

**Argo Shareholders:** Thank you for the many questions you sent regarding the Company.

This Q&A process is designed to help us answer questions which would ordinarily have been asked and answered in the Annual General Meeting. In order for us to provide concise, consistent answers, we have collated the questions raised into common themes and have answered them below.

In some cases, where information has already been made public by the Company (for example, it can be found in the Company's RNS announcements or Report & Accounts), where answering would involve the release of confidential information, or would involve the premature release of inside information (in which case, further details will be found in upcoming announcements and interim reporting), the questions and answers have not been included. Where questions are not related to the business of the Company or it is undesirable in the interests of the Company to answer the question, these have not been published or answered.

If you feel that your question does not fall within one of the above categories and has not been answered, or would like to ask further questions, please contact us on [support@argoblockchain.com](mailto:support@argoblockchain.com) with details of your concern.

## Why were the general and admin costs of the Company in 2019 so high?

In 2019 the Company transitioned from its 'start-up' phase to its 'rapid growth' phase, whilst also pivoting from the Mining-as-a-Service model to mining for itself, and incurred considerable costs whilst doing so, including an extraordinary general meeting of shareholders. Costs are detailed in Note 8 to the 2019 accounts with notable items being legal and professional fees, and costs related to changes in management. Administrative expenses also include foreign exchange losses and crypto asset fair value movements, for which the majority of each category were accounting losses rather than cash losses.

## Will costs be coming down in 2020?

Argo's management team is new for 2020, and their immediate focus is operational excellence and are actively seeking to reduce costs, review service contracts and align policies, including management bonuses, to be in keeping with its strategy for cost-efficient operations. Argo anticipates that its overall 2020 administrative costs will be materially reduced from the prior year and will analyse and report on these changes in the 2020 half-year results.

## Will travel costs for the Company be lower going forward?

Argo's facilities are spread throughout North America and is headquartered in the UK. From time to time the presence of Argo's staff is required in other locations. However, as part of management's cost-cutting drive, travel is being monitored closely and the team is using virtual meetings wherever possible. We expect Company travel costs in 2020 to be materially reduced from 2019.

## Can FX losses be hedged moving forward?

Management is considering its options with regards to FX losses, for which a large percentage comes from accounting losses on the intra group loan. It should be noted that the intra group loan is subject to foreign exchange movements in the Canadian dollar, which has generally improved since the 2019 year-end.

## What is the depreciation / lifespan / payback period on mining rigs?

The life span of mining rigs vary, but are generally around 3-4 years. Our depreciation policy is matched to the useful life of the rigs, on a straight-line basis. The 'payback' period changes on a daily and weekly basis, depending on price, difficulty and purchase price.

## How is the Company's London office space used, and what is the cost?

The London office space is primarily used as a registered office, for receipt of post, and for Company meetings from time to time. The cost is £275 per month and is disclosed in Note 28 to the 2019 accounts.

## When will H1 numbers come out?

The 30 June 2020 report will be released on a timely basis, well within the statutory guidelines of 3 months.

## What is the Company's cryptocurrency holding / selling strategy?

The Company is following a rules-based asset management strategy, which is adjusted based on internal and external factors. Operational cash and working capital is prioritised through converting mined crypto assets into cash multiple times a week. Remaining crypto assets then contribute to a holding target, which is variable, and based on several factors. After this target is met, any surplus cash is then considered for strategic initiatives. The strategy focuses on securing operational reserves, allows for exposure to increases in crypto asset prices, and builds a fund for strategic decisions.

## The Company is also mining Zcash with the equihash algorithm - how much is this a part of mining operations and why?

The Company's equihash rigs equate to around 5% of the global network mining power of Zcash. Our Zcash mining operations currently represents around 20-25% of our total mining revenue and contribute to our monthly BTC equivalents and margins.

## How is hosting charged to the Company? Is it per machine or per megawatt?

Hosting services provided to Argo, which include electricity, facilities, installation, maintenance, security, etc, are charged per KW used.

## Are there possible better hosting deals going forward?

The Company is satisfied that our current hosting arrangements are competitive. However, management is constantly monitoring future opportunities.

## Is financing machine purchases through loans possible for the Company in the future?

The Company considers all alternatives in regards to capital investments. Successful crypto mining operations require an ongoing level of sustaining capital and all decisions are based on conservative projection models. Financing is used strategically, to remain competitive and bolster the mining fleet as and when appropriate.

## How has the asset management fund Protos added value to Argo?

Protos added value to the Company during volatile conditions in 2019 and the first half of 2020, in which they beat the market with their coin management strategy. The Company ended the contract with Protos for asset management as of 1 June 2020.

## Is a dual listing in other jurisdictions being considered by the Company?

The management team is considering options and strategies to increase share value cost-efficiently, including a dual listing in other jurisdictions.

## Will all future NEDs be independent?

Our goal is to add qualified members to our board to help the Company and return value to shareholders. We are currently working on this and hope to have good news soon.

## Can we be assured no Director or NED has any potential conflict of interests?

All directors and officers perform their roles independently and to their full capacity. They have both legal and regulatory obligations to disclose any conflicts of interest.

## How much time do directors work on the Company compared to their other projects?

All executive directors and staff of Argo consider the Company to be their primary employment. Working across timezones and in a 24-hour industry, the directors devote considerable time to the ongoing operations and strategic decision making.

## Will there be any new directors this year?

The Company plans to expand its board, with one or two non-executive directors. This will allow the Company to introduce appropriate committees and bring further expertise to the Company.

## Why are Company directors paid as consultants instead of staff?

Certain directors charge for their services through consultancy companies, as is permitted. Director's remuneration is disclosed in full within the Remuneration Report and Note 28 in the

2019 accounts. Going forward, the presentation in the notes to the accounts will be amended for ease of comparison.

## Is a share buyback being considered?

As part of the resolutions tabled at the AGM, the Company requested the authority to make market purchases of its ordinary shares (commonly referred to as a share buyback). This is an important option to have in Argo's tool-kit for the Company's ability to make distributions if, and only if, Argo is able, in this tightening mining environment, to generate sufficient cash reserves beyond working capital and sustaining capital reserves.

## Are there any restrictions on the Company deciding to announce a maiden special dividend?

There are several restrictions. There are legal and financial tests that the Company's financials must pass in order to be able to declare a valid distribution. Beyond those enumerated restrictions, there are practical restrictions to consider. Crypto mining, with volatile prices and increasing difficulty, makes predicting future cash flows challenging. In addition, the business requires sustained capital investment. So if the Company can navigate through the restrictions and be successful in its mining to create value beyond prudent reserves for the future, then the Company would be in a position to consider distributions.

## Will there be more PR moving forward for the Company?

Our shareholders have asked for more information, and we have received the message. Management have improved the flow of information through our monthly updates and other disclosures. This initiative for increased communication and public relations will continue to strengthen throughout 2020.