BITCOIN GROUP LIMITED

ABN 82 601 628 497

BITCOIN GROUP

Replacement Prospectus

An initial public offering of 100,000,000 New Shares to raise $20,000,000 at an issue price of $0.20 per New Share

AFSSEC

An investment pursuant to this Prospectus should be considered speculative. This is an important document that you should read in its entirety. You may wish to consult your professional advisor about its contents.

IMPORTANT NOTICES

The Offer

This Prospectus is issued by Bitcoin Group Limited ACN 601 628 497 **(Bitcoin Group)**. The Offer contained in this Prospectus constitutes an invitation to apply for fully paid ordinary shares **(New Shares)** in the Bitcoin Group. This Prospectus has been issued for the purposes of Part 6D of the Corporations Act 2001 (Cth) **(Corporations Act)**.

Dollar amounts expressed in this Prospectus are Australian dollars.

This Offer is not underwritten.

Date

This Prospectus is dated 4 September 2015 and was lodged with the Australian Securities and Investments Commission **(ASIC)** on that date. This prospectus is a replacement prospects and replaces in its entirety, the prospectus lodged with ASIC on 29 June 2015 (**Original Prospectus**).

For the purposes of this document, this Replacement Prospectus will be referred to as "this Prospectus".

The material differences between this Prospectus and the Original Prospectus is as follows:

- The Independent Expert Report at section 7 of the Original Prospectus has been removed in its entirety, (requiring some consequential amendments)
- Forecast Financial Information has been removed
- Actual Financial Information (reviewed) up to 30 June 2015 is included at section 6
- A new Investigating Accountants Report is included at section 7 which specifically excludes references to financial forecast information
- Additional details relating to the business strategy and operations have been included at section 4

Bitcoin Group applied within seven days of the date of the Original Prospectus for the quotation of its Shares on Australian Securities Exchange **(ASX)**.

Disclaimers

This Prospectus contains important information and should be read in its entirety. This Prospectus does not take into account your personal needs and individual objectives or financial situation. Prospective investors should consult a financial, legal and taxation adviser before making any investment decision, to determine whether or not this product is appropriate to their objectives, financial situation and needs. You should carefully read the instructions on the accompanying Application Form. In particular, you should consider the risk factors (see Section 5) that could affect the financial performance of Bitcoin Group and its subsidiaries including those risk factors included in the financial information. There may be other risk factors not set out in this Prospectus that may be relevant to you in light of your personal circumstances.

No person named in this Prospectus, nor any other person guarantees the performance of Bitcoin Group, the repayment of capital or any return on your investment, including the payment of any dividends.

As set out in Section 9, it is expected that the New Shares will be quoted on ASX initially on a conditional and deferred settlement basis. Bitcoin Group and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

None of ASIC, ASX or their respective officers take any responsibility either for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry Date

No New Shares will be issued on the basis of this Prospectus, 13 months after the date of this Prospectus.

Disclosing Entity

Once admitted to the Official List, Bitcoin Group will be a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and periodic and on-going disclosure obligations.

Availability

Australian investors may access an electronic copy of this Prospectus by www.bitcoingroup.com.au. During the Offer Period, you may also obtain a paper copy of this Prospectus (free of charge) by calling 1300 883 848 or visiting our office at Level 1, 89-91 City Rd, South Melbourne 3006, VIC Australia.

Foreign Jurisdictions

This Prospectus does not constitute an Offer or invitation to apply for New Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia. The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser. This Prospectus must not be distributed to persons in the United States or for the account or benefit of any US person. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the securities law of any state of United States of America, and may not be offered or sold directly or indirectly, in the United States of America.

Exposure Period

The Corporations Act prohibits Bitcoin Group from processing applications to subscribe for New Shares in the seven day period after the date of lodgment of the Original Prospectus **(Exposure Period)**. This period may be extended by ASIC by up to a further seven days. The Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Applications

Applications may only be made on the relevant Application Form either attached to or accompanying this Prospectus either in its paper form or electronically by downloading the form from www.bitcoingroup.com.au. By submitting an Application Form, you represent and warrant to Bitcoin Group that you have been provided with a copy of this Prospectus (either in paper copy or electronic form) with the Application Form and that you are within Australia. The Corporations Act prohibits any person from passing on the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

ASX BOOKBUILD

The Company may at its discretion elect to use ASX Bookbuild, the capital raising facility operated by ASX. If the Company does proceed to use the ASX Bookbuild Facility, it will announce this (together with all relevant parameter information and other details as required by the ASX Settlement Operating Rules and the Corporations Act) on its website (www.bitcoingroup.com.au). That announcement will also be issued via the ASX announcements platform.

