greater insight into the cryptocurrency market, historic trends and difficulty. The Company intends that access to the forum will be an additional part of the service offered by the Company to its users, though the Company will not charge additional fees for access. Consequently, the Directors intend that the forum will not be available to the general public unless they are users of the Company's services.

The Company will endeavour to match available mining capacity to users as closely as possible. So as to enable the Company to have resilience in relation to unexpected downtime and to be able to carry out planned maintenance, the Company will run a greater number of servers (and consequently mining capacity) than the aggregate requirement of its users. Where such capacity exceeds the capacity subscribed for by users, the Company may either chose to leave the machines idle or may utilise their processing power to mine on the Company's own behalf. It is not anticipated that any such mining will form a substantive part of the Company's operations, but may be necessary either to ensure the machines are properly configured and stable or to minimise the Company's unrecoverable costs. If the Company generates any cryptocurrency as a result of this activity, the Company anticipates that such cryptocurrency will be sold on an exchange and the fiat currency receivable utilised to finance the Company's business.

The Company intends to exploit the experience and expertise of the Directors and Senior Management to achieve these objectives. Further details of the Directors' and Senior Managements' respective experience is set out in Part II of this document.

Geographical establishment

The Company's operations will initially be focussed on Canada, China and northern Europe, however the Directors may consider other jurisdictions in due course.

Traditionally data centres have been established in developed countries close to major population centres. These data centres have resulted in high costs as a result of:

1. the relative expense of land compared with less developed/densely populated areas;
2. the costs of designing and building data centres in developed countries;
3. the costs of staffing a data centre in developed countries;
4. the cooling requirements in unsuitable climates; and
5. the cost of providing redundancy in every system (for example cooling, power and internet connection) to meet traditional data centre use cases of 99.999% uptime.

The Company intends to operate in Canada, China and northern Europe as a result of:

1. advances in internet connection speeds which have resulted in a reduction of the need to have data centres close to the population they serve;
2. the climate resulting in a lower cooling requirement (as outside air can be used to cool machinery reducing or eliminating the need for costly HVAC systems);
3. reduced operational costs due to the lower costs of electricity (particularly in China and northern Europe);
4. lower staffing costs as a result of being outside of major towns and cities;
5. skilled work force available as a result of good education levels amongst the general population; and

6. resilient nature of blockchain technologies resulting in less costly redundancy requirements.

Canada

The Company is currently exploring the available opportunities in Canada. The Directors have identified certain potentially suitable partners and entered into a memorandum of understanding on 28th December 2017 with Victory Square, a publically traded crypto holding company on the Canadian Securities Exchange (VST.CN) setting out the outline terms of a potential agreement between the Company and Victory Square for 600Gh/s of crypto mining capacity. Following entry into this memorandum of understanding, the Directors anticipate entering into a definitive agreement during the first half of 2018.

On 12 January 2018, the Company incorporated a wholly owned subsidiary, Argo Canada. Argo Canada was incorporated for the purpose of carrying out trading activities in Canada and shall be the counterparty to the consultant and staff contracts, commercial contracts with third parties (predominantly in relation to the Group's activities in Canada, but also certain other jurisdictions as appropriate), and any leases in relation to the Group's facility in Quebec. Argo Canada commenced trading on 29 January 2018.

On 23 February 2018 the Argo Canada entered into a lease in respect of a 1,000 square foot facility in Gatineau, Quebec. The property has the ability to support up to 200 racks of mining equipment (being 2,000 servers) and the Company intends to utilise this space to cover the majority of its first year mining activity. Argo Canada took possession of the property on 23 February 2018 and started operations from this property on 14 February 2018, having been granted early access to the premises by the landlord.

China

The Argo infrastructure is strategically located in certain GoSun owned and operated datacentres in China. GoSun is a Shenzen stock exchange listed company (000971.SZ) and one of China's largest infrastructure and networking companies. GoSun was founded in 2006 has a total market capitalization of over RMB10 billion and has over 90 operating datacentres in China.

The Company entered into a definitive agreement with GoSun on 22 February 2018. This partnership with GoSun will enable the Company to:

1. secure low cost electricity and operational costs on a long term basis;
2. provide the potential for the Company's operations to scale quickly over multiple established datacentre locations already operated by GoSun;
3. reduce hardware acquisition costs and tariffs by utilising GoSun's existing procurement and purchasing power to make acquisitions of computing hardware;
4. build local relationships and mutual trust with an established local partner.

Further details of the agreement with GoSun are set out in paragraph 11 of Part VII of this document.

China offers lower electricity costs due to an abundance of hydro-electric power and a state mandated goal of power generation. During the second half of 2017, China's industry electricity cost was on average $0.08 (USD) per kilowatt hour, making it a country with one of the lowest electricity costs in the world.

Northern Europe

The Directors believe that northern Europe offer potential opportunities based on low ambient temperatures and reliable power supplies, often from sustainable sources such as geo-thermal or hydro-electric power. The Company is currently exploring the available opportunities to locate its cryptocurrency mining operations in these territories. The Directors will identify suitable partners and in the first instance seek to enter into a memorandum of understanding with each setting out the outline terms of the agreement to be reached. The Company anticipates that these MoUs will be entered into in Q4 2018, and following negotiations with those suitable partners, the Directors anticipate entering into definitive agreements with one or more partners in Northern Europe during the course of 2018. These MoUs and the resulting definitive agreements will seek to enable the Company to have a secure cost base in that location, the ability to expand its operations in line with user demand, and to ensure the Company's geographical flexibility to future additions to the business.

Hardware

The Company's main expenses will be hardware, power and marketing costs. The Company will seek to minimise hardware and power costs by utilising the most efficient and/or cost effective hardware. The Company intends to lease the majority of its hardware so as to avoid the need for significant capital to be expended in the initial stages of the Company's operations and to be able to respond to customer demand in a more responsive and dynamic manner. The balance of the Company's hardware requirements which are not leased will be acquired by the Company outright.

The Company will utilise servers that have discrete GPUs installed as the base hardware for its activities. This will be supplemented by the addition of both open source and, in the future, bespoke, software which will enable the Company to remotely manage and configure the servers and GPUs on a near instantaneous basis.

The Company has selected GPUs to provide the basis for its MaaS offering as a result of:

1. the flexibility provided by GPU technology, principally the ability to mine multiple different cryptocurrencies utilising the same hardware but different software;
2. the wider availability of GPU hardware (as opposed to ASICs) from multiple vendors;
3. the lifespan of GPUs as current mining hardware versus the relatively short period of competitiveness with ASICs.

The original Argo Blockchain data centres will consist of specialized racks of 10 servers each containing 8 GPUs giving a density of 80 GPUs per rack. The Company acquired and currently has 7 racks (comprising 10 servers each with 8 GPUs) in operation in its Gatineau Quebec facility and, with effect from 20 April 2018, available to certain early adopters, with users on the waiting list being able to access from 11 June 2018. It is anticipated that each rack will be able to service approximately 80 subscribers in the first year, and that this would increase to circa 110 subscribers per rack in year 2 and 145 subscribers per rack in year 3 on the basis of a mixture of the Company's available service plans and expected increases in efficiency of future hardware. The Company will own the initial servers, however the Company will explore the most efficient mechanism for access to future equipment, which may include leasing equipment from third parties.

The Company's business model will scale with user demand, and therefore the Company will be reactive to customer demand. Aside from the initial equipment required to set up the Company's systems and cater for initial demand, the Company will only procure and install additional hardware and equipment where there is demand for it.

Software

The servers referred to above are used by the Company with its optimization software. The Company has selected Apply Digital. as its principal software vendor and has entered into a master services agreement and statement of work with Apply Digital, further details of which are set out in paragraph 11 of Part VII of this document.

The software and hardware combined have the capability to mine any GPU-based algorithm, including Bitcoin Gold, Ethereum, Ethereum Classic and Zcash. In the immediate future, the Company plans to focus its mining efforts on Bitcoin Gold, Ethereum, Ethereum Classic and Zcash, while examining other altcoins for potential opportunities in the future.

The Directors believe that there is a risk in relying on one vendor in the short term. The Company anticipates bringing the work undertaken by Apply Digital in house and establishing an in house development team. The Company anticipates that such change should be cost neutral to the Company and should be complete by the end of Q3 2018. Should outside assistance be required in the future, the Company anticipates utilising multiple vendors of such software globally. Furthermore, the Company intends to add to the software any specific modules that it needs to optimise the software and hardware to the Company's business model.

The Company intends to licence the best available mining optimization software and utilise it to allow users to better optimise their mining activities by monitoring a number of factors, particularly hashing difficulty and cryptocurrency exchange rates in real time. The Company intends to use currently available open source

software for mining. It is intended that this software would conduct the mining activities and offer access to third party mining pools which can be selected by the user based on their own requirements.

Staffing

The Group's initial staff will be the Directors, the Senior Managers and the employees. The Group's Senior Management comprises Peter Wall, the Group's VP Operations, Inderpreet Hothi, the Group's VP Blockchain Technology, and Sebastien Chalus, further details of whom are set out in Part II of this document. Mr Bixby, Mr Edwards, Mr Wall, Mr Hothi and Mr Chalus will devote their full time and attention to the Group, while Mr Le Druillenec and Mr Penchina will be engaged on a part time basis.

The Company envisages that it will need to develop its own operations, development and marketing teams, and when the Company has operations in China and Northern Europe, hire certain in-house country managers and senior staff. The Company has elected, instead of hiring local workers to support its hardware in China, to outsource to GoSun to meet its immediate hands-on staffing requirement in China. These staff, provided by GoSun on an hourly rate basis will provide the hands-on support for the Company's hardware in the GoSun datacentres.

The Company's present staffing, including the Directors, Senior Management and employees, but excluding the staff provided by GoSun is as follows:

Location	**Current Staffing**
UK Head Office	1
Vancouver, Canada	3
Gatineau, Quebec, Canada	4
Northern Europe	0
China	0
Total	**8**

The Company envisages that it will have operations in the United Kingdom, Vancouver, Gatineau Quebec, Northern Europe and China, and anticipates the following staffing (including the directors) being engaged by the Company:

Location	**Staffing Year 1**	**Staffing Year 2**
UK Head Office	2	5
Vancouver, Canada	13	20
Gatineau, Quebec, Canada	6	9
Northern Europe	1	2
China	1	2
Total	**23**	**38**

The Company envisages that the staffing by department will be as follows:

Department	**Staffing Year 1**	**Staffing Year 2**
Directors (exc. Non-Executives)	4	4

Department	Staffing Year 1	Staffing Year 2
Operations	4	8
Marketing	3	6
Developers	7	12
Technical	5	8
Total	**23**	**38**

The above tables do not include any staff provided by GoSun as they will not be directly engaged by the Company or the Group.

Directors

The Directors have existing relationships across the datacentre, direct marketing and crypto markets. The Company will seek to exploit the Directors' contacts and relationships to secure additional datacentre space and users in the short term. Between them the Directors have over 80 years of experience and an average of approximately 20 years of experience in the technology sector. Further details of the Directors experience is set out below and in Part II of this document.

Jonathan Bixby (Executive Chairman)

Jonathan Bixby has significant experience in the technology and networking sectors, and in particular was:

- a founder and the CEO of Strangeloop Networks, a networking company which focused on providing hardware appliances in data centres to speed up web based properties. Strangeloop was sold to Radware (RDWR) in 2013.
- a founder and Chair of the Board of Ironpoint Technology which provided technology based content management services. Ironpoint was sold to Active Network (ACTV) in 2006.
- an investor and advisor to numerous other networking and software companies including TSO Logic, Rubikloud, Neurio and Layerboom.

Jonathan is the Company's Executive Chairman and will be ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Company's President. The Chairman acts as the communicator for Board decisions where appropriate.

Mike Edwards (Executive Director and President)

Mike Edwards has experience of consumer technology and public markets, including the following:

- co-founded AreaConnect.com, a consumer content company which was acquired by Marchex, a Nasdaq listed company, in 2008.
- invested in early stage consumer companies such as Punch'd (later acquired by Google), Wander (later acquired by Yahoo), Summify (later acquired by Twitter) and Password Box (later acquired by Intel).
- co-founded Growlab, a seed stage accelerator focussing on consumer facing digital product. Growlab later merged with Extreme Startups to create Canada's Highline accelerator.
- co-founded and is a board member of Creative Labs, a venture capital backed startup foundry that builds consumer technology companies by leveraging the Creative Artist Agency's access to talent and audience.

Mike is the Company's President and will be responsible for designing and implementing business operations of the company including mining, software development and all marketing. The President will establish policies that promote company culture and vision and will oversee all operations of the company globally. The President acts

as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management.

Timothy Le Druillenec (CFO)

Timothy is a Fellow of the Chartered Institute of Management Accountants and has provided management consultancy and accounting services to numerous public and private companies. Tim is currently Finance Director of Dukemount Capital PLC, a Main Market listed property company which acquires, develops and manages portfolios of property and was most recently Finance Director of Hemogenyx Pharmaceuticals PLC. In addition, Timothy has held appointments as director and company secretary of a number of public and private limited companies.

Tim is the Company's CFO and will be primarily responsible for managing the financial risks of the Company and for financial planning and record-keeping, as well as financial reporting to higher management.

Gil Penchina (Non-Executive Director)

Gil is a seasoned investor who has invested in LinkedIn, PayPal, Cruise Automotive, Dollar Shave Club, Hooked, Wealthfront, AngelList, Indiegogo, Fastly and others. Gil is currently a partner at Ridge Ventures, formerly IDG Ventures USA.

Prior to this, Gil was a board member at Fastly, the CEO of Wikia.com, a wiki hosting service which derived its revenue from advertising and sold content and became a top 50 web property and previously worked for eBay where he held a number of roles progressing from Manager in Business Development to VP and General Manager, International with responsibility for France, Italy, Spain, Poland and Eastern Europe and Expansion in Europe.

Gil will be responsible for overseeing the Company's strategy on cryptocurrencies and funding.

Senior Management

Peter Wall (VP Operations)

Peter founded and is President of Vernon Blockchain, a company specialising in the design, build and management of cryptocurrency mining operations in Canada and worldwide. Peter has been involved in cryptocurrency mining in Quebec both as a personal miner and a consultant for the past 4 years.

Peter will be responsible for overseeing day-to-day operations of the mining organization in Canada, China and Northern Europe and the software development team to support the growth of the Company. Peter will focus on strategic planning and goal-setting, and direct the operations of the company in support of its goals.

Inderpreet Hothi (VP Blockchain Technology)

Inderpreet was formerly the Chief Technology Officer at Foot Solutions Canada Inc. where he was responsible for developing the company's strategy for technological resources, evaluating and implementing new systems at their head office and in 220 locations worldwide and oversaw all system design and changes in system architecture. Inderpreet will be responsible for leading the development and execution of the Group's long term mining strategy and supporting the growth of the Company. Inderpreet will focus on strategic planning and goal-setting, and direct the operations of the company in support of its goals.

Sebastien Chalus (Operations)

Sebastien was most recently responsible for the planning process of a major packaging and paper products company, attending to resource optimisation and cost control. Prior to that, Sebastien completed a Bachelor of Business Administration in Marketing at École des sciences de la gestion at the Université du Quebec à Montréal. Sebastien will be working with Peter Wall, the Company's VP Operations and be responsible for Operations at the Company's premises in Quebec and future expansion into other regions of Quebec.

Employees

The Group is in the process of recruiting appropriate staff to enable the Company to deliver its operations. As the Group's operations increase, the Group will review its staffing requirements and may engage further staff either directly or via a third party to enable the Company to achieve its business and operational objectives.

Advisory Team

The Company has identified a team of advisors that the Company will work with in order to formulate and develop its business model and ensure that it remains abreast of current developments. Each of the members of the Company's advisory team has entered into consulting contracts with the Group under which the Group has agreed to reimburse any reasonable expenses incurred by the advisors in connection with their engagement with the Group, and each of the advisors have been granted certain warrants over Ordinary Shares. As at Admission, the advisory team will comprise of the following:

Thomas Kineshanko

Tom has been investing in cryptocurrency and ICOs since their early days in 2012. Prior to co founding Protos Cryptocurrency Asset Management, Tom has been a Founder and General Partner of First Block Capital, Canada's first regulated crypto investment firm, since March 2017. Tom also co-founded Fintech Enterprises Inc., one of the first North American buy/hold Bitcoin and Ether funds, as well as the Blockchain platform Walter.ai

Dean Sutton

Dean has over a decade of direct experience as a technology entrepreneur and founder. Always focused on emerging technology, he has been in the digital asset industry since 2012 when he started in digital mining and working with teams to develop decentralized technologies. Currently he is a sought after blockchain industry thought leader, investor and speaker, advisor to the Blockchain Association of Canada, and founder of BlockTech Ventures Inc.

Roham Gharegozlou

Roham is founder and CEO of CryptoKitties, the world's most successful blockchain game. He is also the CEO of Axiom Zen an award-winning venture studio that specializes in applying emerging blockchain technologies to unsolved business problems. Roham has been working with bitcoin and various forms of blockchain and distributed ledger technologies since 2014.

Shafin Diamond

Shafin Diamond has launched over 40 startups in 21 different countries, employing over 350 people and generating over $100 million in annual revenues through his venture, Victory Square Labs. Victory Square Labs introduced a portfolio company, VS Blockchain Assembly Inc, which is a Blockchain and Crypto Investment and Advisory Services Firm.

Eric Cormier

The Group has engaged Eric Cormier to assist with financial modelling and to provide advice on financial matters, as required. Eric Cormier is a certified accountant and a respected expert in financial modelling and financial management. Eric is a consultant and advisor for many startups in Vancouver.

Kolina Kretzschmar

The Group has engaged Kolina Kretzschmar to assist with administration and operations. Kolina is a well known advisor in the Vancouver startup ecosystem and has been involved with operations and finance with Koho, Lendful, SettleUp, Blue Mesa Health, Alavida and Vios Health amongst other local companies.