Financial information and forward looking statements

Bitcoin Group is a newly formed entity with very limited trading history. This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. The information is an example of forward looking statements.

These forward looking statements speak only as of the date of this Prospectus and Bitcoin Group does not undertake to publicly update or revise any forward looking statement. Forward looking statements involve unknown risks and assumptions and may not take into consideration all uncertainties and should be read in conjunction with the risk factors at Section 5 and all other information contained in this Prospectus. You should not place undue reliance on any forward looking statements contained in this Prospectus.

Investigating Accountant's Report

The provision of the Investigating Accountant's Report at Section 7 is required and provides Australian Retail Investors with a financial service guide **(FSG)**. The FSG is provided at the end of the Investigating Accountant's Report.

Lead Manager

This offer is managed by AFS Capital Securities (AFSL:363925)

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Corporate Directory Back Cover

CHAIRMANS LETTER

Dear Investor,

On behalf of the Directors of Bitcoin Group, I am pleased to present to you, the opportunity to become a shareholder in Bitcoin Group Limited, which presently is set to become the world's first Bitcoin IPO on a major global exchange (ASX).

Bitcoin Group is an Australian based pure-play Bitcoin mining operator, currently producing approximately 1.57% of the global mining output, by operating 6.1 to 6.3 petahashes of Mining Equipment in six mining sites across China and Iceland (with one operating machine in Australia used for display and testing purposes)[1].

Bitcoin is a digital currency built on the world's first de-centralised trust system which cannot be forged as Mining prevents double spending through verifying the authenticity of Bitcoin transactions. Bitcoin Mining has a mathematically fixed market opportunity of around 108,000 Bitcoins per month, until Block Halving occurs[2], which at today's market value, represents a current monthly opportunity of approximately $35 million[3]. Bitcoin Group, under the leadership of its Managing Director and CEO, Samuel Lee and his management team, aims to make Bitcoin Group a leading Bitcoin industry mining vehicle that is legitimate, accountable and in line with its vision to make Bitcoin mining available to all investors. Upon successful completion of the offer, the management team will collectively hold 9.2% of the issued capital on listing, with the public holding approximately 60.7%. Approximately $18 million of the Funds raised will be used to invest into Bitcoin Mining Equipment and facilities across the different jurisdictions with another $2 million to cover general corporate purposes, including listing costs.

Bitcoin Group's management team holds strong strategic relationships with suppliers of both industry specific hardware and mining facilities. Bitcoin Group is supported by three cornerstone investors who have committed to remain as shareholders of Bitcoin Group for at least 12 months from listing on the ASX:

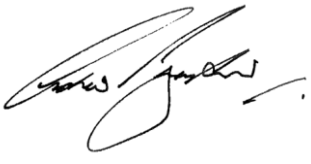
- Harry Wang, Managing Director of ANYING, Australia's third largest money remittance company (behind OzForex and Western Union) and the largest remitter between Australia and China.
- Victor Huang, Managing Director of OzYu Entertainment & Investment and OzStudy Group, a leading international education recruitment service and media agency.
- Richard Gu, Managing Director of AXF Group, a conglomerate investment company that spans from real estate development into entertainment services.

Investors should note that Bitcoin Group is a newly formed entity, having been incorporated in September 2014 with limited trading history which commenced January 2015. The management team have no prior experience operating a publicly listed entity. Furthermore 98.5% of mining operations are conducted in China, and accordingly Bitcoin Group is highly dependent on these operations. Historically, the Bitcoin price has been highly volatile. Investors should read this Prospectus carefully including the Risk Factors set out in Section 5.

The Offer provides an opportunity for you to share in our exciting future. On behalf of the Board of Directors, I look forward to welcoming you as a fellow Shareholder.