Marketing

The Company intends to carry out the majority, if not all, of its marketing activities on digital properties. The Company has engaged Flatiron Collective to assist with targeting and refining the Company's marketing spend for launch and the following six months. The Company envisages that the Company will advertise on one or more of the following, amongst others:

- Facebook;
- YouTube;
- Google (through Keywords);
- Instagram;
- WeChat; and
- SnapChat.

Customers

The Company is making its MaaS offering to the general public. The Company intends to initially target individual users and small scale industrial miners looking for a cost advantage in order to achieve its sales targets in the first two years. The Directors believe that there is a significant pent up demand for cost effective MaaS on an industrial scale which is divisible between numerous people as this removes the barriers to entry a home miner would traditionally face.

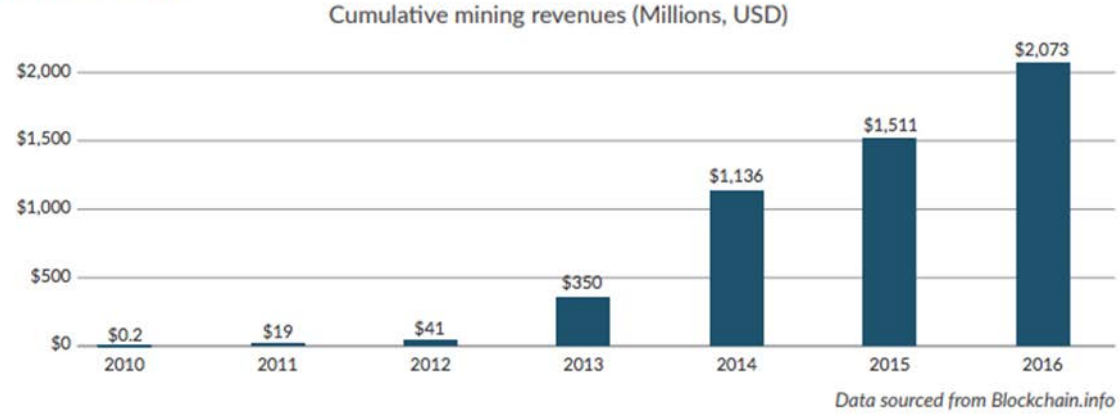
The Company anticipates that its target market are individuals with an interest in cryptocurrencies, whether or not they have existing cryptocurrency holdings or experience. The Company anticipates that this will broadly result in the majority of its customers being aged between 25 and 55, though it anticipates that there will be users outside this age range. As the Company's offering requires payment by a credit card and agreement to service terms and conditions, the Company's services will not be available to those under 18.

The Company anticipates that all of its target market will have at least a basic understanding of cryptocurrencies. The Company's services will be targeted at those who want to mine cryptocurrency without the up-front capital cost, complexity or technical knowhow required to operate home mining operations. Therefore the Company's offerings do not require the user to have an in-depth knowledge of the mechanics of mining cryptocurrencies to be able to use the Company's services. The Company intends to offer a fair, transparent and flexible user experience to users, and seeks to attract users who want to work with a reputable provider without the need for high charges or long term contracts.

The Company has not yet entered into any contracts with customers. The Company has established a waiting list of interested customers, which has 52,611 potential users registered. These users will be offered first access to the Company's services once they are live.

The Directors believe that their network in cryptocurrency sector and technology industry will be critical to enabling the Company to establish a suitable client base. The Company's ability to offer a scalable and robust mining environment will be an important factor in ensuring that the Company is able to satisfy the requirements of these initial clients.

Figure 82: Cumulative bitcoin mining revenues (block rewards & transaction fees) if immediately converted to USD



The Company believes there are sufficient numbers of potential clients for the Company to operate such services with, as there was over $2B USD in mining revenues for Bitcoin alone in 2016.

A user will be able to sign up through the Company's website and select the appropriate mining plan. These mining plans are 'on demand' meaning that the user can, subject to the Company having sufficient available capacity, start mining straight-away, and are on a 'pay for what you use' basis as they provide a set amount of mining capacity depending on the plan chosen. The Company's initial mining plans are as follows, subject to variation from time to time in accordance with market conditions, cryptocurrency mining difficulty and the Company's costs:

Plan name:	**Small**	**Medium**	**Large**
Plan price per month (US$):	$49	$99	$599
Bitcoin Gold (BTG) (H/s)	200 H/s	600 H/s	2,800 H/s
Ethereum (ETH) (MH/s)	20 MH/s	60 MH/s	280 MH/s
Ethereum Classic (ETC) (MH/s)	20 MH/s	60 MH/s	280 MH/s
Zcash (ZEC) (H/s)	200 H/s	600 H/s	2,800 H/s

The Company has the option to extend their offering to other cryptocurrencies in the future, and will develop pricing plans at the applicable point. The Company intends to offer a one-time launch discount of up to 50% on the small mining package for the first month of service. Thereafter, the Company's standard pricing will apply. The Company may offer other discounts and incentives in the future to customers should it be beneficial to the Company.

Process to Revenue Generation

Since incorporation, the Company has entered into the following commercial agreements to enable the Company to commence operations:

- Advisory agreements which Dean Sutton, Roham Gharegozlou, Thomas Kineshanko and VS Blockchain Assembly, Inc.;
- Media buying contract with Flatiron Collective, Inc. under which Flatiron Collective will manage the Company's digital media marketing;
- Public relations agreement with Tancredi;
- Master services agreement and accompanying scope of work with Apply Digital under which Apply Digital will design, build and launch the Company's website;
- Data centre services agreement with GoSun Hong Kong under which the Company has access to certain GoSun owned and operated data centres in China;
- Lease in respect of the Company's facility in Gatineau, Quebec; and
- Payment processing agreements with Payfirma and Shopify to enable the Group to accept credit card payments.

Further details of the material contracts to which Group Companies are a party are set out in paragraph 11 of Part VII of this document.

In order to offer its services to the public, the Company will need to finalise its systems and processes. The Company has three milestones to revenue generation: a software milestone, a hardware milestone, and a marketing milestone.

Software Milestone

The Company has engaged Apply Digital to develop the Company's platform to enable the Company's users to register for the service, pay for the chosen mining plan, configure the mining plan and monitor the progress of the mining plan both on a daily and cumulative basis. This development includes the work required to integrate the chosen payment processing provider's services into the company's platform.

The Company has substantially developed its infrastructure enabling the control of the mining contract from a web based interface. On 4 June 2018, the Company released its dashboard which gives users data on their activities and enables users to control and adjust their mining contract.

The Company anticipates that it will bring the development work currently conducted by Apply Digital in-house, and that the Company will establish its own, in-house, development team. The Company anticipates that such change should be cost neutral to the Company and should be completed by Q3 2018.

Hardware Milestone

The Company has researched and designed its hardware requirements to achieve a balance of performance, density and power efficiency. The Company has identified a number of suppliers for each of the required components so as to mitigate against supplier failure and shortages of particular components, but also has the potential to substitute other components with a limited impact on the performance of the Company's services.

The Company has procured access to multiple data centres through its lease of the facility in Gatineau, Quebec and through the GoSun Agreement, providing geographic diversity and resilience to the Company's operations. The Company currently has 7 racks of servers, each rack comprising 10 servers with 8 GPUs in each, giving a total of 80 GPUs per rack. The Company has ordered, but not yet received, 100 servers which is sufficient to fill 10 additional racks. These additional servers have been purchased by the Company and will be installed in its Quebec facility.

In line with the Company's approach on suppliers, the Company has sourced these servers from multiple vendors to reduce the risk of supplier failure and anticipates that these additional servers will be made available to users in August, September and October 2018. By September 2018, the Company intends to have 250 servers, being 25 racks, in production, which will serve an estimated 2,822 users.

In the future, the Company will diversify the locations in which its equipment is installed so as to ensure geographical diversity and an element of redundancy against outages or regulatory change.

Marketing Milestone

The Company has engaged Flatiron Collective, Inc. to manage and review the Company's marketing spend. The Company is targeting marketing channels predominantly on digital properties and prioritising those which produce the greatest customer engagement and return on investment. The Company will continue to review its marketing spend on a monthly basis in conjunction with Flatiron Collective, Inc.

The Company has also engaged Tancredi Intelligent Communication Ltd to manage the Company's communication messaging and manage media enquiries so as to ensure consistent messaging across all of the Company's media channels and engagement.

Current Status

The Company is currently at a late stage of testing its platform, and as at 23 July 2018 the Company has 407 paid customers mining utilising the Company's servers in Quebec, Canada. The Company intends to widen the pool of early adopters to 2,258 users by 30 September 2018. The Company therefore has revenue which is being received from these users. In addition, the Company has 51,326 prospective customers who have registered with the Company.

Expected Growth

The Directors anticipate that most of the Company's initial revenue will derive from MaaS.

Within 6 months of Admission, the Company envisages that it will provide an aggregate of around 120 server racks (each comprising 10 servers with an average of 8 GPUs per server) in three datacentres with an aggregate mining capacity of between 350,000 Mh/s and 400,000 Mh/s. The Company anticipates that these servers will be purchased by the Company rather than leased. It is anticipated that each rack will be able to service approximately 80 subscribers in the first year, and that this would increase to circa 110 subscribers per rack in year 2 and 145 subscribers per rack in year 3 on the basis of a mixture of the Company's available service plans and expected increases in efficiency of future hardware

The Directors intend that in the first year of operations the Company will provide an aggregate of around 186 server racks (each comprising 10 servers with an average of 8 GPUs per server) in eight datacentres in China, Canada and northern Europe with an aggregate mining capacity of between 2,750 and 3,250 Gh/s. It is anticipated that this capacity will serve approximately 31,752 customers. The Company has a contract with Vernon Blockchain, Inc. which provides capacity for up to 200 racks, being 2,000 servers. The Company expects to enter into contracts for 3-10MW of power in Quebec by end of Q4 to allow for further server deployments.

It is anticipated that in the second year of operations the Company will provide an aggregate of around 1,990 server racks (each comprising 10 servers with an average of 8 GPUs per server) in up to 26 datacentres in China, Canada and northern Europe with an aggregate mining capacity of between 30,000 and 40,000 Gh/s. It is anticipated that this capacity will serve approximately 140,000 customers. In addition to the Company's contract with Vernon Blockchain, Inc., the Company has an agreement with GoSun in relation to over 140MW and 70,000 servers (being 7,000 racks), which will be sufficient for the entirety of the year one and year two anticipated requirements. GoSun will make available the space, however the Company is not obliged under the terms of the GoSun Agreement to utilise all of the space contracted.

Once the Company has established a presence in the market and completed the development of the required systems, the Company will introduce further datacentre capacity and will refine the mining optimization software. The Company hopes that these additional steps will be completed operational in the second year following the Admission.

If the Company is unable to meet user demand the Company will operate a waiting list on a first come first served basis once sufficient capacity is available.

Key Assumptions

The Company expects that there will be a significant global demand for the Company's MaaS and it has assumed that:

1. *The MaaS economy will continue to grow*

   It is anticipated that people currently wishing to want to mine cryptocurrency will continue to want to mine and that outsourcing their mining will continue to be the cheapest and most flexible option.

2. *Crypto currencies will continue to appreciate over the long term*

   The Directors believe that although specific crypto currencies will appreciate and depreciate over time, the Company's offerings which include the ability to mine various currencies (and to change between cryptocurrencies on demand) will help mitigate one specific currency going up or down and ensure a continued customer base for the Company.

3. *The hardware that the company acquires will continue to be available and profitable*

   The Company's contracts with its customers are on a month to month automatically recurring basis. The Company's performance in the longer term will be dependent on the Company's reputation in the market and the continued subscription by existing customers. Existing customers are only likely to continue with the Company if the long term profitability (over the lifetime of the contract) is sufficient to motivate them to continue to subscribe for the Company's services.

4. *If regulated, cryptocurrency mining will be regulated in such a way that allows the company to continue to operate in the jurisdictions where the Company operates*

   The Directors believe that countries will review their regulatory regime regarding cryptocurrencies in the next 3-5 years, and may well introduce new regulations governing, amongst other things, the availability, mining and transfer of cryptocurrencies. The Directors believe that broadly speaking any regulatory regimes introduced will tax crypto as opposed to amounting to an outright ban on creation, holding and transfer of cryptocurrencies, which would have an impact on mining activities.

5. *Key partnerships with third parties will be signed and implemented*

The Company intends to work closely with third parties to achieve the Company's business objectives and therefore will be enter into definitive agreements with third parties to govern the relationships between the Company and the relevant third party. Furthermore, the Company will be reliant upon the prompt and complete performance by third parties of their obligations to the Company. The Company intends to have definitive agreements with multiple third parties in multiple jurisdictions to reduce the risk of counterparty failure on the operations of the Company.

Use of Proceeds and sensitivity analysis

The Company expects to raise gross proceeds of £25,000,000 from the Placing. The total costs of the Placing and Admission will be paid by the Company so the net proceeds will be approximately £22,784,944. The Net Proceeds will be used, principally, to continue the development of and expand the Company's MaaS business. The Directors anticipate that the Gross Proceeds, along with revenues from the Company's trading activities, will be applied as follows in the 12 months following Admission:

Expenses	**Estimated amount in first 12 months**
	£
Hardware acquisition and leasing costs	8,865,600
Operation costs - (electricity, support, local expenses)	1,838,111
Directors salaries	519,996
Head office costs	869,074
Marketing costs	2,993,140
Development costs	926,827
Working capital	6,772,196
TOTAL	**22,784,944**

Assumptions on use of proceeds

The above table showing the use of proceeds anticipates that:

1. the expenses of the Placing will be £2,215,056 plus VAT as applicable;
2. in the first 12 months the Company will have one office in the UK and satellite offices in each of Canada, China and northern Europe; and
3. the Company will license its on-line mining optimization platform and the customer focused portal in the first 6 months and expects them to be operational in Q4 2018.

Sensitivity Analysis

Regulatory oversight

The Company believes that regulatory attitudes in the countries the Company operates, and worldwide, to cryptocurrencies and related activities will change over time. The ability to mine crypto currencies may, in the future, be regulated by individual countries and could be regulated in a way that does not allow the Company to continue to operate in the jurisdictions where the Company intends to operate.

The Company believes that by spreading its mining capabilities across three jurisdictions (Canada, China and northern Europe) it will mitigate against the risk that regulatory approach taken by one or more of these countries prohibits mining. On an ongoing basis, but particularly as the regulatory approach from particular countries becomes clearer, the Company will look at other ways to mitigate this risk.

Slowing crypto currency growth

The Company believes that strong growth in its crypto currency market will drive take-up of its MaaS and ensure that the Company meets its objectives. The Company also believes that there will be opportunities for the service even if growth in one crypto currency falters. Slower growth may lead to older and less optimized and less well funded competitors to reduce their operations or exit the market. By ensuring that the services offered by the Company have the latest hardware and the lowest scaled cost, the Company believes it will be as prepared as possible to deal with a decline in crypto currency growth.

The Directors believe that although specific crypto currencies will appreciate and depreciate over time, cryptocurrencies in general will continue to growth. The Company's MaaS offering includes the ability to mine various currencies (and to change between cryptocurrencies on demand) which the Directors' believe will mitigate one specific currency going up or down and ensure a continued customer base for the Company.

Lack of take-up of the service & Risk of operating a MaaS

The Company may not be able to achieve its targets if there is significantly lower take-up of its MaaS offering than expected. In addition, the Company cannot be certain that its MaaS will be well received by clients or that the Company will be able to develop software quickly enough to adapt to changes in market trends and the demands of clients. Even if it does, such changes may require the appointment or recruitment of additional staff with appropriate experience at additional expense.

MaaS may not succeed due to competition in the market. An inability to attract clients or charge competitive but profitable fees may cause revenues to decline and, as a result, the Company may be unable to achieve its growth targets.

The Company, however, believes that it will be able to control its costs to a certain extent as its main expenditure will be in respect of employed staff and hardware. In China, for example, the Directors believe that the Company's partnership with GoSun will enable the Company to operate at scale with low costs. The Company also anticipates being able to direct resources to support popular and/or profitable services at relatively short notice by promoting or enhancing such services and cancelling those services that do not provide appropriate rates of return. The Directors anticipate some short term challenges when promoting the benefits of MaaS to the general public, as the advantages of the service may not be appreciated immediately. As a consequence the Company will initially market its services to the existing crypto mining communities, though in the longer term believes there will be wider uptake of its services.

Insufficient availability of hardware

The Company's business will be dependent on it being able to procure sufficient hardware to meet anticipated and future demand. The Company believes that it has a sufficient number rigs to enable it to operate in the short term however as the Company grows it will need to attract larger batches of hardware. It may be difficult to procure the right type of hardware as there is substantial demand from other participants in the cryptocurrency market, some of whom may be willing to pay a higher price than the Company. The Company may therefore be forced to pay higher than anticipated costs in order to procure the hardware or to purchase alternative, but less productive, hardware which would be less profitable in the longer term. Failure to attract adequate hardware to keep up with demand could also have a damaging impact on the Company's reputation. The Company, however, believes that it will be able to procure a sufficient amount of hardware on the basis of its current relationships with existing hardware vendors.

5. Dividend policy

The Company intends that its cash resources will be used for the operation and development of the MaaS business to be developed and expanded following Admission as such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the

Company’s operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

PART II
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises four Directors, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development in the MaaS sector and are well placed to implement the Company's business objective and strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

Jonathan Bixby, ***Executive Chairman (Age 40)***

Jonathan Bixby is a serial entrepreneur, active investor, board member, and speaker. Jonathan has helped raise over $100M in venture capital and has been involved in over 10 successful exits. In addition to his investing efforts in Stanley Park Ventures, Jonathan has been active in the crypto world since 2012 as an investor and entrepreneur. Jonathan was previously an entrepreneur-in-residence at Vancouver-based startup accelerator GrowLab. Prior to GrowLab, he was the CEO and cofounder of both Strangeloop Networks, a networking company focused on providing a hardware appliance in data centres to speed up web based properties, which was acquired by Radware (RDWR) and IronPoint, a technology based provider of Content Management Services which was acquired by the Active Network (ACTV). He is a Business in Vancouver Top 40 Under 40 award recipient and is an investor and advisor to numerous other networking and technology companies, including but not limited to TSO Logic, Rubikloud, Neurio and Layerboom.

Mike Edwards, ***Executive Director and President (Age 50)***

Mike Edwards has started and invested in technology companies for over 20 years. Mike invests in smart people with big ideas, and thrives on helping other entrepreneurs turn a napkin sketch into a prosperous business. He has invested in more than 40 technology startups including Punch'd, which was sold to Google, Summify, which was acquired by Twitter, Wander, which was acquired by Yahoo, AreaConnect, which was sold to Marchex, Wylie Interactive, which was acquired by Zynga, and PasswordBox, which was acquired by Intel.

Mike is actively involved in growing and supporting the crypto currency startup community and connecting local entrepreneurs with the right investors, mentors and influencers in Silicon Valley, New York, Europe and Asia. Mike co-founded Growlab, a seed stage accelerator focussing on consumer facing digital product, which later merged with Extreme Startups to create Canada's Highline accelerator, and co-founded and is a board member of Creative Labs, a venture capital backed startup foundry that builds consumer technology companies by leveraging the Creative Artist Agency's access to talent and audience.

Timothy Le Druillenec, ***Executive director and CFO (Age 60)***

Timothy Le Druillenec is a Fellow of the Chartered Institute of Management Accountants and has provided management consultancy and accounting services to a number of public and private companies over many years in some cases fulfilling the role of director and/or company secretary. He has acted in this capacity for several AIM companies and also companies listed on the Main Market and he is currently a director of Dukemount Capital Plc. Most recently Timothy was the finance director and company secretary of Hemogeynx Pharmaceuticals PLC. From 2005 to 2012, he was CEO of Richards Walford & Company Ltd, a fine wine importer, until it was sold to Berry Bros. & Rudd. Prior to that, from 1995 to 2004, he was the group finance director and company secretary of Pacific Media Plc, a Main Market company, and during that time occupied the same roles at Bella Media Plc, an AIM listed company.

Gil Penchina, Non-Executive Director (Age 48)

Gil is an experienced investor who has invested in LinkedIn, PayPal, Cruise Automotive, Dollar Shave Club, Hooked, Wealthfront, AngelList, Indiegogo, Fastly and others. Gil is currently a partner at Ridge Ventures, formerly IDG Ventures USA. Prior to this, Gil was a board member at Fastly, the CEO of Wikia.com, a wiki hosting service which derived its revenue from advertising and sold content and became a top 50 web property

and previously worked for eBay where he held a number of roles progressing from Manager in Business Development to VP and General Manager, International with responsibility for France, Italy, Spain, Poland and Eastern Europe and Expansion in Europe.

Further details of Directors' service agreements and letters of appointments (as applicable) are set out in paragraph 9.6 of Part VII: Additional information of this document.

2. Senior Management

Peter Wall, VP Operations (Age 42)

Peter founded and is President of Vernon Blockchain, a company specialising in the design, build and management of cryptocurrency mining operations in Canada and worldwide. Peter has been involved in cryptocurrency mining in Quebec both as a personal miner and a consultant for the past 4 years. Prior to that, Peter was the co-founder of Hubud, a co-working space in Ubud, Bali, Indonesia and Mobio Interactive Inc., a health-tech startup specialising in mobile health apps, Director of Communications for Canada C3, a 150 day, 23,000km sailing journey from Toronto to Victoria to celebrate Canada's 150th anniversary of Confederation. Prior to that, Peter held a number of roles with the Canadian Broadcasting Corporation, progressing from Video Journalist to Field Director.

Inderpreet Hothi, VP Blockchain Technology (Age 37)

Inderpreet was formerly the Chief Technology Officer at Foot Solutions Canada Inc. where he was responsible for developing the company's strategy for technological resources, evaluating and implementing new systems at their head office and in 220 locations worldwide and oversaw all system design and changes in system architecture. Inderpreet will be responsible for leading the development and execution of the Group's long term mining strategy and supporting the growth of the Company. Inderpreet will focus on strategic planning and goal-setting, and direct the operations of the company in support of its goals.

Sebastien Chalus, Operations Manager (Age 32)

Sebastien was most recently responsible for the planning process of a major packaging and paper products company, attending to resource optimisation and cost control. Prior to that, Sebastien completed a Bachelor of Business Administration in Marketing at École des sciences de la gestion at the Université du Quebec à Montréal. Sebastien will be working with Peter Wall, the Company's VP Operations and be responsible for Operations at the Company's premises in Quebec and future expansion into other regions of Quebec.

Further details of Senior Managements' service agreements and letters of appointments (as applicable) are set out in paragraph 9.6 of Part VII: Additional information of this document.

3. Independence of the Board

None of the Directors are considered to be "independent" (using the definition set out in the FRC Corporate Governance Code). It is intended that additional directors, both executive and non-executive, will be appointed at such time as the Board considers fit and that independence will be one of the factors taken into account at that time. In particular, the Company will consider the appointment of an independent non-executive Chairman once the Company's operations and activities have reached an appropriate size.

4. Strategic decisions

Members and responsibility

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1

and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

5. Corporate governance

On 27 February 2018 the Company entered into a relationship agreement with Durban Holdings Ltd. pursuant to which the Company and Durban agreed certain matters, including but not limited to undertakings from Durban to ensure that the Company will be capable at all times of carrying on its business independently of the influence from Durban, and granting Durban the right to nominate a representative to the board of the Company for so long as it owns at least 15 per cent. of the issued share capital of the Company. The initial representative of Durban Holdings Ltd. on the board of the Company is Mike Edwards. Durban Holdings Ltd. is a company which is jointly owned by Jonathan Bixby and Mike Edwards, directors of the Company.

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code published by the Financial Reporting Council (**FRC Corporate Governance Code**). The Company notes that it will not undertake the following steps required by the FRC Corporate Governance Code in that:

- given the size of the Board and the Company's current status, certain provisions of the FRC Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company;
- the Company will not initially have separate audit and risk, nominations or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the Directors' fees, taking into account the interests of Shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance;
- the FRC Corporate Governance Code recommends that the submission of all directors for re-election at annual intervals. None of the Directors will be required to be submitted for re-election until the first annual general meeting of the Company; and
- the Board does not comply with the provision of the FRC Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. In addition, the Company has not appointed a senior independent director. The Company intends to appoint additional independent non-executive directors in the future so that the Board complies with these provisions.

However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the Corporate Governance Code published by the Quote Companies Alliance (**QCA Corporate Governance Code**) insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements in this Prospectus are themselves misleading, false or deceptive.

6. Conflicts of interest

General

Potential areas for Directors' conflicts of interest in relation to the Company include:

- the Directors are required to commit a limited amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- the Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business as a condition to any agreement with respect to the acquisition.

Accordingly, as a result of these multiple business affiliations, each of the Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities.

Additionally, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are or may be affiliated.

7. Committee Terms of Reference

The Company has adopted terms of reference for the following committees and will establish them once the Board considers they are appropriate, having regard to (amongst other factors) the Company's nature, size and complexity.

Audit and Risk Committee terms of reference

Once established, the Audit and Risk Committee will have responsibility for, among other things, the monitoring of the financial integrity of the Company's financial statements and the involvement of its auditors in that process. It will focus in particular on compliance with accounting policies and ensuring that an effective system of internal financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee will also be responsible for managing risk and ensuring that the Company has appropriate internal controls and risk management systems, and shall ensure that appropriate whistleblowing procedures are in place.

Once established, the committee will normally meet at least twice a year at the appropriate times in the reporting and audit cycle. The responsibilities of the committee covered in its terms of reference include external audit, internal audit, financial reporting and internal controls.

Remuneration committee terms of reference

Once established, the Remuneration Committee will have responsibility, subject to any necessary Shareholder approval, for the determination of the terms and conditions of employment, remuneration and benefits of each of the executive directors and certain other senior executives, including pension rights and any compensation

payments. It also recommends and monitors the level and structure of remuneration for senior management and the implementation of share option or other performance-related schemes.

Once established, the committee will meet at least once a year. The responsibilities of the committee covered in its terms of reference include determining and monitoring policy on and setting levels of remuneration, termination, performance-related pay, pension arrangements, reporting and disclosure, share incentive plans and the appointment of remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its responsibilities.

8. Share dealing code and social media policy

The Company has adopted a share dealing code consistent with the provisions of the Market Abuse Regulation.

The Company has also adopted a social media policy, which has been communicated to the Directors, Senior Management and employees of the Group. In addition, and so as to enable the Company to manage its social media messaging and to ensure compliance with its social media policy, the Company has implemented a third party software solution which enables certain controls over access to and posting of messages on social media. The Company has implemented this so as to require multiple sign off prior to a message or content being released, providing the ability to review and approve messages, posts and content prior to release.

9. Market Abuse Regulation

The Company has adopted policies and procedures so as to manage and control inside information, and to avoid the unlawful disclosure of inside information. The Group, the Directors and Senior Management are aware of their obligations under the Market Abuse Regulation, and the Company has adopted a share dealing code consistent with the provisions of the Market Abuse Regulation and a social media policy as set out in paragraph 8 of this Part II.

The Group has included confidentiality obligations within its contracts with its Directors, Senior Managers and employees, and has ensured that each person is aware of their responsibilities under the Market Abuse Regulation. In addition, the Company has taken practical steps to prevent the unauthorised access to information, primarily through restricting access to inside information to those required to have knowledge of it and by seeking to ensure the security of its information technology systems. Where the Group deals with a third party and such third party will have access to inside information, the Group will require the third party to adhere to confidentiality obligations in relation to inside information, and will make such party aware of their obligations under the Market Abuse Regulation.

The Group has retained professional advisors to assist it with marketing and communications, and all marketing and communications will be approved by the Group prior to its release. Where inside information is to be disclosed, the Group will seek such professional advice as it considers is required in all the circumstances to ensure that inside information is correctly managed and released to the market.

The Group is aware that, in the course of their duties, those individuals engaged by the Group may come to possess inside information. Where such individuals are no longer engaged by the Company, the inside information to which they are or have been privy remains confidential under the terms of their engagement, in addition to their obligations under the Market Abuse Regulation. In order to manage inside information, the Group will seek to make such announcements as is appropriate so as to disclose to the market inside information, and considers the publication of this document to release to the market such inside information as may have been known to parties formerly engaged by the Group prior to its publication.

10. Lock-in agreements

Each of the Directors (in the case of Jonathan Bixby and Mike Edwards, through their company Durban Holdings Ltd.) and Adrian Beeston have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the 52,737,500 Ordinary Shares held by them (representing, in aggregate, 17.95% of the Enlarged Share Capital) for a period of 12 months following Admission subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director).

Under lock-in agreements dated 27 July 2018, certain of the Company's early shareholders have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the respective Ordinary Shares for the period set out below:

Shareholder	Lock-in Period	Number of Shares	Percentage of Shares on Admission
IronPort Blockchain Financial Inc.	12 months from Admission	9,000,000	3.06%
Second Wave Capital LP	12 months from Admission	9,000,000	3.06%
Pallasite Ventures Inc.	6 months from Admission	5,000,000	1.70%
Andrew Frangos	12 months from Admission	4,500,000	1.53%
Smaller Company Capital Ltd	6 months from Admission	4,500,000	1.53%
Hew Rattray	6 months from Admission	500,000	0.17%

Further details of the lock-in agreements are set out in paragraphs 11.17 of Part VII: Additional Information of this document.

In addition, holders of certain warrants have undertaken to the Company that, other than in certain limited circumstances, they will not dispose of any interest they hold in the Ordinary Shares held by them for a period of 12 months from either the date of issue, or the date of the agreement (as set out in paragraph 11.18 of Part VII: Additional Information of this document).

11. Share Option Schemes

On 25 July 2018 the Company adopted the Share Option Schemes. The Company has issued Options over 25,358,050 Ordinary Shares, some of which are conditional upon Admission, pursuant to the Share Option Schemes as described in paragraph 10 of Part VII of this document. The Options are exercisable at an exercise price equal to the Placing Price and have exercise periods of 6 years after Admission. Assuming exercise of all of the outstanding options in full, the options represent an additional 8.63 per cent. over the Enlarged Share Capital.

The Company retains the ability to make further awards under the Share Option Schemes, and anticipates that the Company will make further awards in the future.

PART III
THE PLACING

Description of the Placing

Conditional on (ii) Admission and (ii) the Placing Agreement becoming unconditional in all respects, under the Placing, gross proceeds of £25,000,000 before expenses have been raised and 156,250,000 Placing Shares have been subscribed by, and will, be issued to, investors at the Placing Price of 16 pence per Ordinary Share. Net of the cash expenses of Admission (expected to be approximately £2,215,056 including irrevocable VAT), this will be approximately £22,784,944. The Placing and Admission will only be completed if the full £25,000,000 is raised. If the Placing and Admission do not proceed, funds will be returned to investors.

The Company intends to apply the Net Proceeds in pursuit of the objective set out in paragraph 2 and in accordance with paragraph 4 in Part I: Information on the Company, Investment Opportunity and Strategy.

The Placing has been offered to investors in the United Kingdom and certain other jurisdictions through the Company's broker, Mirabaud, and, in certain instances, directly by the Company pursuant to subscription letters on substantially similar terms. The Placing Agreement is conditional on, amongst other things, Admission occurring on or prior to 3 August 2018 (or such later time and/or date as may be agreed, being not later than 10 August 2018) and the Placing Agreement not having been terminated prior to Admission. Subject to those conditions, each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter or subscription letter. Each investor will be required to undertake to pay the Placing Price for the Placing Shares issued to such investor in such manner as shall be directed by Mirabaud or the Company.

The completion of the Placing is conditional on (i) Admission taking place and (ii) the Placing Agreement becoming unconditional. If the Placing Agreement does not become unconditional or Admission does not occur for any reason, any monies received will be returned without interest. The Placing is not being underwritten.

Confirmation of the completion of the Placing will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 3 August 2018 (or such later date as may be agreed by the Company and Mirabaud being not later than 8.00 a.m. on 10 August 2018).

The Placing Shares have been made available to institutional and certain non-institutional investors in the UK and certain other jurisdictions. In accordance with Listing Rule 14.2.2, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

Equity commitment of the Directors, major shareholders and significant investors

The Company was incorporated on 5 December 2017 with an initial share capital of £1 divided into 1 ordinary share of £1, which was allotted to Timothy Le Druillenec. On 20 December 2017, the 1 ordinary share of £1 was subdivided into 1,000 Ordinary Shares, and those 1,000 Ordinary Shares were transferred to Adrian Beeston, a former director of the Company.

On 20 December 2017, the Company issued and allotted 89,999,000 Ordinary Shares with an aggregate nominal value of £89,999.00. These shares were paid up as to one quarter of their nominal value. A former director of the Company, Adrian Beeston, advanced certain funds to other founders to enable them to pay up a quarter of the nominal value of the shares allotted to those founders. This amount was advanced as an interest free loan, and has subsequently been repaid.

On 21 December 2017 the Company changed its name to Argo Blockchain Limited and re-registered as a public limited company becoming Argo Blockchain plc.

On 2 January 2018, the Company raised gross proceeds of £100,000 by the issue and allotment of in aggregate 10,000,000 Ordinary Shares to Pallasite Ventures Inc, Smaller Company Capital Ltd and Hew Rattray. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.

On 2 February 2018, the Company raised gross proceeds of £2,500,000 by the issue and allotment of 31,250,000 Ordinary Shares to certain subscribers. These Ordinary Shares were issued at a price per share of £0.08 and were fully paid up.

On 2 February 2018, the Company discharged £35,000 to Timothy Le Druillenec, a Director of the Company, in respect of services rendered in relation to the admission of the Company. 437,500 Ordinary Shares were issued and allotted by the Company in satisfaction of the fees owing to Timothy Le Druillenec at a price per share of £0.08, credited as fully paid up.

On 8 February 2018, the remaining balance on the 89,999,000 Ordinary Shares allotted on 20 December 2017 were fully paid up pursuant to an agreement between the Company and the Founder Shareholders.

On 13 June 2018, the Company issued and allotted an aggregate of 5,500,000 Ordinary Shares to Gil Penchina, Ryan Faber and Ashek Ahmed pursuant to warrant agreements dated 23 February 2018. These Ordinary Shares were issued at a price per share of £0.001 pursuant to the terms of the warrant agreement and were fully paid up.

The Company has conditionally raised gross proceeds of a further £25,000,000 through the Placing.

The following table sets out, to the extent known to the Company, commitments under the Placing made by major Shareholders, members of the Company's management, supervisory or administrative bodies, and investor commitments for more than 5% of the Placing Shares:

Name	**Ordinary Shares being subscribed for in the Placing**	**Percentage of Placing Shares being subscribed for**	**Percentage of Ordinary Shares held at Admission**
Banque Heritage	28,125,000	18.00%	9.57%
Miton Asset Management	25,000,000	16.00%	8.51%
Janus Henderson Investors	11,000,000	7.04%	3.75%
First Equity Ltd	10,000,000	6.40%	3.40%
Jupiter Asset Management	9,000,000	5.76%	3.06%

Mirabaud

Mirabaud Securities Ltd is the Company's broker and is part of the established Mirabaud Group. It provides corporate advisory and broking services for a range of sectors, but primarily in the hydrocarbons, mining and technology sectors. Since 2006, Mirabaud has raised over US$13 billion for public and private companies, utilising its global distribution network covering Europe, North America, the Middle East and Asia, and since April 2009, Mirabaud has raised more than US$750m for companies in the telecoms, media and technology sectors, in a range of transactions including Initial Public Offerings, secondary offerings and private equity transactions, ranging in size from US$5m to US$113m.

Terms and Conditions of the Placing

Introduction

Each investor who applies to subscribe for the Placing Shares under the Placing will be bound by these terms and conditions:

Agreement to acquire the Placing Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 3 August 2018 (or such later time and/or date as the Company and Mirabaud may agree (not being later than 10 August 2018)) and (ii) the investor being allocated Placing Shares, an investor who has applied for Placing Shares agrees to acquire those Placing Shares allocated to it by Mirabaud (such number of Placing Shares not to exceed the number applied for by such investor) at the Placing Price. To the fullest extent permitted by law, each investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does

not affect any other rights an investor may have. Each such investor is deemed to acknowledge receipt and understanding of this Document and in particular the risk and investment warnings contained in this Document.