Yours sincerely,

Andrew Plympton
Chairman, Bitcoin Group Ltd



[1] www.bitcoinwisdom.com

[2] See clause 3.2.4

[3] Based on market value of AU$326.33 per Bitcoin as at 31 August 2015

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BITCOIN GROUP

Key offer details and important dates

Section 1

1. Key Offer Details and Important Dates

Key Offer Details

Offer Price	$0.20 per Share
Total number of New Shares to be issued	100,000,000
Total number of Shares on issue at completion of Offer (on assumption it is fully subscribed)	164,870,930 (includes Existing Shares)
Total amount raised under Offer (before fundraising costs and expenses)	$ 20,000,000.00
Market capitalisation after completion of offer*	$ 32,974,186.00
Listing price	$0.20 per Share
What is the minimum subscription amount for each investor	$2,000.00
What is the maximum subscription amount	There is no maximum subscription amount however the Directors reserve the right to accept or reject any application for New Shares.
Cooling Off	No cooling off period applies. Once an Application Form has been lodged, it cannot be withdrawn.

* Calculated as the total number of Shares on issue (on a fully subscribed basis) pursuant to the Offer, multiplied by the Listing price.

The above is a summary only. Investors should read the Prospectus in its entirety.

Important Dates

Prospectus lodgement date	4 September 2015
Offer opens	4 September 2015
ASX Bookbuild opens	8 September 2015
Offer closes / ASX Bookbuild closes	30 October 2015
Expected Settlement Date	4 November 2015
Expected issue and allotment of shares	5 November 2015
Expected dispatch of holding statements	6 November 2015
Expected commencement of trading of Shares on ASX on a normal settlement basis	11 November 2015

These dates are indicative only and may change. Bitcoin Group reserves the right to amend any and all of the above dates without notice to you including (subject to the ASX Listing Rules and the Corporations Act), to close the Offer early, to extend the Offer, to accept late applications, either generally or in particular cases, or to withdraw the Offer before settlement. If the Offer is withdrawn before the issue of the New Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Investors are encouraged to submit their completed Application Forms as soon as possible after the Offer opens.

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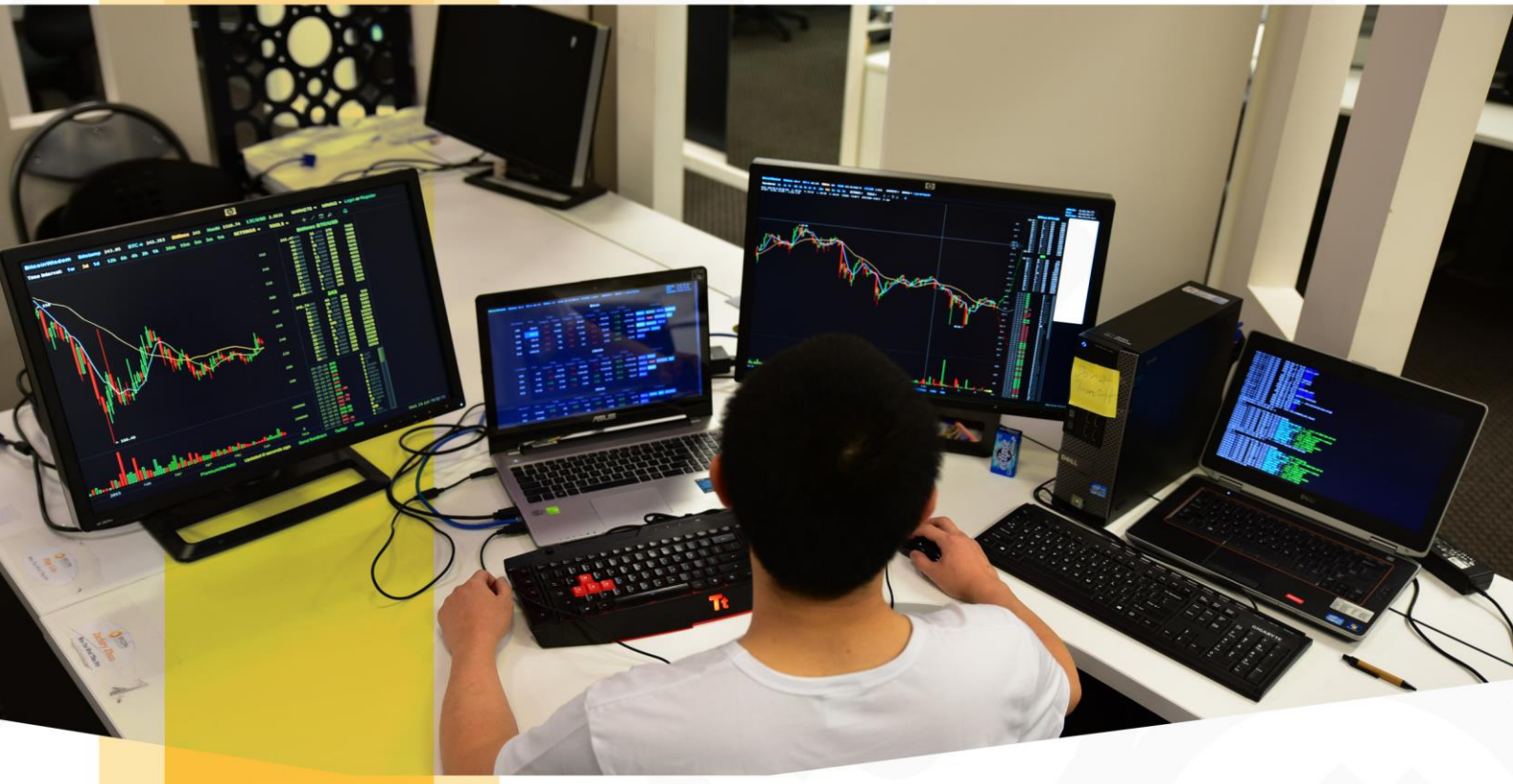
BITCOIN GROUP



Investment Overview

Section 2

2. Investment Overview

Topic	What is the Offer	Further Information
(a) What is the Offer	This Prospectus dated 4 September 2015 constitutes an invitation to subscribe for up to 100,000,000 New Shares at an offer price of $0.20 per New Share to raise $20,000,000. New Shares issued will rank equally with the Existing Shares. The Offer opens on 4 September 2015 and closes on 30 October 2015 and Bitcoin Group expects the New Shares to commence trading on the ASX on or about 11 November 2015. The Offer is open to Australian retail and wholesale investors. It is proposed that the New Shares will be quoted on the ASX as **BCG.** Completion of the Offer is conditional upon ASX approving the application for listing. If the application for listing is not approved within 3 months, the Offer will be withdrawn and all Application Monies will be refunded without interest. AFS Capital Securities Ltd has been appointed Lead Manager. This Prospectus expires 13 months from its issue date.	**Section 9**
(b) Who is Bitcoin Group Limited?	Bitcoin Group is the issuer of this Prospectus and was incorporated on 4 September 2014 to consolidate the Bitcoin industry expertise of its Executive Directors with the key driver of operating one of the world's largest Mining operations. Bitcoin Group acquired all the shares in Bitcoin Mining Pty Ltd ACN 603 240 937 **(BCM)** on 21 February 2015 and commenced the BCM Operations via BCM on 7 March 2015. BCM is discussed below. The **Executive Directors**, being Mr Samuel Lee, Mr Ryan Xu, and Mr Allan Guo have over 9 years combined experience in Bitcoin Mining and related activities. Bitcoin Group has a network of strategic partners that operate within the Bitcoin Mining industry. It is the aim of Bitcoin Group that upon successful completion of this fundraising and implementation of its business strategies, Bitcoin Group based on a bitcoin price of AU$400 is projected to produce approximately 13.4% of the world's Bitcoin Mining output through its wholly owned subsidiary BCM by March 2016 (See Sections 4.5.2 and 4.9.2).	**Section 4** to see further information of Bitcoin Group and its structure **Section 6** to see limited trading history of Bitcoin Group **Section 8** To see further information on the Directors