Payment for the Placing Shares

Each investor must pay the Placing Price for the Placing Shares issued to the investor in the manner directed by Mirabaud.

If any investor fails to pay as so directed by Mirabaud, the relevant investor's application for Placing Shares may be rejected.

If Admission does not occur, monies received will be returned without interest at the risk of the applicant.

Representations, warranties and acknowledgements

Each investor and, in the case of paragraph (j) below, any person subscribing for or applying to subscribe for Placing Shares, or agreeing to subscribe for Placing Shares on behalf of an investor or authorising Mirabaud to notify an investor's name to the Registrar in connection with the Placing, will be deemed to represent and warrant to Mirabaud, the Registrar and the Company that:

a) in agreeing to subscribe for Placing Shares under the Placing, the investor is relying solely on this Document, any supplementary prospectus and any regulatory announcement issued by or on behalf of the Company or on or after the date hereof and prior to Admission, and not on any other information or representation concerning the Company or the Placing. The investor agrees that none of Mirabaud, the Company or the Registrar nor any of their respective officers or directors will have any liability for any other information or representation. The investor irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

b) the content of this Document is exclusively the responsibility of the Company and the Directors and neither of Mirabaud, the Registrar nor any person acting on their behalf nor any of their respective affiliates is responsible for or shall have any liability for any information, representation or statement contained in this Document or any information published by or on behalf of the Company, and neither of Mirabaud nor the Registrar nor any person acting on their behalf nor any of their respective affiliates will be liable for any decision by an investor to participate in the Placing based on any information, representation or statement contained in this Document or otherwise;

c) it has not relied on any information given or representations, warranties or statements made by the Company, the Directors, Mirabaud, the Registrar or any other person in connection with the Placing other than information contained in this Document and/or any supplementary prospectus or regulatory announcement issued by or on behalf of the Company on or after the date hereof and prior to Admission. The investor irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

d) Mirabaud is not making any recommendations to the investor or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing, and the investor acknowledges that participation in the Placing is on the basis that it is not and will not be a client of Mirabaud and that Mirabaud are acting for the Company and no one else in connection with the Placing, and will not be responsible to anyone other than their respective clients for the protections afforded to their respective clients, nor for providing advice in relation to the Placing, the contents of this Document or any transaction, arrangements or other matters referred to herein, or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of Mirabaud's rights and obligations under the Placing Agreement, including any right to waive or vary any condition or exercise any termination right contained therein;

e) if the investor is in the United Kingdom, it is a qualified investor as defined in the Prospectus Directive which is also: (a) a person having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (**Financial Promotions Order**); or (b) a high net worth body corporate, unincorporated association or partnership or trustee of a high value trust as described in Article

49(2) of the Financial Promotions Order, or is otherwise a person to whom an invitation or inducement to engage in investment activity may be communicated without contravening section 21 of FSMA;

f) if the investor is in any EEA State which has implemented the Prospectus Directive, it is: (i) a legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) a legal entity which is otherwise permitted by law to be offered and issued Placing Shares in circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws. If the investor subscribes for Placing Shares as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, it further represents, warrants and undertakes that: (y) the Placing Shares have not been and will not be acquired on behalf of, nor have they been nor will they be acquired with a view to their offer or resale to, persons in any EEA State other than qualified investors, as that term is defined in the Prospectus Directive; and (z) where Placing Shares have been acquired by it on behalf of persons in an EEA State other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

g) it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Criminal Justice (Money Laundering and Terrorism Financing) Act 2010 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, or applicable legislation in any other jurisdiction (**Regulations**) and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Regulations;

h) the investor is not a national, resident or citizen of Australia, Japan, New Zealand, the Republic of Ireland or South Africa or a corporation, partnership or other entity organised under the laws of Australia, Japan, New Zealand, the Republic of Ireland or South Africa and that the investor will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Australia, Japan, New Zealand, the Republic of Ireland or South Africa or to any national, resident or citizen of Australia, New Zealand, the Republic of Ireland, Japan or South Africa and the investor acknowledges that the Placing Shares have not been and will not be registered under the applicable securities law of Australia, New Zealand, the Republic of Ireland, Japan or South Africa and that the same are not being offered for sale and may not, directly or indirectly, be offered, sold, transferred or delivered in Australia, New Zealand, the Republic of Ireland, Japan or South Africa;

i) it is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it; it has fully observed such laws and obtained all governmental and other consents which may be required under such laws and complied with all necessary formalities; it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction; and it has not taken any action or omitted to take any action which will or may result in any of Mirabaud, the Company, the Registrar or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal and regulatory requirements of any jurisdiction in connection with the Placing or, if applicable, its acceptance of or participation in the Placing;

j) in the case of a person who agrees on behalf of an investor, to subscribe for Placing Shares under the Placing and/or who authorises Mirabaud to notify the investor's name to the Registrar, that person represents and warrants that he has authority to do so on behalf of the investor;

k) it will pay to Mirabaud (or as Mirabaud may direct) any amounts due from it in accordance with this document on the due time and date set out herein; and

l) it hereby acknowledges to each of Mirabaud, the Registrar and the Company that the investor has been warned that an investment in the Placing Shares is only suitable for acquisition by a person who:

   i) has a significantly substantial asset base such that would enable the person to sustain any loss that might be incurred as a result of acquiring the Placing Shares; and

   ii) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the Placing Shares.

The Company and Mirabaud will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings.

Supply and disclosure of information

If any of Mirabaud, the Registrar or the Company or any of their agents request any information about an investor's agreement to purchase Placing Shares under the Placing, such investor must promptly disclose it to them.

Miscellaneous

The rights and remedies of each of Mirabaud, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if an investor is a discretionary fund manager, that investor may be asked to disclose in writing or orally to Mirabaud the jurisdictions in which its funds are managed or owned.

All documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to Mirabaud.

Each investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the investor has agreed to acquire pursuant to the Placing, have been issued to the investor.

The contract to purchase Placing Shares under the Placing, the appointments and authorities mentioned herein and the representations, warranties and undertakings set out herein will be governed by, and construed in accordance with, English law. For the exclusive benefit of Mirabaud, the Company and the Registrar, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an investor in any other jurisdiction.

In the case of a joint agreement to purchase Placing Shares under the Placing, references to an "investor" in these terms and conditions are to each of the investors who are a party to that joint agreement and their liability is joint and several.

Each of Mirabaud and the Company expressly reserves the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before closing.

Allocation

Allocations under the Placing will be determined by Mirabaud in consultation with the Company after indications of interest from prospective investors have been received. Multiple applications for Placing Shares under the Placing will be accepted. A number of factors will be considered in deciding the basis of allocation under the Placing, including the level and nature of the demand for the Placing Shares and the objective of establishing an investor profile consistent with the long-term objective of the Company. Mirabaud will notify investors of their allocations.

All Placing Shares issued pursuant to the Placing will be issued, payable in full, at the Placing Price.

The Placing Shares issued pursuant to the Placing will be issued in registered form. It is expected that the Placing Shares will be issued pursuant to the Placing on 3 August 2018.

Admission, dealings and CREST

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 3 August 2018 (or such later date as may be agreed by the Company and Mirabaud being not later than 8.00 a.m. on 10 August 2018). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. It is anticipated that the Placing Shares allotted under the Placing will be delivered in uncertified form and settlement and dealings will take place through CREST on Admission. No temporary documents of title will be issued.

Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Withdrawal rights

If the Company is required to publish any supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear Business Days following publication of the relevant supplementary prospectus to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

Lock-in agreements

Each of the Directors (in the case of Jonathan Bixby and Mike Edwards, through their company Durban Holdings Ltd.) and Adrian Beeston have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the 52,737,500 Ordinary Shares held by them (representing, in aggregate, 17.95% of the Enlarged Share Capital) for a period of 12 months following Admission.

Under lock-in agreements dated 27 July 2018, certain of the Company's early shareholders have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the respective Ordinary Shares for the period set out below:

Shareholder	**Lock-in Period**	**Number of Shares**	**Percentage of Shares on Admission**
IronPort Blockchain Financial Inc.	12 months from Admission	9,000,000	3.06%
Second Wave Capital LP	12 months from Admission	9,000,000	3.06%
Pallasite Ventures Inc.	6 months from Admission	5,000,000	1.70%
Andrew Frangos	12 months from Admission	4,500,000	1.53%
Smaller Company Capital Ltd	6 months from Admission	4,500,000	1.53%
Hew Rattray	6 months from Admission	500,000	0.17%

In addition, holders of certain warrants have undertaken to the Company that, other than in certain limited circumstances, they will not dispose of any interest they hold in the Ordinary Shares held by them for a period of 12 months from either the date of issue, or the date of the agreement (as set out in paragraph 11.18 of Part VII: Additional Information of this document).

Selling and transfer restrictions

The distribution of this Prospectus and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Prospectus nor any other offering material in relation to the Ordinary Shares may be circulated in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

European Economic Area (other than the UK)

In relation to each Member State (other than the UK) that has implemented the Prospectus Directive (each a **Relevant Member State**), an offer to the public of any Ordinary Shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State; or

c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied for that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

US

The Offer is not a public offering (within the meaning of the Securities Act) of securities in the US. The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold in the US except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Company may offer Ordinary Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S.

Other jurisdictions

Investors in jurisdictions other than the European Economic Area should consult their professional advisers as to whether they require any governmental or other consent or need to observe any formalities to enable them to subscribe for or buy any Placing Shares under the Placing.

Options

On 25 July 2018 the Company adopted the Share Option Schemes. The Company has issued Options over 25,358,050 Ordinary Shares, some of which are conditional upon Admission, pursuant to the Share Option Schemes as described in paragraph 10 of Part VII of this document. The Options are exercisable at an exercise price equal to the Placing Price and have exercise periods of 6 years after Admission. Assuming exercise of all of the outstanding options in full, the options represent an additional 8.63 per cent. over the Enlarged Share Capital.

The Company retains the ability to make further awards under the Share Option Schemes, and anticipates that the Company will make further awards in the future.

Warrants

The Company has issued warrants over 22,872,053 Ordinary Shares which remain outstanding, some of which are conditional upon Admission, pursuant to the Warrant Agreements as described in paragraph 11 of Part VII of this document. The Warrants have an exercise price of between 8 pence and 16 pence (being the Placing Price) and have exercise periods ranging from 3 years to 5 years from grant. Assuming exercise of all of the outstanding warrants in full, the warrants represent an additional 7.79 per cent. over the Enlarged Share Capital.

PART IV
SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

1. Share capital

The Company was incorporated on 5 December 2017 in England and Wales under CA 2006 as a private limited company and re-registered as a public limited company on 21 December 2017.

Details of the current issued share capital of the Company are set out in paragraph 3.11 of Part VII: Additional Information. As at Admission, the share capital of the Company is expected to be £293,750, divided into 293,750,000 issued Ordinary Shares of £0.001 each.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BZ15CS02. The SEDOL number of the Ordinary Shares is BZ15CS0.

2. Financial position

The Company has commenced initial operations, but substantive operations will be commenced following Admission. The financial information in respect of the Company as at 31 March 2018 is set out in Part B of Part VI: Financial Information on the Company and is audited.

If the Placing and Admission had taken place on 31 March 2018 (being the date as at which the historical financial information contained in Part B of Part VI: Financial Information on the Company is presented):

- the net assets of the Company would have been significantly increased (due to the receipt of the Net Proceeds); and
- the liabilities of the Company would have increased due to (inter alia) the Directors' letters of appointment described at paragraph 9.6 of Part VII: Additional Information and the financial commitment under the agreements referred to at paragraph 9 of Part VII: Additional Information becoming effective, thereby committing the Company to pay fees thereunder as and when they fall due.

3. Liquidity and capital resources

Sources of cash and liquidity

The Company's initial source of cash will be the gross proceeds of the Placing and the revenue associated with its initial trading activities. It will initially use such cash to fund the expenses of Admission and the Placing, including the expenses incurred in the incorporation and establishment of the Company, Admission and initial listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Company projects these costs to be approximately £2,215,056 (including irrevocable VAT). The remaining Net Proceeds will be used to develop and expand the Company's business. The Net Proceeds will be in cash at the bank and available for deployment as necessary in due course.

The Company may raise additional capital from time to time. This may include capital to be raised in connection with acquisitions by the Company of future equipment and/or premises. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this document, the Company has no borrowings. The forms of debt financing to be used by the Company in due course are expected to be limited to bank financing, although no such financing arrangements will be in place at Admission.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with an the development and expansion of the Company's business and the Company's future liquidity will depend in the medium to longer term primarily on: (i) the Company's

implementation of its Business Plan, (ii) the Company's management of available cash; (iii) the use of borrowings, if any, to fund short-term liquidity needs; and (iv) dividends or distributions made by Argo Canada.

Ongoing costs and expenses

The Company's principal use of the Net Proceeds will be to develop and expand the Company's business. In addition, the Net Proceeds will be to fund the day-to-day expenses to be incurred by the Company.

The Directors expect that it may be necessary to raise further funds in the future to enable the Company to increase the pace at which it develops its business, including but not limited to, an acquisition of a suitable complementary business, and to pay the fees of financial, tax, legal, accounting, technical and other advisers.

Over time and in accordance with the Company's business strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy, as adopted from time to time.

The expenses that the Company expects to fund through the gross proceeds of the Placing and income earned through the Company's trading activities a minimum of £9,362,204 in the first year, to include:

- all costs relating to raising capital, including the Placing. This will include the expenses incurred in the incorporation and establishment of the Company, Admission and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other application expenses. The Company projects these costs to approximately £2,215,056 (including irrevocable VAT);
- Directors' fees, projected at £519,996 in the first 12 months following Admission;
- operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, as well as regulatory, audit and licence fees, intellectual property fees, insurance and other similar costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses, projected to total £7,147,148 in the first year.

The Company's day-to-day expenses will be paid from the Net Proceeds and revenue attributable to the Company's operations and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to effect such borrowings).

Capitalisation and indebtedness

As at the date of this document, the Group has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The following table shows the Group's capitalisation and indebtedness as at 31 March 2018.

Total Current Debt	***31 March 2018*** **(£)**
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-

Shareholder Equity	***31 March 2018***
	(£)
Share Capital	132,000
Share Premium	2,420,000
Legal reserves	-
Other reserves	(638,255)
Total	**1,913,745**

As at 30 July 2018, being the latest practicable date prior to the publication of this document, there has been no material change in the capitalisation of the Group since 31 March 2018.

Accounting policies and financial reporting

The Company's financial year end is 31 December and the first set of financial statements will be for the period to 31 December 2018. The Company will present its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

PART V
TAXATION

1. United Kingdom Taxation

The comments set out below are based on the current UK tax law and what is understood to be current HMRC practice which are subject to change at any time. They are intended as a general guide only and apply only to Shareholders who are resident and domiciled in the UK for tax purposes (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments and who are the absolute beneficial owners of those Ordinary Shares.

They do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

An investment in the Company involves a number of complex tax considerations. Changes in law, practice of a tax or fiscal authority or in the interpretation of law in any of the countries in which the Company (or any subsidiary of the Company) has assets or carries on business, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Taxation of dividends

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to the individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to Income Tax. Each individual has a tax-free dividend allowance which exempts the first £5,000 of dividend income for the year 2017-18. The amount of the dividend allowance is reduced to £2,000 for dividends received in 2018-19. Dividend income in excess of the tax-free allowance will be liable to Income Tax in the hands of individuals at the rate of 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from Corporation Tax. Shareholders within the charge to Corporation Tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

3. Disposals of Ordinary Shares

Subject to their individual circumstances, Shareholders who are resident in the United Kingdom for taxation purposes, or who carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, will potentially be liable to UK taxation on any gains which accrue to them on a sale or other disposal of their Ordinary Shares,

4. Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5% of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5% of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

PART VI
FINANCIAL INFORMATION OF THE GROUP

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The Directors
Argo Blockchain plc
Room 4, 1st Floor, 50 Jermyn Street
London, SW1Y 6LX

Dear Sirs

Introduction

We report on the financial information of the Group for the period from incorporation to 31 March 2018 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the Prospectus of the Group dated 30 July 2018 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 30 July 2018, a true and fair view of the state of affairs of the Group as at 31 March 2018 and of the results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Group.

Declaration

For the purposes of Prospectus Rule 5.5R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the Commission Regulation (EC) No 809/2004.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

1 Westferry Circus
Canary Wharf
London E14 4HD

30 July 2018

PART VI (B)

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income of the Group is stated below:

	31 March 2018 £
Revenue	-
Administrative expenses	(638,949)
Operating result	(638,949)
Finance income	694
Result before taxation	(638,255)
Income tax	-
Total comprehensive loss for the period	(638,255)

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position of the Company and Group is stated below:

	Note	Company 31 March 2018 £	Group 31 March 2018 £
ASSETS			
Non-Current Assets			
Investments	3	1	-
Tangible assets	4	-	348,522
Intangible assets	4	-	240,175
		1	588,697
Current Assets			
Cash and cash equivalents		898,827	1,651,206
Debtors	5	1,403,519	27,609
		2,302,346	1,678,815
Total Assets		**2,302,347**	**2,267,512**
EQUITY AND LIABILITIES			
Equity Attributable to owners			
Share capital	7	132,000	132,000
Share premium	7	2,420,000	2,420,000
Retained earnings		(270,047)	(638,255)
Total Equity		2,281,953	1,913,745
Liabilities			
Current Liabilities			
Creditors	6	20,394	353,767
		20,394	353,767
Total Equity and Liabilities		**2,302,347**	**2,267,512**

GROUP AND COMPANY STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Company and Group is as follows:

	Note	Company 31 March 2018 £	Group 31 March 2018 £
Cash flows from operating activities			
Loss for the year		(270,047)	(638,255)
Adjusted for:			
Depreciation	4	-	31,684
Equity settled share-based payment transactions	7	60,000	60,000
Adjusted loss		(210,047)	(546,571)
Changes in:			
Increase in receivables	5	(1,403,519)	(27,609)
Increase in creditors	6	20,394	353,767
Finance income		(694)	(694)
Net cash generated from operating activities		(1,593,866)	(221,107)
Cash flows from investing activities			
Investment in 100% subsidiary	3	(1)	-
Purchase of assets	4	-	(620,381)
Finance income		694	694
Net cash from investing activities		693	(619,687)
Cash flows from financing activities			
Issue of ordinary shares	7	2,492,000	2,492,000
Net cash from financing activities		2,492,000	2,492,000
Net increase in cash and cash equivalents		898,827	1,651,206
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		898,827	1,651,206

COMPANY STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity of the Company is stated below:

		Share capital	Share premium	Retained earnings	Total equity
		£	£	£	£
At incorporation		**1**	**-**	**-**	**1**
Loss for the period	-		-	(270,047)	(270,047)
Issue of ordinary shares (20/12/17)		89,999	-	-	89,999
Issue of ordinary shares (02/01/18)		10,000	90,000	-	100,000
Issue of ordinary shares (02/02/18)		31,250	2,270,750	-	2,302,000
Issue of ordinary shares (02/02/18)		750	59,250	-	60,000
As at 31 March 2018		**132,000**	**2,420,000**	**(270,047)**	**2,281,953**

GROUP STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity of the Group is stated below:

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At incorporation	1	-	-	1
Loss for the period	-	-	(638,255)	(638,255)
Issue of ordinary shares (20/12/17)	89,999	-	-	89,999
Issue of ordinary shares (02/01/18)	10,000	90,000	-	100,000
Issue of ordinary shares (02/02/18)	31,250	2,270,750	-	2,302,000
Issue of ordinary shares (02/02/18)	750	59,250	-	60,000
As at 31 March 2018	**132,000**	**2,420,000**	**(638,255)**	**1,913,745**

NOTES TO THE COMPANY'S FINANCIAL INFORMATION

1 General information and basis of accounting

GoSun Blockchain Limited ("the Company") was incorporated on 5 December 2017 in England and Wales with Registered Number 11097258 under the Companies Act 2006. The Company changed its name to Argo Blockchain Limited on 21 December 2017. Also on 21 December 2017, the Company reregistered as a public company, Argo Blockchain plc. No audited financial statements have been prepared and no dividends have been declared or paid since the date of incorporation. The address of its registered office is Room 4, 1st Floor, 50 Jermyn Street, London, United Kingdom. Argo Blockchain plc invested in a 100% subsidiary Argo Blockchain Canada Holdings Inc. (together "the Group") incorporated in Canada on 12 January 2018.

This Financial Information of the Group has been prepared for the sole purpose of publication within this report. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historical Financial Information is presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention. Entities within the Group which have a functional currency that is different to that of the parent, are presented in the Group's presentational currency of Sterling. Where group entities' functional currencies are different from the parent, the assets and liabilities presented are translated at the closing rate as at the date of the Statement of Financial Position. Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

2 Significant accounting policies

The Financial Information is based on the following policies which have been consistently applied:

Fixed assets

Tangibles:

Tangible fixed assets comprise of computer equipment and is stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use. An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably. The charge in respect of depreciation is on a straight-line basis over a period of 3 years, which is derived by estimating an asset's expected useful life.

Management assesses the useful lives based on historical experience with similar assets as well as anticipation of future events which may impact their useful life, such as changes in technology.

Intangibles:

The Group's Website and supporting software platform is the user interface for customers, and as such is revenue generating. The assets are carried at cost less accumulated amortisation and any recognised impairment loss. Costs relating to the development of website and software are capitalised once all the development phase recognition criteria of IAS 38 "Intangible Assets" are met. When the software is available for its intended use, amortisation is charged on a straight-line basis over the estimated useful life of 5 years.

The useful life represents management's view of the expected period over which the Group will receive benefits from the Website, as well as anticipation of future events which may impact their useful life, such as changes in technology.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are short term financial assets due to the Group. Other receivables are recognised at the transaction price when it is probable that economic benefit will flow to the Group.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Going concern

The Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore has adopted the going concern basis in preparing its consolidated financial statements.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Investments

Investments consist of the £1 share capital paid for the 100% owned subsidiary, Argo Blockchain Canada Holdings Inc. This is held at cost, less any provision for impairment.

4 Fixed assets

Group	**Intangible Assets**	**Tangible Assets**	**Total**
	Website	**Computer equipment**	
	£	£	£
Cost			
At Incorporation	-	-	-
Additions	240,175	380,206	620,381
At 31 March 2018	240,175	380,206	620,381
Depreciation/Amortisation			
At Incorporation	-	-	-
Charge for the period	-	31,684	31,684
At 31 March 2018	-	31,684	31,684
Net Book Value			
At 31 March 2018	240,175	348,522	588,697

At Incorporation	-	-	-

5 Debtors

	Company 31 March 2018 £	Group 31 March 2018 £
Amounts due from group companies	1,380,684	-
Other receivables	22,835	27,609
At 31 March 2018	1,403,519	27,609

Amounts due from group companies consists of an intercompany loan made to the 100% owned subsidiary Argo Blockchain Canada Holdings Inc. and is eliminated on consolidation.

6 Creditors

	Company 31 March 2018 £	Group 31 March 2018 £
Other creditors	5,000	5,000
Accruals	15,394	348,767
At 31 March 2018	20,394	353,767

Other creditors consist of amounts owed to parties in relation to securing trade agreements and facilitating the business and expenditure accrued during the course of business.

7 Share capital and premium

	Number of shares	Share Capital £	Share premium £	Total £
At incorporation	1,000	1	-	1
Issue of ordinary shares (20/12/17)	89,999,000	89,999	-	89,999
Issue of ordinary shares (02/01/18)	10,000,000	10,000	90,000	100,000
Issue of ordinary shares (02/02/18)	31,250,000	31,250	2,270,750	2,302,000
Issue of ordinary shares (02/02/18)	750,000	750	59,250	60,000
At 31 March 2018	132,000,000	132,000	2,420,000	2,552,000

On incorporation, the Company issued 1 ordinary share for consideration of £1. The Company later passed a written resolution to subdivide the 1 ordinary share into 1,000 ordinary shares, with a nominal value of £0.001 each. On 20 December 2017, 89,999,000 additional shares were subsequently issued for consideration of £0.001, at par value. An additional share issue occurred on 2 January 2018, where 10,000,000 ordinary shares were subscribed for £0.01 each, at a premium of £0.009. Subsequently, on 2 February 2018 the Company issued 31,250,000 shares for £0.08 each, at a premium of £0.079.

The Company undertook a share based payment to Timothy Le Druillenec, a Director of the company in respect of services rendered in relation to the admission of the Company. The 437,500 ordinary shares were issued on 2 February 2018 for consideration of £0.08, with a premium of £0.079. Similarly, 312,500 ordinary shares were issued to Align Research on 2 February 2018 for consideration of £0.08, with a premium of £0.079.

8 Controlling party

The controlling party by way of majority shareholding in the Company is Durban Holdings Limited (Durban), owning 29.3%. Durban is jointly owned and controlled by Jonathan Bixby and Mike Edwards, Directors of the Company.

9 Related parties

Founder agreement

The Company entered into an agreement with the Founder Shareholders, to pay them £95,000 pro rata to their percentage shareholdings in the Company. This was in consideration of their efforts to enable the Company to enter into certain memoranda of understanding and a media buying contract.

The outstanding balance as at the date of this document is £5,000.

Consulting services

The Group purchased £46,103 of marketing services from Stanley Park Ventures Limited for which Jonathan Bixby (Director of the Group) is General Partner. These transactions were made on an arm's length basis and a balance of £Nil was owed at the period end.

Share based payment

During the period, the Company issued shares to the value of £35,000 to Timothy Le Druillenec, a Director of the Company. This was in lieu of payment for professional services undertaken in excess of the services required by his directorship.

Rental agreement

The Company rents office space from Dukemount Capital plc, for which Timothy Le Druillenec is a Director. During the period, payments of £1,100 were made with a balance of £Nil outstanding as at 31 March 2018. There is no long term commitment to this agreement, and these transactions were made on an arm's length basis.

Key management compensation

Key management includes Directors only (executive and non-executive). The compensation paid to key management for employee services during the period was £143,450. All amounts were paid in respect of salary, and are not inclusive of the related party transactions disclosed above.

10 Post Balance sheet events

The Company issued warrants, which were exercised on 13 June 2018, for a total of 5,500,000 ordinary shares at £0.001, being par value.

11 Auditors

No audited financial statements have been prepared and laid before members.

PART VI (C)

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets, which has been prepared on the basis of the notes set out below, in accordance with item 20.2 of the Annex I and items 1 to 6 of Annex II to the Prospectus Directive, and in accordance with the accounting policies applied by the Company in its financial information for the period ending 31 March 2018, to illustrate the effect on the Group of the Subscriptions as if they took place on 31 March 2018.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not reflect the actual financial position of the Group post listing.

As detailed in Part VI (B) (***Historical financial information of the Group***), Note 10 (*Post Balance sheet events*), the Company has issued warrants which were exercised before the placing. For illustrative purposes, these have been included, in the pro forma statement below.

Users should read the whole of this document and not rely solely on the summarised financial information contained in this Part VI (C) (***Unaudited pro forma statement of net assets***).

The report on the Pro Forma Financial Information is set out in Part VI (D) (***Report on the Unaudited Pro Forma Statement of Net Assets***).

Unaudited pro forma statement of net assets of the Group at 31 March 2018

	Net Assets of the Group as at 31 March 2018	Warrants exercised	Issue of Placing Shares Net of costs	Unaudited pro forma adjusted aggregated net assets of the Group on admission
	(Note 1)	(Note 2)	(Note 3)	
	£	£	£	£
Non-current assets				
Tangible fixed assets	348,522	-	-	348,522
Intangible fixed assets	240,175	-	-	240,175
Non-current assets	588,697	-	-	588,697
Current assets				
Trade and other receivables	27,609	-	-	27,609
Cash and cash equivalents	1,651,206	5,500	22,784,944	24,441,650
Current assets	1,678,815	5,500	22,784,944	24,469,259
Total assets	2,267,512	5,500	22,784,944	25,057,956
Liabilities				
Current liabilities				
Trade and other payables	353,767	-	-	353,767

Current liabilities	353,767	-	-	353,767
Total liabilities	353,767	-	-	353,767
Total assets less total liabilities	1,913,745	5,500	22,784,944	24,704,189

NOTES TO THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The pro forma statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Group as at 31 March 2018 have been extracted without adjustment from the Historic Financial Information to which is set out in Part VI (B) of this document.

2. An adjustment has been made to reflect warrants for 5,500,000 Ordinary Shares exercised at £0.001 per Share, on 13 June 2018.

3. An adjustment has been made to reflect the proceeds of a placing of 156,250,000 Ordinary Shares of the Company at an issue price of £0.16 per Ordinary Share net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £2,215,056.

4. No adjustments have been made to reflect trading or other transactions of the Group, other than those described above since 31 March 2018.

5. The pro forma statement of net assets does not constitute financial statements.

PART VI (D)

REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The Directors
Argo Blockchain plc
Room 4, 1st Floor, 50 Jermyn Street
London, SW1Y 6LX

Dear Sirs

Introduction

We report on the unaudited pro forma statement of net assets at 31 March 2018 ('the Pro Forma Financial Information') set out in Part VI (C) of the Company's Prospectus dated 30 July 2018, which has been prepared on the basis described in Part VI (C) of this document, for illustrative purposes only, to provide information about how the Placing and Admission might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 March 2018. This report is required by Annex I, item 20.2 of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex I, item 20.2 of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, in accordance with Annex I, item 20.2 of Commission Regulation (EC) No 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you in accordance with Annex II, item 7 of Commission Regulation (EC) No 809/2004.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Shareholders of the Company as a result of the inclusion of this report in the Prospectus, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statements, required by and given solely for the purposes of complying with Prospectus Rule 5.5.3R (2)(f), consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we have performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I, item 1.2 of Commission Regulation (EC) No 809/2004.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

1 Westferry Circus
Canary Wharf
London E14 4HD

30 July 2018

PART VII
ADDITIONAL INFORMATION

1. Responsibility

The Company and each of the Directors whose names appear on page 54 of this document accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

2.1 The Company's legal and commercial name is Argo Blockchain plc.

2.2 The Company was incorporated in England and Wales on 5 December 2017 under the name GoSun Blockchain Limited with registered number 11097258 as a private limited company under CA 2006. On 21 December 2017 the Company changed its name to Argo Blockchain Limited, and on 21 December 2017, the Company was re-registered as a public limited company with the name Argo Blockchain plc. The domicile of the Company is the United Kingdom.

2.3 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

2.4 The Company's registered office is at Room 4, 1st Floor 50 Jermyn Street, London, United Kingdom and the telephone number is 0203 5531 276.

2.5 The Group has started trading but expects to commence substantive operations following Admission. To date, the Company's activities have been limited to organisational matters, matters relating to Admission and the Placing, and establishment of the Company's initial operations in Canada, China and northern Europe.

2.6 On 12 January 2018, the Company incorporated a wholly owned subsidiary, Argo Canada. The subsidiary was incorporated for the purpose of carrying out trading activities in Canada and shall be the counterparty to the consultant and staff contracts, commercial contracts with third parties (predominantly in relation to the Group's activities in Canada, but also certain other jurisdictions as appropriate), and any leases in relation to the Group's facility in Quebec. Argo Canada commenced trading on 29 January 2018. The Company has no other subsidiaries or investments or any investments in progress.

2.7 On 20 December 2017, the Company adopted the Articles in substitution for and to the exclusion of the Company's existing articles of association.

3. Share Capital

3.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.

3.2 On incorporation of the Company 1 ordinary share of £1 was subscribed for and issued and allotted to Timothy Le Druillenec which was fully paid up.

3.3 On 20 December 2017, the Company subdivided the 1 ordinary share of £1 into 1,000 Ordinary Shares. The 1,000 Ordinary Shares were transferred on 20 December 2017 to Adrian Beeston, a former director of the Company.

3.4 On 20 December 2017, the Company raised gross proceeds of £89,999 by the issue and allotment of 89,999,000 Ordinary Shares to the following subscribers, being the founders of the Company:

(a) Durban Holdings Ltd.[1];
(b) August First Ventures;
(c) White Umbrella Consulting Inc.;
(d) IronPort Blockchain Financial Inc.;
(e) Second Wave Capital LP;
(f) Plum Capital;

(g) Adrian Beeston; and

(h) Andrew Frangos[2].

1 Durban Holdings Ltd., is a company under the joint ownership and control of Jonathan Bixby and Mike Edwards, directors of the Company.

2 Andrew Frangos is a director and shareholder in Cornhill Capital Limited, which was previously appointed as the Company's broker.

These Ordinary Shares were issued at par and were a quarter paid up. The recipients of these Ordinary Shares have undertaken to the Company to pay the sum outstanding in respect of their respective Ordinary Shares on the earlier of 31 March 2018 (or such later date as may be agreed by the Company) or the receipt of a written notice or notices from the Company requiring the amounts outstanding to be paid up. A former director of the Company, Adrian Beeston, advanced certain funds to other founders to enable them to pay up a quarter of the nominal value of the shares allotted to those founders. This amount was advanced as an interest free loan, and has subsequently been repaid.

3.5 On 2 January 2018, the Company raised gross proceeds of £100,000 by the issue and allotment of in aggregate 10,000,000 Ordinary Shares to Pallasite Ventures Inc., Smaller Company Capital Ltd and Hew Rattray. These Ordinary Shares were issued at a price per share of £0.01 and were fully paid up.

3.6 On 2 February 2018, the Company raised gross proceeds of £2,500,000 by the issue and allotment of 31,250,000 Ordinary Shares to certain subscribers. These Ordinary Shares were issued at a price per share of £0.08 and were fully paid up.

3.7 On 2 February 2018, the Company discharged certain fees owed to the following parties by the issue and allotment of Ordinary Shares:

(a) £35,000 to Timothy Le Druillenec, a Director of the Company, in respect of services rendered in relation to the admission of the Company. 437,500 Ordinary Shares were issued and allotted by the Company in satisfaction of the fees owing to Timothy Le Druillenec at a price per share of £0.08, credited as fully paid up; and

(b) £25,000 to Align Research Ltd in respect of the production of (inter alia) an equity research note on the Company. 312,500 Ordinary Shares were issued and allotted by the Company in satisfaction of the fees owing to Align Research Ltd at a price per share of £0.08, credited as fully paid up.

3.8 On 8 February 2018, the remaining balance on the 89,999,000 Ordinary Shares allotted on 20 December 2017 were fully paid up pursuant to an agreement between the Company and the Founder Shareholders.

3.9 On 13 June 2018, the Company issued and allotted an aggregate of 5,500,000 Ordinary Shares to Gil Penchina, Ryan Faber and Ashek Ahmed pursuant to warrant agreements dated 23 February 2018. These Ordinary Shares were issued at a price per share of £0.001 pursuant to the terms of the warrant agreement and were fully paid up.

3.10 The issued and fully paid up share capital of the Company at the date of this document is 137,500,000 Ordinary Shares.