		Both Bitcoin Group and BCM have a very limited trading and operating history.	
(c)	**Who is Bitcoin Mining Pty Ltd (BCM)**	BCM is an Australian registered company that commenced Mining when it entered into the Chinese Fully Hosted Service Agreement, which covers two sites in Sichuan and Henan provinces. BCM has since expanded to three additional sites in China, one site in Iceland and a pilot operation in Australia. Bitcoin Group acquired 100% of BCM on 21 February 2015 on the terms set out in the Significant Investor Arrangements detailed in section 10.4.3.	**Section 10.4.3**
(d)	**What is Bitcoin Group's business model?**	Bitcoin is a recognised, tradable form of Digital Currency. Bitcoin Group, via BCM is a Miner. Miners perform the task termed **Verification**, which is the process of verifying the authenticity of Bitcoins released by the Bitcoin Network and any transactions settled in Bitcoin. Verification is performed by Bitcoin specific applications which solve encryption algorithms attached to each Bitcoin transaction (**Block Chain Algorithmic Equation**). Mining success is dependent on Miners achieving **'Hash Power'** which is the term used to describe the speed at which the Block Chain Algorithmic Equation can be decrypted. Accordingly, the greater the Hash Power, the greater the chance that the Miner will solve the Block Chain Algorithmic Equation and be rewarded in Newly Minted Bitcoins. The Bitcoin Group business model is to: • earn revenue by Mining Bitcoins • increase its hardware to maximise Hash Power and expand its existing operations by deploying new Mining Equipment in each of its current operating jurisdictions (China & Iceland) • investigate opportunities to acquire additional Hash Power by purchasing from Hash Power providers, and • join with existing Mining Pools to increase chances of solving the Block Chain Algorithmic Equation as part of a larger collective. To reach its objectives, BCM has entered into the Mining Facility Agreements summarised in section 10.4.1.	**Section 3.2** to see further information on how Mining works **Section 4** to see Bitcoin Group's business model
(e)	**How will Bitcoin Group make money and achieve its**	***Bitcoin Mining activities*** Bitcoin Group's primary revenue stream is through its Mining activities derived from the BCM Operations.	**Section 4**

	objectives and strategy	Bitcoins released by the Bitcoin Network (**Newly Minted Bitcoins**) have value which can be traded, exchanged or sold. Whilst Bitcoin value is highly volatile, as at 31 August 2015, each Bitcoin has a value of AU$326.33[4]. The Bitcoin Network currently releases 25 Newly Minted Bitcoins every 10 minutes which is approximately 3600 Bitcoins per day representing a whole network monthly opportunity of approximately $35 million[5]. On the basis that Bitcoin Group reaches expected market share, it should achieve a production level of 374 to 551 Bitcoins per day (until Block Halving occurs (see Section 3.2.4)). By increasing its Hash Power, Bitcoin Group can increase its Mining activities and opportunities to be rewarded in Bitcoins also increase. Additional Hash Power is achieved by acquiring Mining specific hardware or purchasing Hash Power from Hash Power providers. Currently, Bitcoins Mined by Bitcoin Group are used by Bitcoin Group as currency to trade for Mining Equipment, hardware, applications and infrastructure required for Mining. Over the longer term, Bitcoin Group intends to hold a portion of Bitcoin earned as assets for divestment at appropriate times and where required, convert small amounts to Fiat Currency. ***Transaction fees*** Miners can also earn revenue from Bitcoin transaction initiators in consideration for the Miners verifying transactions between Bitcoin Wallets. Bitcoin Group considers these transaction fees to be insignificant but are expected to increase over time and will be a more significant revenue factor in the future.	
(f)	**Why is Bitcoin Group raising money?**	Bitcoin Group is raising funds to: • meet the costs of maintaining its BCM Operations • provide working capital to expand on its BCM Operations to increase Hash Power by meeting the costs of purchasing more Mining Equipment, associated cost of Mining Equipment deployment and meeting the costs of exploring opportunities to acquire additional Hash Power from Hash Power	Section 4

[4] Worked out by applying the 31 August 2015 Bitstamp Exchange weighted average Bitcoin price of US$228.86 (source: https://bitcoincharts.com/charts/bitstampUSD) multiplied by an USD to AUD exchange rate of 1.42588.