3.11 The issued share capital of the Company at the date of this document and on Admission will be as follows:

	Number of Ordinary Shares allotted and fully paid	**Aggregate Nominal value of Ordinary Shares**
Current	137,500,000	£137,500
On Admission	293,750,000	£293,750

3.12 Pursuant to a resolution passed on 18 June 2018, the Company resolved:

1. That:

1.1 the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined below):

1.1.1 (subject to such exclusions or other arrangements as the board of directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under, the laws of any territory or the requirements of any regulatory body or stock exchange) comprising equity securities (as defined by section 560 Companies Act 2006) up to an aggregate nominal amount of £470,000 (four hundred and seventy thousand pounds) (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 1.1.2 below) in connection with an offer by way of a rights issue:

1.1.1.1 to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

1.1.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and

1.1.2 in any other case, up to an aggregate nominal amount of £289,655.46 (two hundred and eighty nine thousand, six hundred and fifty five pounds and forty six pence) (such amount to be reduced by the nominal amount of any equity securities allotted under the authority in paragraph 1.1.1 above in excess of £180,344.54 (one hundred and eighty thousand, three hundred and forty four pounds and fifty four pence));

1.2 this authority will, unless renewed, varied or revoked by the Company, expire on 30 June 2019 or, if earlier, the date of the next annual general meeting of the Company but the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

1.3 this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;

1.4 in the resolution, Relevant Securities means:

1.4.1 shares in the Company other than shares allotted pursuant to:

1.4.1.1 an employee share scheme (as defined by section 1166 Companies Act 2006);

1.4.1.2 a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or

1.4.1.3 a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

1.4.2 any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme. References to

the allotment of Relevant Securities in the resolution include the grant of such rights.

2. That, subject to the passing of resolution 1:

2.1 the Directors be given the general power to allot equity securities (as defined by section 560 Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 1 or by way of a sale of treasury shares, as if section 561(1) Companies Act 2006 did not apply to any such allotment. The power is limited to:

2.1.1 the allotment of equity securities in connection with an offer of equity securities:

2.1.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

2.1.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and

2.1.2 the allotment (otherwise than pursuant to paragraph 2.1.1) of equity securities or sale of treasury shares up to an aggregate nominal amount of £289,655.46 (two hundred and eighty nine thousand, six hundred and fifty five pounds and forty six pence);

2.2 the Directors may, for the purposes of paragraph 2.1, impose any limits or restrictions and make any arrangements which they consider necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;

2.3 the power granted by the resolution will expire on 30 June 2019 or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this resolution has expired;

2.4 the resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities."

3.13 The provisions of section 561(1) CA 2006 (to the extent not disapplied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 3.12 above.

3.14 The Ordinary Shares will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not currently listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.

3.15 Each Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise pari passu in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).

3.16 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Placing, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.

3.17 No share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

3.18 The Company does not have in issue any securities not representing share capital nor any shares which are held by or on behalf of the Company itself, and there are no outstanding convertible securities issued by the Company.

3.19 On Admission, on the basis that existing Shareholders do not participate in the Placing, they will suffer a dilution of 53.2% in their aggregate interests in the Company.

3.20 The Ordinary Shares may be held in either certificated form or in uncertificated form under the CREST system.

3.21 Except as disclosed in this paragraph and as referred to in paragraph 11 below, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

3.22 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.

3.23 The ISIN number in respect of the Ordinary Shares is GB00BZ15CS02. The Ordinary Shares are and will be created and issued under CA 2006 and are denominated in pounds sterling.

3.24 The registrars of the Company are Computershare Investor Services PLC. They will be responsible for maintaining the register of members of the Company.

4. Objects of the Company

The Company's objects are unrestricted.

5. Articles of association

The rights attaching to the Ordinary Shares, as set out in the Articles contain, amongst others, the following provisions:

Votes of members

5.1 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

5.2 Unless the directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006.

Variation of rights

5.3 The Articles do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 CA 2006. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise.

Transfer of shares

5.4 Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is

deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

5.5 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances approved by the London Stock Exchange, the directors may refuse to register any such transfer, provided that their refusal does not disturb the market.

5.6 The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

Payment of dividends

5.7 Subject to the provisions of CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

Unclaimed dividends

5.8 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Untraced Shareholders

5.9 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

Return of capital

5.10 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by CA 2006, be divided amongst the members.

Borrowing powers

5.11 Subject to the provisions of CA 2006, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

Directors

5.12 No shareholding qualification is required by a director.

5.13 The directors are entitled to fees, in addition to salaries, at the rate decided by them, subject to an aggregate limit of £150,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote extra fees to the directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the directors as they agree, or failing agreement, equally. The directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.

5.14 At the third (or next subsequent) annual general meeting after an annual general meeting or general meeting at which a director was appointed, such director will retire from office. A retiring director is eligible for reappointment.

5.15 The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.

5.16 Except as provided in paragraphs 5.17 and 5.18 below, a director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to CA 2006, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.

5.17 In the absence of some other material interest than is indicated below, a director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

(a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or subunderwriting;

(d) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 5.16 above, in all circumstances;

(e) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HMRC;

(f) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and

(g) any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors.

5.18 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive except in a case where the nature or extent of the interest of such director has not been fully disclosed.

5.19 The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such director, ex-director, employee or ex-employee.

CREST

5.20 The directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

Disclosure notice

5.21 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:

(a) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

(b) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

General meetings

5.22 An annual general meeting and an extraordinary general meeting for the passing of a special resolution must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice.

5.23 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.

5.24 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.

5.25 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

5.26 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

5.27 The appointment of a proxy must be in any usual form, or such other form as may be approved by the directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

5.28 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.

5.29 The directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting

any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

6. Substantial Shareholders

6.1 Except for the interests of those persons set out in this paragraph and in paragraph 9.1 below, the Directors are not aware of any interests (other than interests of the Directors and Senior Management) which, at the date of this document and immediately following Admission, would amount to 3% or more of the Company's issued share capital:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
Durban Holdings Ltd.[1]	38,700,000	28.15%	38,700,000	13.17%
Banque Heritage SA	0	0%	28,125,000	9.57%
Miton Asset Management	0	0%	25,000,000	8.51%
Hadron Capital LLP	0	0%	15,625,000	5.32%
Adrian Beeston	12,600,000	9.16%	12,600,000	4.29%
Second Wave Capital LP	9,000,000	6.55%	11,716,604	3.99%
Janus Henderson Investors	0	0%	11,000,000	3.74%
First Equity	0	0%	10,000,000	3.40%
IronPort Blockchain Financial Inc	9,000,000	6.55%	9,000,000	3.06%
Jupiter Asset Management	0	0%	9,000,000	3.06%
Pallasite Ventures Inc	6,250,000	4.55%	7,336,642	2.50%
Smaller Company Capital Limited	5,625,000	4.09%	5,625,000	1.91%
August First Ventures	5,400,000	3.93%	5,400,000	1.84%
White Umbrella Consulting Inc.	5,400,000	3.93%	5,400,000	1.84%
Plum Capital	5,400,000	3.93%	5,400,000	1.84%
Andrew Frangos[2]	4,500,000	3.27%	4,500,000	1.53%

1 Durban Holdings Ltd., is a company under the joint ownership and control of Jonathan Bixby and Mike Edwards, directors of the Company.

2 Andrew Frangos is a director and shareholder in Cornhill Capital Limited, which was previously appointed as the Company's broker.

6.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 9 of this Part VII, has voting rights different from other holders of Ordinary Shares.

6.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

7. The Directors

7.1 The Directors and their respective functions are as follows:

Jonathan Bixby (*Executive Chairman*)

Mike Edwards (*Executive Director and President*)

Timothy Le Druillenec (*Executive Director and CFO*)

Gil Penchina (*Non-Executive Director*)

7.2 The business address of each of the Directors is Room 4, 1st Floor 50 Jermyn Street, London, United Kingdom.

8. Senior Management

The Company's senior management currently comprises of Peter Wall, VP Operations, Indepreet Hothi, VP Blockchain Technology, and Sebastien Chalus, Operations Manager.

9. Directors' and Senior Managements' interests in the Company including service agreements

9.1 The interests of the Directors, Senior Management and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this document and immediately following Admission, all of which are beneficial, are:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
Jonathan Bixby*	19,350,000	14.07%	19,350,000	6.59%
Mike Edwards*	19,350,000	14.07%	19,350,000	6.59%
Gil Penchina	1,000,000	0.73%	1,000,000	0.34%
Timothy Le Druillenec	437,500	0.32%	437,500	0.15%
Peter Wall	0	0%	0	0.00%
Indepreet Hothi	0	0%	0	0%
Sebastien Chalus	0	0%	0	0%

* Jonathan Bixby's and Mike Edwards' interests are held through Durban Holdings Ltd, a company under their joint ownership and control.

9.2 The Directors and Senior Management and persons connected with them hold, or are upon Admission intended to hold, the following options over Ordinary Shares pursuant to the Share Option Schemes:

Name	Date of Grant	Aggregate number of options granted	Exercise Price	Exercise Conditions	Lapse Date
Jonathan Bixby	25 July 2018	3,766,025	Placing Price	Admission	25 July 2024

	25 July 2018	6,563,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Mike Edwards	25 July 2018	3,766,025	Placing Price	Admission	25 July 2024
	25 July 2018	6,563,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Timothy Le Druillenec	25 July 2018	1,500,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Gil Penchina	25 July 2018	1,000,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Peter Wall	25 July 2018	1,000,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Indepreet Hothi	25 July 2018	1,000,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024
Sebastien Chalus	25 July 2018	200,000	Placing Price	1/3 on the first anniversary of admission, 1/36 of the total options monthly thereafter	25 July 2024

9.3 The Directors and Senior Management and persons connected with them hold, or are upon Admission intended to hold, the following warrants over Ordinary Shares:

Date of Agreement	**Warrant Holder**	**Number of Warrants**	**Price per Ordinary Share**	**Conditional on Admission**	**Exercise Period**	**Vesting Period**	**Transferrable**	**Exercised**	**Lock-in**
26 February 2018	Timothy Le Druillenec	2,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement
23 February 2018	Peter Wall	1,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement
23 February 2018	Inderpreet Hothi	1,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement

9.4 Except as disclosed in paragraphs 9.1, 9.2 and 9.3, none of the Directors or Senior Management nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.

9.5 There are no outstanding loans or options granted by the Company to any Director or Senior Management, nor has any guarantee been provided by the Company for their benefit.

9.6 Timothy Le Druillenec was the sole Director on incorporation. Adrian Beeston was appointed a Director on 20 December 2017 and resigned on 17 May 2018, and Jonathan Bixby, Mike Edwards and Gil Penchina were appointed as Directors on 2 February 2018. While a director of the Company, Adrian Beeston was also a director of Hemogenyx Pharmaceuticals PLC (**Hemogenyx**), a Main Market listed biotechnology company. On 25 February 2018, a statement was made on Twitter by the CEO of Hemogenyx which was not authorised by the board of Hemogenyx or Adrian Beeston. Around the same time there was increase in volume of trading in Hemogenyx's shares, which increased from 2.13 pence per share to a high of 6.05

pence per share. Following the tweet, Hemogenyx released a statement noting the share price movement and expressing regret that the information was disclosed prematurely.

9.7 The Company has entered into the following agreements and letters of appointment with Directors and Senior Management:

(a) a consultancy agreement dated 25 January 2018 and made between the Company and Possibilities Training Group Ltd (as amended by letter dated 18 July 2018 with effect from 1 August 2018) pursuant to which the latter agreed to provide the services of Jonathan Bixby to the Company as Executive Chairman and a step-in letter dated 25 January 2018 between the Company and Jonathan Bixby pursuant to which he was appointed as a director of the Company. The consultant company will be paid a fee of £192,000 pa and has agreed to provide Mr Bixby's services. The Company may also provide Mr Bixby with benefits including pension, private medical insurance, life insurance and critical illness insurance or make a payment to the consultant company in lieu of such benefits. The Company may also pay the consultant company a discretionary annual bonus. The agreement is terminable on 12 months' notice on either side or immediately in the case of breach. Mr Bixby will devote his full time and attention to the Group. Mr Bixby has agreed to resign as a director upon termination of the consultancy agreement and has also agreed that certain covenants in the consultancy agreement (relating to duties, confidentiality, intellectual property and non-competition) may be enforced directly against him;

(b) a consultancy agreement dated 25 January 2018 and made between the Company and MSE Management, Inc. (as amended by letter dated 18 July 2018 with effect from 1 August 2018) pursuant to which the latter agreed to provide the services of Michael Edwards to the Company as the President of the Company and a step-in letter dated 25 January 2018 between the Company and Mike Edwards pursuant to which he was appointed as a director of the Company. The Company may also provide Mr Edwards with benefits including pension, private medical insurance, life insurance and critical illness insurance or make a payment to the consultant company in lieu of such benefits. The Company may also pay the consultant company a discretionary annual bonus. The consultant company will be paid a fee of £192,000 pa and has agreed to provide Mr Edward's services. The agreement is terminable on 12 months' notice on either side or immediately in the case of breach. Mr Edwards will devote his full time and attention to the Group. Mr Edwards has agreed to resign as a director upon termination of the consultancy agreement and has also agreed that certain covenants in the consultancy agreement (relating to duties, confidentiality, intellectual property and non-competition) may be enforced directly against him;

(c) an agreement with Timothy Le Druillenec dated 24 February 2018, pursuant to which Mr Le Druillenec was appointed as finance director and company secretary of the Company for an annual fee of £78,000, payable monthly in arrears. Mr Le Druillenec will be expected to devote 8 days a month to perform his duties for the Company. The appointment is for an initial term of 3 years and is terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Le Druillenec is in material breach of the terms of the agreement;

(d) an agreement with Gil Penchina dated 8 March 2018, pursuant to which Mr Penchina was appointed as a non-executive director of the Company for an annual fee of £36,000 payable monthly in arrears. Mr Penchina will be expected to devote 4 days per month to perform his duties for the Company. To the extent that Mr Penchina is required to provide his services for more than four days a month, he will be entitled to charge the Company a day rate of £1,000. The appointment is for an initial term of 36 months and is terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Penchina is in material breach of the terms of the agreement;

(e) a consultancy agreement dated 1 January 2018 and made between the Company and Vernon Blockchain Inc. (as amended by letter dated 18 July 2018 with effect from 1 August 2018) pursuant

to which the latter agreed to provide the services of Peter Wall to the Company as VP Operations. The consultant company will be paid a fee of £120,000 per annum and has agreed to provide Mr Wall's services. The agreement is terminable on 4 weeks' notice on either side or immediately in the case of breach. The consultant company has agreed to provide Mr Wall's services for at least 20 days per calendar month; and

(f) a consultancy agreement dated 26 February 2018 and made between the Company and Dr Inderpreet S Hothi (as amended by letter dated 18 July 2018 with effect from 1 August 2018). Mr Hothi will be paid a fee of £136,800 per annum. The agreement is for a period of 1 year unless terminated on 16 weeks' notice on either side or immediately in the case of breach. Mr Hothi has agreed to provide his services for at least 20 days per calendar month; and

(g) a consultancy agreement dated 23 February 2018 and made between the Company and Sebastien Chalus (as amended by letter dated 18 July 2018 with effect from 1 August 2018). Mr Chalus will be paid a fee of £70,000 per annum exclusive of VAT. The agreement is terminable on 4 weeks' prior written notice on either side or immediately in case of breach. Mr Chalus has agreed to provide his services for at least 160 hours per month.

9.8 The aggregate remuneration paid and benefits in kind granted to the Directors and Senior Management for the period from incorporation to Admission, under the arrangements in force at the date of this document, amount to £424,000. During the time he was a director of the Company, Adrian Beeston was paid fees totalling £35,000. It is estimated that the aggregate remuneration payable to the Directors and Senior Management from the date of Admission to 31 December 2018 under arrangements that are in force and that will come into effect on Admission will amount to £343,667.

9.9 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors and Senior Management. None of the Directors or Senior Management has any commission or profit sharing arrangements with the Company.

9.10 Except as provided for in paragraph 9.8 above, the total emoluments of the Directors and Senior Management will not be varied as a result of Admission.

9.11 Except as disclosed in this paragraph 9, there are no existing or proposed service contracts between the Company and any of the Directors or Senior Management which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.

9.12 Except as disclosed in this paragraph 9, there are no pension, retirement or similar benefit established by the Company, nor are any such arrangements proposed.

9.13 In addition to their directorships of the Company, the Directors and Senior Management are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which, unless otherwise stated, are incorporated in the UK) within the five years prior to the publication of this document:

Director/Senior Manager	***Current Appointments***	***Previous Appointments***
Jonathan Bixby	Alavida Health Inc. (Canada) Blue Mesa Health Inc. (United States) Darkvision Technology Inc. (Canada) Durban Holdings Ltd. (Canada) Koho Financial Inc. (Canada) National Angel Capital Association (Canada) Oak Mason Investments Inc. (Canada)	Energy Aware Inc. (Canada) Lendful Financial Inc. (Canada) Sino Blockchain Holdings Inc. (Canada)

	Possibilities Training Group Ltd (Canada) Settle Up Financial Inc. (Canada) Stanley Park Ventures 2017 (Canada) Stanley Park Ventures Ltd (Canada)	
Mike Edwards	Creative Labs Management Inc. (Canada) Durban Holdings Ltd. (Canada) Launch Academy Inc. (Canada) Mobio Technologies Inc. (Canada) MSE Management Inc. (Canada) National Angel Capital Association (Canada) Oak Mason Holdings Inc. (Canada)	GrowLab Ventures Inc. (Canada) Ronin Blockchain Corp. (Canada)
Timothy Le Druillenec	Berlin Land Limited Blockchain Education Group Limited Briarmount Limited DKE (Wavertree) Limited Dukemount Capital PLC Dukemount Limited Eastower Communications PLC European Media Ventures Limited JPR Wine Consultancy Limited Motto Technologies Limited Pllugs Limited Redcap Estates Limited The Bottlers Limited The TV Group Holding Limited The TV Group Limited Venn IT Systems Limited	Baxter Charles Limited Encor Power PLC Girlsquad (UK) Ltd Hemogenyx Pharmaceuticals PLC Kennedy Ventures PLC Kensub1 Limited Leed Resources PLC Lime Global Ltd Lime U.K. Limited Pires Investments PLC Pure Cremation Funeral Planning Limited Pure Cremation Group Limited Pure Cremation Limited Schillingtons Limited Taupe Living Ltd TVG Web Ltd.
Gil Penchina	UXPin Inc. (Delaware) Fastly Inc.(Delaware) Ridge.vc (Audion Management Company LLC) (Delaware) Flight VC (Uprising Capital LLC) (Delaware) San Francisco Opera	
Peter Wall	Vernon Blockchain Inc.	None
Inderpreet Hothi	None	None
Sebastien Chalus	None	None

9.14 No Director or member of the Senior Management has:

(a) had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;

(b) had a bankruptcy order made against him or entered into an individual voluntary arrangement;

(c) been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

(d) been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

(e) been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or

(f) been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

9.15 No Director or Senior Management has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

9.16 In the case of those Directors or Senior Management who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under chapter 2 of part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. Except as mentioned above and in paragraph 6 of Part II: Directors, Senior Management and Corporate Governance, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.