[5] Based on market value of AU$326.33 per Bitcoin as at 31 August 2015.

providers

- meet the significant on-going electricity costs of generating Hash Power for the additional Mining Equipment
- provide general working capital
- repay the Directors' Loans, and
- meet the costs of the Offer.

(g) How will funds raised under the Offer be used?

The Funds raised pursuant to this Prospectus shall be allocated on the basis of:

- 90% of capital raised under the Offer will be invested into expanding the BCM Operations in addition to meeting the costs of existing Mining operations. The use of funds is further detailed in Section 4.13 and the execution of investment is outlined under Bitcoin Group's Operations Strategy in Section 4.3, and
- 10% of the capital raised under the Offer will be invested into all other expenses outside of the BCM Operations. This includes costs associated with employment, repayment of Directors' loans, promotional, marketing, sales commissions, communication, technology, compliance, listing fees and costs of the Offer.

Section 4.13

(h) What will the capital structure look like upon completion of the Offer

	At Prospectus Date		At Completion of Offer	
	Shares	%	Shares	%
Executive Directors	14,150,100	21.81	14,150,100	8.58
Non-Executive Directors, Senior Managers, Related Party Shareholders	14,750,000	22.74	14,750,000	8.95
Other Existing Shareholders	35,970,830	55.46	35,970,830	21.82
New Shareholders Pursuant to Offer	-	-	100,000,000	60.65
TOTAL	64,870,930	100	164,870,930	100

Section 8.5.2

(i) Key Financial Information

Section 6

Selected Historical and Pro Forma key Financial Information extracted from the balance sheet is tabled below:

	Historical Balance Sheet as at 30 June 2015 AUD $,000	Pro-forma Balance Sheet as at 30 June 2015 AUD $,000
Assets		
Total assets	**3,162**	**22,600**
Liabilities		
Total liabilities	**512**	**287**
Net assets	**2,649**	**22,313**
Total equity	**2,649**	**22,313**

The consolidated pro-forma Balance Sheet represents the reviewed Balance Sheet as at 30 June 2015 adjusted for the pro-forma transactions outlined in Section 6.

The Balance Sheet of Bitcoin Group at 30 June 2015 has been extracted from the reviewed financial statements of Bitcoin Group for the period ended 30 June 2015, reviewed by ShineWing Australia Corporate Finance Pty Ltd **(ShineWing Australia)**.

The consolidated pro-forma Balance Sheet should be read in conjunction with Section 6 which provides more details on the Financial Information.

(j) Who are the Directors and key managers and what are their interests

Section 8

Board of Directors

- **Mr Samuel Lee**
  Chief Executive Officer
  Executive Director
- **Mr Ryan Xu**
  Chief Strategy Officer
  Executive Director
- **Mr Allan Guo**
  Chief Financial Officer
  Executive Director
  Company Secretary
- **Mr Andrew Plympton**
  Chairman
  Independent Non-executive Director
- **Mr Xiangdong Gao**
  Independent Non-executive Director
- **Mr Harry Wang**
  Independent Non-executive Director

	Senior Management • **Mr Jacob Cheng** Senior Operations Manager • **Mr Jin Chen** Senior Systems Manager	
(k) Key risks	The Directors believe investment in Bitcoin Mining to be **highly speculative** and proposed investors should carefully read Section 5 for a full list of risks. In relation to the BCM Operations, the Directors believe the key risks are as follows: • **Loss of the Mining Facility Agreements** The BCM Operations rely on the continuation of the Mining Facility Agreements. If any of these Mining Facility Agreements were to end for any reason, the Mining operations would cease either wholly or partially which would have a material adverse impact on the revenue and profitability of Bitcoin Group. • **Fluctuating Bitcoin price** The price of Bitcoins has fluctuated significantly since its introduction in 2009. There is a risk that the price of the Bitcoin will be less than the costs of performing Mining in which case, the BCM Operations will cease to be viable. • **Increase in Hash Power requirement** As more Miners are recognised by the Bitcoin Network, more Hash Power is required. This may result in the operating costs exceeding the value of the Bitcoin reward. This would effectively render Mining activities unviable and the BCM Operations may need to cease. • **Jurisdictional risk** All operations (other than the Australian pilot operations) are conducted overseas, with approximately 98.5% of revenue derived from the China operations. There may be some inherent risks operating in China as there may be unforeseen barriers for foreign entities pursuing rights under Chinese law or regulatory changes which do not provide for rule of law reviews. • **Loss or theft of Bitcoins and breach of security of Bitcoin Network** As Bitcoins are held in Bitcoin Wallets, there is a risk that a Bitcoin Wallet may be 'hacked' resulting in Bitcoins being directed to other Bitcoin	Section 5