9.17 Without prejudice to paragraph 9.16 above, two of the directors, Jonathan Bixby and Mike Edwards have passive investments in companies in similar business sectors to the Company. Notwithstanding the similar focus of the businesses described below, the directors concerned do not consider they represent a conflict of interest, however they will ensure that they keep the remaining Directors informed and notify them should a conflict of interest arise. Brief details of these investments are set out below.

(a) **Ronin Blockchain Corp. (Canada)**

Jonathan Bixby and Mike Edwards invested into this company in December 2017 through their jointly held investing vehicle Oak Mason Holdings Inc. At the time of investment, Oak Mason Holdings Inc. owned approximately 45 per cent. of the issued share capital of Ronin Blockchain Corp, resulting in a beneficial ownership of 4.5% for each of Jonathan Bixby and Mike Edwards. Jonathan Bixby and Mike Edwards subsequently introduced the CEO of the company to GoSun and the company entered into a non-exclusive non-binding MOU with GoSun in relation to datacentre space on 14th December 2017.

Ronin Blockchain Corp. signed a letter of intent to be acquired by Datametrex AI Limited, a TSX-V listed company. The transaction closed on 16 January 2018 and as a result Oak Mason Holdings Inc. received shares in Datametrex AI Limited in consideration of the sale of shares in Ronin Blockchain Corp.

Mike Edwards was a director of the company until 10 April 2018. Mike Edwards is not a director of Datametrex AI Limited. Jonathan Bixby has not been a director of either Ronin Blockchain Corp. or Datametrex AI Limited.

(b) **Sino Blockchain Holdings Inc. (Canada)**

Jonathan Bixby and Mike Edwards invested into this company in November 2017 through their jointly held investing vehicle Durban Holdings Ltd. At the time of investment, Durban Holdings Ltd. owned approximately 8 per cent. of the issued share capital of Ronin Blockchain Corp, resulting in a beneficial ownership of 4% for each of Jonathan Bixby and Mike Edwards.

The Company's operations differ from that of Sino Blockchain Holdings Inc. in that the Company's business is offering Mining as a Service, whereas Sino Blockchain Holdings Inc. was intended to focus on cryptocurrency mining software optimisation.

Sino Blockchain Holdings Inc. signed a letter of intent to be acquired by Cairo Resources Inc., an NEX (a subsidiary market of the TSX Venture Exchange) listed company, however the transaction did not complete and Sino Blockchain Holdings Inc. has become inactive.

Jonathan Bixby was a director and acting CEO of Sino Blockchain Holdings Inc., resigning in January 2018.

9.18 In addition to those companies listed in paragraph 9.17 above, Jonathan Bixby and Mike Edwards intend to continue to make selective investments on arms' length terms into companies in the cryptocurrency sector and will consult with the Company prior to making any investments.

9.19 Except for the Directors and the Senior Management, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

10. Share Option Schemes

10.1 The Company has adopted the Share Option Schemes. A summary of the rules of the schemes is set out below.

Grant of Options

10.2 Options may be granted by the Company (or other grantors with the consent of the Board).

10.3 Options may not be granted at any time when that grant would be prohibited by, or in breach of, the Market Abuse Regulation or any other law, regulation with the force of law or the Listing Rules.

10.4 No options may be granted after the tenth anniversary of the date the Share Option Schemes are adopted.

Exercise Conditions

10.5 Grants may be made subject to exercise conditions.

10.6 The Board may vary or waive such exercise conditions, provided that if the performance conditions are varied then new conditions must not be more onerous than the original conditions.

Overall Grant Limits

10.7 The Company may not grant options if that grant would result in the total number of shares put under option in the last 10 years (together with any shares that have been issued in the last 10 years to fulfil options) exceeding 10% of the issued share capital of the Company. Shares granted pursuant to options that can no longer be exercised are excluded when calculated this limit.

Termination of Employment

10.8 If an option holder dies, his estate may exercise a proportion of his option for a period that cannot extend beyond the first anniversary of the death. The proportion capable of exercise is determined by the Board; however it cannot be less than the proportion already capable of exercise at the date of death but they Board has the discretion to specify a higher proportion.

10.9 If an option holder leaves employment for "good leaver" reasons (including, but not limited to, as a result of ill health, disability, redundancy or retirement), he can exercise a proportion of his option during the

period of 90 days following the cessation of employment. That proportion cannot be less than the proportion already capable of exercise at the date employment ceases but the Board can specify a higher proportion. The Board also has the discretion to permit the option holder to retain his options, or a proportion of them, longer than 90 days.

10.10 If an option holder leaves employment for any other reason (a "bad leaver") then the option will lapse immediately. However the Board has power to allow the option holder to retain his option at its discretion.

Relationship with employment/consultancy contract

10.11 Options are not intended to form any contract of employment or consultancy and individuals who participate will not have any rights to damages for any loss, or potential loss of benefit, in the event of termination of office.

10.12 Benefits under the Share Option Schemes are not pensionable.

Takeovers and Liquidation

10.13 If the Board considers that a change of control is likely to occur, the Board can allow option holders to exercise all or a proportion of their options before the acquirer obtains control.

10.14 If a change of control occurs, then the option holders have 90 days to exercise their options in respect of the options capable of exercise at that point (or such higher proportion as the Board may, in its absolute discretion, determine). If they do not exercise their options in 90 days, they will lapse.

10.15 If an acquirer offers option holders an opportunity to exchange their options for new options over shares in the acquirer then options will stay in existence long enough to allow the option holders to accept the exchange, and will lapse if they are not exchanged.

10.16 If the Shareholders receive notice of a resolution for the voluntary winding up of the Company, any option holder may exercise the proportion of the option already capable of exercise when notice is received at any time before the resolution is passed, conditional upon the passing of that resolution, and if the option holder does not exercise the option, it shall lapse when the winding up begins.

Variation of Share Capital

10.17 If there is any variation of the share capital of the Company (e.g. a rights issue, consolidation, subdivision or reduction of capital) that affects the value of the options, the Board shall adjust the number and description of shares subject to each option or the exercise price, in a manner that the Board, in its reasonable opinion, considers fair and appropriate (provided that the total amount payable on the exercise of any option in full shall not be increased).

Administration and Amendment

10.18 The Share Option Schemes shall be administered by the Board.

10.19 The cost of establishing and operating the Share Option Schemes shall be borne by the Group in proportions determined by the Board.

10.20 The Board may amend the plan from time to time at its discretion however no amendment may apply to any option granted before an amendment is made if:

(a) the proposed amendment materially adversely affects the interest of an option holder, except where the option holder consents to the application to his option of such an amendment; or

(b) if the grantor is not the Company, without the consent of the grantor (which shall not be unreasonably withheld).

11. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain

provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

11.1 ***Placing Agreement with Mirabaud***

Pursuant to the placing agreement dated 30 July 2018 between the Company and Mirabaud (**Placing Agreement**), Mirabaud has, subject to certain conditions, agreed to use its reasonable endeavours to procure subscribers for Placing Shares pursuant to the Placing.

The Placing Agreement may be terminated by Mirabaud in certain customary circumstances prior to Admission.

The obligation of Mirabaud to use its reasonable endeavours to procure subscribers for Placing Shares is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, inter alia: (i) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 3 August 2018 (or such later time and/or date, not being later than 10 August 2018, as the Company and Mirabaud may agree); and (ii) the Placing Agreement not having been terminated in accordance with its terms.

For its services in connection with the Placing and provided that the Placing Agreement becomes wholly unconditional and is not terminated, Mirabaud will be entitled to commission (together with any VAT chargeable thereon) and certain warrants based on the aggregate value, at the Placing Price, of the Placing Shares issued pursuant to the Placing for which Mirabaud has procured subscribers. Mirabaud will be entitled to be reimbursed for all properly incurred costs, charges fees and expenses in connection with, or incidental to, the Issue and the arrangements contemplated by the Placing Agreement. The Company has given warranties and indemnities to Mirabaud concerning, inter alia, the accuracy of the information contained in this Prospectus. The warranties and indemnities given by the Company are standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

11.2 ***Registrar Agreement***

The Company and the Registrar have entered into an agreement with the Registrar dated 17 January 2018 (**Registrar Agreement**), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar is entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.

The Registrar Agreement will continue for an initial period of three years and thereafter may be terminated upon the expiry of six months' written notice given by either party. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 30 days of a notice requesting the same, or upon an insolvency event in respect of either party. The Company has agreed to indemnify the Registrar against, and hold it harmless from, any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement, save to the extent that the same arises from some act of fraud or wilful default on the part of the Registrar. The Registrar may delegate the carrying out of certain matters which the Registrar considers appropriate without giving prior written notice to the Company.

The Registrar Agreement is governed by English law.

11.3 ***Mirabaud Broker Agreement and Engagement Letter***

On 8 March 2018 the Company entered into a Broker Agreement with Mirabaud Securities Limited pursuant to which Mirabaud agreed to act as the Company's broker for a minimum of 12 months from 8 March 2018. The Company has provided customary undertakings and indemnities to Mirabaud.

On 17 May 2018, the Company entered into an engagement letter with Mirabaud pursuant to which Mirabaud will act as broker in connection with the Placing. Under the terms of this engagement letter Mirabaud is entitled to (i) a broking commission of 5 per cent. and (ii) a discretionary broking commission of up to 3 per cent., in each case, of the aggregate monies raised by Mirabaud pursuant to the Placing, and (i) grant of broker warrants over 5 per cent. and (ii) a discretionary grant of broker warrants of up to 3 per cent., in each case, of the new shares issued by the Company pursuant to the Placing. This commission is payable under the terms of Placing Agreement.

11.4 ***Advisor Agreements***

The Group has entered into advisor agreements with the following parties on substantially similar terms:

Date	Party	Counterparty	Time Commitment	Fees	Notice
22 February 2018	Company	Dean Sutton	At least 8 hours per month	Expenses only	4 weeks' written notice
22 February 2018	Company	Roham Gharegozlou	At least 8 hours per month	Expenses only	4 weeks' written notice
23 February 2018	Company	Thomas Kineshanko	At least 8 hours per month	Expenses only	4 weeks' written notice
23 February 2018	Company	VS Blockchain Assembly Inc.[1]	At least 8 hours per month	Expenses only	4 weeks' written notice
1 May 2018	Company	Eric Cormier	Between 4 and 6 hours per month	Expenses only	4 weeks' written notice
1 May 2018	Company	Kolina Kretzschmar	Between 4 and 6 hours per month	Expenses only	4 weeks' written notice

1. VS Blockchain Assembly Inc is a portfolio company of Victory Square Technologies Inc. and is a dedicated Blockchain and Crypto Investment and Advisory Services Firm.

The Advisors have also been granted warrants over Ordinary Shares as more particularly set out in paragraph 11.18 below.

11.5 ***Media Buying Contract with Flatiron Collective Inc.***

On 2 January 2018 the Company entered into a media buying contract with Flatiron Collective Inc. Pursuant to the terms of this agreement, the Company has appointed Flatiron to manage the Company's social media spend and to develop the Company's brand, consumer PR and communication strategy. Flatiron will review and analyse the effectiveness of such efforts and optimise the process to ensure the Company's marketing spend is most effectively utilised. In consideration of the services provided to the Company, the Company will pay Flatiron a percentage of the marketing spend, plus approved expenses.

11.6 ***Equity Research Agreement with Align Research Ltd.***

On 10 January 2018 the Company entered into an equity research agreement with Align Research Ltd. Pursuant to the terms of this agreement, the Company has instructed Align Research Ltd to prepare an equity research note in connection with the Placing, an update note to coincide with Admission, and certain updates and news features during 2018. The agreement is for a period of 12 months unless terminated earlier. In consideration of the services provided to the Company, the Company will pay Align Research Ltd £25,000, which has been settled in Ordinary Shares issued by the Company at a price of 8 pence per share credited as fully paid.

11.7 ***Master services agreement and statement of work with Apply Digital***

On 5 January 2018 the Company entered into a master services agreement (**MSA**) with Apply Digital. The MSA is a framework agreement under which the Company will procure services from Apply Digital. The MSA is Apply Digital's standard terms of business of business.

On 5 January 2018, the Company entered into a statement of work (**SoW**) under the terms of the MSA. Pursuant to the SoW, Apply Digital agreed to design, build and launch the Company's website, setup and operate the back end (namely the test mining equipment). Apply Digital has delivered the final website.

11.8 ***Memorandum of understanding with Victory Square***

On 28 December 2017 the Company entered into a memorandum of understanding with Victory Square. Pursuant to the memorandum of understanding Victory Square has agreed with the Company, subject to the negotiation of a definitive agreement, to provide 600 Gh/s of alternative mining capacity and machine learning analytics capabilities. Victory Square will also make available certain of its technologies and technological know-how to the Company, including but not limited to, data centre optimisation and machine learning technologies.

11.9 ***Memorandum of understanding with GoSun***

On 26 December 2017, the Company entered into a memorandum of understanding with GoSun. The memorandum of understanding outlines the following key points:

- an exclusive opportunity to gain access, for the purposes of MaaS to 4 GoSun datacentres by 1 January 2018 with a minimum of 5 racks per datacentre.
- access to at least 8 additional datacentres per quarter for MaaS starting in Q1 2018 with a minimum capacity of 15 racks per datacentre.
- access to all 90 datacentres by Q3 2019 with a minimum capacity of 25 racks per datacentre.

11.10 ***GoSun Agreement***

On 22 February 2018, Argo Canada entered into an agreement with GoSun Hong Kong pursuant to which Argo Canada would be granted access to GoSun's data centres and GoSun Hong Kong would provide Argo Canada with data centre services. The agreement covers an initial capacity of 10 MW and 5,000 servers (being 500 racks), and increases to 100 MW and 50,000 servers (being 5,000 racks) by December 2018. Further capacity will be added at a minimum of 10 MW and 5,000 servers (being 500 racks) per quarter until the end of 2019 for a total minimum capacity available of 140 MW and 70,000 servers (being 7,000 racks). The Company has access to this space, however is not obliged to use all of the space available. The Company is responsible for the transport of the equipment to GoSun's facility, and GoSun shall install the hardware within 10 days and provide 24 hour service staff to ensure the normal operation and hosting of Argo Canada's servers. Argo Canada remains responsible for maintenance costs in relation to its servers.

GoSun will charge CNY750.00 per server per month, plus the cost of electricity at a notified rate. The fees chargeable under the agreement are denominated in Chinese Yuan which are converted into US Dollars based on the Bank of China exchange rate at the time of invoice.

The agreement is for an initial period of from 5 February 2018 to 31 December 2019 thereafter terminable on not less than 30 days' notice. The agreement is in English and Chinese, and in the event of any conflict, the Chinese version shall prevail. The agreement is governed by the law of the People's Republic of China and any disputes shall be resolved by arbitration at the Shanghai Arbitration Commission.

11.11 ***Gatineau, Quebec Lease***

On 23 February 2018, Argo Canada entered into a lease with Vernon Blockchain Inc (**Landlord**) in respect of 675 Rue Vernon, Gatineau, Quebec, J9J 3K4 (**Premises**). The lease is for an area of 1,000 square feet in the Premises for an initial period of two years, ending on 1 March 2020, followed by a month to month lease with the consent of the Landlord. The rent is CAD$4,000 plus applicable taxes, per

month, and Argo Canada has agreed to pay any fees or taxes arising from its business. The Landlord has agreed to make certain improvements to the Premises, including but not limited to the construction of a partition wall, construction of interior walls, installation of electrical equipment to a prescribed specification. In consideration of these improvements Argo Canada has agreed to pay the Landlord up CAD$45,000 plus applicable tax.

The lease is governed under the laws of the Province of Ontario, except that in the case of any conflict between the legislation of the Province of Quebec and the lease, the legislation of the Province of Quebec shall prevail.

The lease is with a related party, Vernon Blockchain Inc., a company in which Peter Wall, the Company's VP Operations, is interested. The lease is on arm's length terms notwithstanding it is with a related party.

11.12 ***Jermyn Street Agreement***

On 21 February 2018, Dukemount Capital PLC, a company in which Timothy Le Druillenec is interested and a director of, agreed with the Company to allow the Company to occupy Dukemount Capital PLC's offices at Jermyn Street and use those offices as the Company's registered office. In consideration of the offices being made available to the Company, the Company has agreed to pay Dukemount Capital PLC the sum of £275 per month until such time as the Company establishes its own offices.

The agreement is on terms more favourable to the Company than an arms' length agreement. The agreement is not on arms' length terms owing to the common director between the Company and Dukemount Capital PLC.

11.13 ***Payment processing agreement with Payfirma Corporation (payment processing provider)***

On 8 May 2018, the Company entered into an agreement with Payfirma Corporation (**Payfirma**) governing the use by the Group of Payfirma for payment processing services. Payfirma provides its services for a fee based on a percentage of the transaction price and a fixed per transaction fee, depending on the type of payment being processed. In order to implement Payfirma's payment processing service into the Company's website, the Company has agreed to follow Payfirma's standard terms and conditions and policies as amended from time to time. The Company can terminate the agreement with Payfirma at any time.

11.14 ***Payment processing agreement with Shopify (payment processing provider):***

On 7 June 2018, the Company entered into an agreement with Shopify (**Shopify**) governing the use by the Group of Shopify for payment processing services. Shopify provides its services for a fee based on a percentage of the transaction price and a fixed per transaction fee, depending on the type of payment being processed. In order to implement Shopify payment processing service into the Company's website, the Company has agreed to follow Shopify's standard terms and conditions and policies as amended from time to time. The Company can terminate the agreement with Shopify at any time.

11.15 ***Founder agreement***

On 8 February 2018, the Company entered into an agreement with the Founder Shareholders pursuant to which the Company agreed, in consideration of the efforts of the Founder Shareholders to enable the Company to enter into certain memoranda of understanding (including those with each of GoSun and Victory Square) and the media buying contract with Flatiron Collective Inc., to pay the Founder Shareholders the sum of £95,000 pro rata to their percentage shareholdings in the Company at the time of their investment into the Company.

Pursuant to their subscription letters, each of the Founder Shareholders had agreed to pay on quarter of the aggregate nominal value of the Ordinary Shares subscribed for by them on the date of subscription, and the remaining sum payable on their Ordinary Shares on 31 March 2018 (or such later date as may be agreed by the Company) or, if sooner, immediately upon a written demand or demands by the Company.

As at 8 February 2018, each of the Founder Shareholders had three quarters of the nominal value remaining outstanding in respect of their respective Ordinary Shares being, in aggregate, £67,499.25.

These amounts were owed to the Company and were set against the amounts owed by the Company to the respective Founder Shareholders, reducing the balance remaining outstanding by the Company to the Founder Shareholders to £27,500.75. The outstanding balance as at the date of this document is £5,001.

The founder agreement is a related party agreement, and the agreement is not on arm's length terms.

11.16 ***Relationship agreement***

On 27 February 2018 the Company entered into a relationship agreement with Durban Holdings Ltd. pursuant to which the Company and Durban agreed certain matters, including but not limited to undertakings from Durban to ensure that the Company will be capable at all times of carrying on its business independently of the influence from Durban, and granting Durban the right to nominate a representative to the board of the Company for so long as it owns at least 15 per cent. of the issued share capital of the Company. The initial representative of Durban Holdings Ltd. on the board of the Company is Mike Edwards. Durban Holdings Ltd. is a company which is jointly owned by Jonathan Bixby and Mike Edwards, directors of the Company.

11.17 ***Lock-in agreements***

Each of the Directors (in the case of Jonathan Bixby and Mike Edwards, through their company Durban Holdings Ltd.) and Adrian Beeston have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the 52,737,500 Ordinary Shares held by them (representing, in aggregate, 17.95% of the Enlarged Share Capital) for a period of 12 months following Admission subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a Director).

Under lock-in agreements dated 27 July 2018, certain of the Company's early shareholders have undertaken to the Company that, other than in certain limited circumstances, they will not, and will procure that any associated party will not, dispose of any interest they hold in the respective Ordinary Shares for the period set out below:

Shareholder	**Lock-in Period**	**Number of Shares**	**Percentage of Shares on Admission**
IronPort Blockchain Financial Inc.	12 months from Admission	9,000,000	3.06%
Second Wave Capital LP	12 months from Admission	9,000,000	3.06%
Pallasite Ventures Inc.	6 months from Admission	5,000,000	1.70%
Andrew Frangos	12 months from Admission	4,500,000	1.53%
Smaller Company Capital Ltd	6 months from Admission	4,500,000	1.53%
Hew Rattray	6 months from Admission	500,000	0.17%

11.18 ***Warrant agreements***

The Company has entered into warrant agreements (**Warrant Agreements**) with each of the following parties (**Warrant Holders**):

Date of Agreement	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditional on Admission	Exercise Period	Vesting Period	Transferrable	Exercised	Lock-in
23 February 2018	Ryan Faber[1]	3,000,000	0.1 pence	No	Prior to Admission	Immediate	No	Yes	12 months from allotment
23 February 2018	Ashek Ahmed[1]	1,500,000	0.1 pence	No	Prior to Admission	Immediate	No	Yes	12 months from allotment
23 February 2018	Gil Penchina	1,000,000	0.1 pence	No	Prior to Admission	Immediate	No	Yes	12 months from allotment
2 February 2018	Cornhill[2]	2,250,000	8 pence	No	5 years from grant	Immediate	Yes	No	None
26 February 2018	Timothy Le Druillenec	2,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement
23 February 2018	Peter Wall	1,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement
23 February 2018	Inderpreet Hothi	1,400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from date of the agreement
23 February 2018	Gautam Lohia[4]	595,000	8 pence	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from date of the agreement
23 February 2018	Chris Coghlan[4]	595,000	8 pence	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from date of the agreement
23 February 2018	Scott Michaels[4]	140,000	8 pence	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from date of the agreement
23 February 2018	Claudia Ng[4]	70,000	8 pence	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from date of the agreement
23 February 2018	Roham Gharegozlou[5]	350,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
23 February 2018	VS Blockchain Assembly Inc.[5]	350,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
23 February 2018	Thomas Kineshanko[5]	140,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
23 February 2018	Dean Sutton[5]	140,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date

Date of Agreement	Warrant Holder	Number of Warrants	Price per Ordinary Share	Conditional on Admission	Exercise Period	Vesting Period	Transferrable	Exercised	Lock-in
23 February 2018	Sebastien Chalus[5]	400,000	8 pence	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
14 June 2018	Eric Cormier[5]	50,000	Placing Price	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
14 June 2018	Salamander Davoudi[6]	250,000	Placing Price	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
14 June 2018	Super Excellent Holdings Inc.[7]	250,000	Placing Price	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
15 June 2018	Gautam Lohia[4]	89,442	Placing Price	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from the issue date
15 June 2018	Chris Coghlan[4]	89,442	Placing Price	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from the issue date
15 June 2018	Scott Michaels[4]	21,046	Placing Price	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from the issue date
15 June 2018	Claudia Ng[4]	10,523	Placing Price	No	3 years from grant	On successful completion of Apply Digital contract	No	No	12 months from the issue date
15 June 2018	Kolina Kretzschmar[5]	50,000	Placing Price	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
17 June 2018	Sunil Thapar[8]	50,000	Placing Price	No	3 years from grant	18 months from grant (25% on issue, 25% each 6 months thereafter)	No	No	12 months from the issue date
30 July 2018	Mirabaud[9]	11,781,600	Placing Price	Yes	5 years from grant	Immediate	Yes	No	None

1. Ryan Faber and Ashek Ahmed received their warrants in connection with the engagement of Flatiron Collective Inc. by the Company to provide marketing services.
2. Cornhill received its warrants in connection with Cornhill's engagement by the Company as broker and Cornhill's work in connection with a pre-IPO fundraising. Following the issue of the warrants, Cornhill transferred in aggregate 838,000 warrants to Smaller Company Capital pursuant to an agreement between Cornhill and Smaller Company Capital.
3. Timothy Le Druillenec received his warrants in connection with his engagement as a director of the Company and his work prior to Admission.
4. Gautam Lohia, Chris Coghlan, Scott Michaels and Claudia Ng each received their warrants in connection with the engagement of Apply Digital by the Company to develop the Company's software.
5. Roham Gharegozlou, VS Blockchain Assembly Inc., Thomas Kineshanko, Dean Sutton, Eric Cormier and Kolina Kretzschmar each received their warrants in connection with their positions as advisors to the Company.
6. Salamander Davoudi is the co-founder and Managing Partner of Tancredi Intelligent Communication Limited. Salamander Davoudi received her warrants in connection with the engagement by the Company of Tancredi to provide public relations advice to the Company.
7. Excellent Holdings Inc. is the nominated entity of Burnkit Creative. Burnkit Creative received their warrants in connection with their engagement by the Company to provide graphic design services.
9. Sunil Thapar received his warrants in connection with his engagement by the Company to provide investor relations and public relations advice to the Company.
8. Mirabaud received its warrants in connection with Mirabaud's engagement by the Company as broker and Mirabaud's work in connection with the Placing.

The Warrant Agreements are on substantially the same terms, and conferring the right to subscribe for the number of Ordinary Shares at the price and in the period set out above. Any warrants not exercised during the Exercise Period set out in the table above shall lapse. Assuming exercise of all of the outstanding warrants in full, the warrants represent an additional 7.79 per cent. over the Enlarged Share Capital.

12. Working capital

The Company is of the opinion that the working capital available to the Group, taking into account the Net Proceeds, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this document.

13. Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company and the Group is aware) in the last 12 months which may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

14. Intellectual property

The Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

15. Premises

The Company does not own any premises or hold any leasehold interests in any properties. The Company has an agreement with Dukemount Capital PLC, a company of which Timothy Le Druillenec is a director and shareholder. Further details of this agreement are set out in paragraph 11.12 of this Part VII. Argo Canada has a lease of a premises in Gatineau, Quebec, Canada, further details of which are set out in paragraph 11.11 of this Part VII.

16. Employees

The Group currently employs eight people and currently engages one non-executive director. The Company previously engaged Adrian Beeston as a non-executive director.

17. Related Party Transactions

The Company is not party to any transactions with related parties, for the period covered by the historical financial information up to the date of this document.

18. No significant change and narrative statement

18.1 Except for a fundraising raising gross proceeds of £2,500,000 by the issue of 31,250,000 Ordinary Shares at a price of £0.08 per share, entry into the GoSun Agreement, the Placing (the Placing generating gross proceeds received by the Company of £25,000,000); the contingent liabilities assumed by the Company to pay fees under the Registrar Agreement, as set out in paragraph 11.2 of this Part VII: Additional Information, the Directors' letters of appointment as set out in paragraph 9.6 of this Part VII: Additional Information (comprising £519,996 per annum in aggregate) and the expenses of the Company referred to in paragraph 20.3 of this Part VII: Additional Information amounting to approximately £2,215,056 (all of which have caused a significant change in the financial position of the Company and the Group due to the Company and the Group being newly established which has not commenced substantial operations), there has been no significant change in the trading or financial position of the Company or the Group since 31 March 2018, being the date as at which the financial information contained in Part VI: Financial Information on the Company and the Group has been prepared.

18.2 Had the Placing occurred on 31 March 2018, the date to which the financial historical information has been prepared, then the Company's assets would have been increased by £22,784,944, being the amount raised in the Placing, being £25,000,000, less estimated expenses of £2,215,056 (including irrevocable VAT).

19. Mandatory bids and compulsory acquisition rules relating to ordinary shares

19.1 Other than as provided by the City Code and Chapter 28 CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.

19.2 The City Code is issued and administered by the Takeover Panel.

19.3 The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.

19.4 There have been no public takeover bids for the Company's shares.

Mandatory bid provisions

19.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

19.6 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

Squeeze-out

19.7 Under CA 2006, if a "takeover offer" (as defined in section 974 CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary

Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

19.8 CA 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

20. General

20.1 PKF Littlejohn LLP were appointed as the auditors of the Company on 24 January 2018. PKF Littlejohn LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of 1 Westferry Circus, Canary Wharf, London E14 4HD.

20.2 PKF Littlejohn LLP which has no material interest in the Company, has given and has not withdrawn its written consent to (1) the issue of this document with the inclusion of the references to its name in the form and context in which it appears and (2) the inclusion of the following reports in Part VI of this document in the form and context in which they are included:

(a) Accountant's Report on the Historical Financial Information of the Group;

(b) Historical Financial Information of the Group;

(c) Unaudited Pro Forma Statement of Net Assets; and

(d) Report on the Unaudited Pro Forma Statement of Net Assets,

and has authorised the contents of those reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

20.3 The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £2,215,056 (including irrevocable VAT).

20.4 The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets (if any).

20.5 The Company's accounting reference date is 31 December.

20.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.

20.7 Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in Part VI of this document.

20.8 The Placing Shares will be issued and allotted under the laws of England and their currency will be pounds sterling. The Company has agreed with certain subscribers to allot the Ordinary Shares allocated to them under the Placing in consideration of the receipt by the Company of the amount due in pounds sterling in an equivalent value of Canadian dollars.

20.9 The Placing Price represents a premium of 160 times the nominal value of an Ordinary Share which is £0.001.

20.10 The Company notes certain inaccuracies in the news article published by the Financial Times dated June 9, 2018 entitled 'Argo plans London's first cryptocurrency listing'. The article states that Argo won approval from the UKLA to list and that the Company was a cryptocurrency group. The Group is not a cryptocurrency group as it does not take custody of cryptocurrency on behalf of users, and as at the date of the article, the Company had not received approval from the UKLA.

21. Documents available for inspection

Copies of the following documents may be inspected at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission:

21.1 the Articles;

21.2 the consent letter of PKF Littlejohn LLP;

21.3 this document;

21.4 the letters of appointment of Directors referred to above in paragraph 9.6 of this section; and

21.5 the material contracts referred to above in paragraph 11.

PART VIII
DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Admission	the effective admission of the Ordinary Shares to listing on the Official List and trading on the London Stock Exchange's main market for listed securities.
Apply Digital	Apply Digital Ltd of #1400- Thurlow Street, Vancouver, BC V6E 0C5.
Argo Canada	Argo Blockchain Canada Holdings Inc., incorporated and registered in British Columbia, Canada with registered number BC1148931.
Articles	the articles of association of the Company.
Bitcoin or **BTC**	the cryptocurrency known as Bitcoin.
Bitcoin Gold	the cryptocurrency known as Bitcoin Gold.
Board or **Directors**	the directors of the Company whose names are set out on page 54 of this document.
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel.
CA 2006	the Companies Act 2006.
Company or Argo	Argo Blockchain plc, incorporated in England and Wales with registered number 11097258.
CREST	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.
Disclosure and Transparency Rules	the disclosure and transparency rules of the FCA.
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission and immediately following completion of the Placing, comprising the Existing Ordinary Shares and the Placing Shares.
ETC	the native currency of Ethereum Classic.
Ether or **ETH**	the native currency of Ethereum.
Ethereum	the decentralised platform for applications known as Ethereum.
Ethereum Classic	the decentralised platform for applications known as Ethereum Classic.

European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
Existing Ordinary Shares	the 137,500,000 Ordinary Shares in issue at the date of this document.
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom Authority.
Founder Shareholders	(a) Durban Holdings Ltd.[1]; (b) August First Ventures; (c) White Umbrella Consulting Inc.; (d) IronPort Blockchain Financial Inc.; (e) Second Wave Capital LP; (f) Plum Capital; (g) Adrian Beeston; and (h) Andrew Frangos[2]. 1 Durban Holdings Ltd., is a company under the joint ownership and control of Jonathan Bixby and Mike Edwards, directors of the Company. 2 Andrew Frangos is a director and shareholder in Cornhill Capital Limited, which was previously appointed as the Company's broker.
FRC Corporate Governance Code	the Corporate Governance Code, published by the Financial Reporting Council.
FSMA	the Financial Services and Markets Act 2000.
Gh/s	1,000,000,000 hashes per second.
GoSun	GoSun Holding Co., Ltd. (Shenzhen Stock Exchange - 000971.SZ).
GoSun Agreement	the Dedicated Server Hosting Services Agreement between Argo Canada and GoSun Hong Kong dated 22 February 2018.
GoSun Hong Kong	HongKong GoSun Technology Limited, a company incorporated and registered in Hong Kong under CR No: 2228485.
hash	the transformation of a string of characters into a usually shorter fixed-length value or key that represents the original string.
H/S	hash per second.
HMRC	HM Revenue & Customs.
Listing Rules	the Listing Rules of the FCA.
London Stock Exchange	London Stock Exchange plc.
Market Abuse Regulation	Regulation (EU) no 596/2014 of the European Parliament and of

	the Council of 16 April 2014 on Market Abuse.
Mh/s	1,000,000 hashes per second.
Mirabaud	Mirabaud Securities Limited, the Company's broker.
MW	one megawatt, equal to one million watts.
Net Proceeds	the funds received by the Company under the Placing less any expenses paid or payable in connection with Admission and the Placing.
Official List	the Official List maintained by the UKLA.
Options	options granted under the Share Option Schemes.
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company, including, where the context requires, the Placing Shares.
Overseas Shareholders	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
Placing	the proposed conditional placing of the Placing Shares by or on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in this document.
Placing Agreement	has the meaning set out in paragraph 11.1 of Part VII.
Placing Price	16 pence per Ordinary Share.
Placing Shares	the 156,250,000 new Ordinary Shares which are proposed to be issued pursuant to the Placing.
Premium Listing	a Premium Listing on the Official List under Chapter 6 of the Listing Rules.
Pro Forma Financial Information	the unaudited pro forma statement of net assets of the Company as at 31 March 2018 set out in Part VI (C): Unaudited Pro Forma Statement of Net Assets.
Prospectus Directive	the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (no. 2003/71/EC).
Prospectus Rules	the Prospectus Rules of the FCA.
QCA Corporate Governance Code	the QCA Corporate Governance Code 2018, published by the

	Quoted Companies Alliance.
Quebec Lease	the commercial lease agreement between the Argo Canada and Vernon Blockchain Inc. dated 23 February 2018 in relation to premises at 675 Rue Vernon, Gatineau, Quebec, J9J 3K4.
Registrar	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE.
Regulation S	Regulation S promulgated under the Securities Act.
Regulated Information Service or RIS	one of the regulated information services authorised by the RIS or UKLA to receive, process and disseminate regulator information in respect of listed companies.
Reverse Takeover	a transaction defined as a reverse takeover in Listing Rule 5.6.4R.
Securities Act	the United States Securities Act of 1933, as amended.
Senior Managers or **Senior Management**	Peter Wall, Inderpreet Hothi, and Sebastien Chalus.
Shareholders	holders of Ordinary Shares.
Share Option Schemes	the schemes governing the issue of options to a) directors and employees of the Company and the Group and b) non-executive directors and consultants to the Company and the Group, as described in paragraph 10 of Part VII.
Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules.
subsidiary	has the meaning given to it by section 1159 CA 2006.
Takeover Panel	the Panel on Takeovers and Mergers.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
United States, US or USA	the United States of America, its territories and possessions.
Victory Square	Victory Square Technologies Inc., a publically traded crypto holding company on the Canadian Securities Exchange (VST.CN)
Warrant Agreements	has the meaning set out in paragraph 11.18 of Part VII.
Warrant Holders	has the meaning set out in paragraph 11.18 of Part VII.
ZCash	the cryptocurrency known as Zcash.