		Wallets. It is not possible to verify the owner of a particular Bitcoin Wallet. • **Limited history and limited relevant experience of proposed Directors and management** Bitcoin Group commenced trading in 2014 and as such has limited operating history. None of the Executive Directors have experience as a director or executive of an ASX listed entity. • **Returns** Projected returns are based on future values of Bitcoins which are uncertain and may be affected by Block Halving (see Section 3.2.4). • **Obsolete Bitcoin Network** Bitcoin is a form of technology and like all technology, may become redundant over time or obsolete with the introduction of a new Digital Currency product. • **Regulatory Risk** As Bitcoin is a new technology, it is still being considered by various governments. There is a risk that Bitcoin may be declared illegal in which case this may impact on the value of Bitcoins and revenue.	
(l)	**Related party arrangements / significant interests**	Related party and significant interests are set out in sections 8.2, 8.4, 8.5, 10.5 and 10.6. No other parties have significant interests in Bitcoin Group. Subject to admission to the Official List, Mr Allan Guo, an Executive Director will be the only substantial holder in Bitcoin Group, holding a relevant interest in 6.31% of the issued capital in Bitcoin Group (on a fully subscribed basis). Related parties of the Executive Directors and Mr Samuel Lee have entered into restriction agreements which restrict these parties from dealing with their shares for a period of 2 years (See Section 10.5.7). Certain existing Shareholders who purchased Shares in Bitcoin Group prior to listing have also agreed to enter into Restriction Agreements which restricts them from dealing with any Shares purchased at less than $0.16 for a one year period from admission to the official listing.	Section 8.2 Section 8.4 Section 8.5 Section 10.5 Section 10.6

(m)	**Dividend policy**	Bitcoin Group is committed to expanding its BCM Operations and anticipates that income will be directed into its expansion program articulated in Bitcoin Group's business model over the next 3 years. Accordingly, Bitcoin Group does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by Bitcoin Group (and the potential creation of a dividend policy for that purpose) will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results and financial condition of the Bitcoin Group, the future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Bitcoin Group.	Section 4.21
(n)	**Applications and Allocation policy**	An application for New Shares must be on an Application Form attached to Section 12 of this Prospectus. Application can also be made via ASX Bookbuild. By instructing your broker or the Lead Manager, AFS Capital Securities Ltd, to submit a bid via the ASX Bookbuild Facility using the ASX code BCGXBB prior the close of the Bookbuild. The Directors have determined to allocate New Shares on the basis of meeting share spread requirements under the ASX Listing Rules. Bitcoin Group reserves the right to withdraw this Offer at any time before the issue of New Shares. No interest will be paid on any Application Monies refunded.	Section 9.11 Section 9.12 Section 12
(o)	**What are the tax implications of investing in the shares**	The tax consequences of any investment in Bitcoin Group will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 10.9

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BITCOIN GROUP

Industry Overview

Section 3

3. Industry Overview

3.1 Introduction to Bitcoin

Bitcoin is a payment exchange medium which was introduced by Satoshi Nakamoto (pseudonym) in 2009 as a software-based online payment system. Bitcoin is often referred to as a form of cryptocurrency or Digital Currency because it exists purely in an electronic form. As of 30 June 2015, 14.33 million Bitcoins have been Mined.[6]

Bitcoin uses cryptography for the purpose of regulating the creation of Newly Minted Bitcoins and verifying their validity, thus facilitating an effective and secure currency transfer exchange for online transactions. Bitcoins are not issued by a central authority but generated according to a predefined and publically known protocol.

The philosophy of Bitcoin is to create a peer-to-peer payment system that does not require an intermediary or government involvement. Currently, Bitcoins are less widely regulated compared to the traditional financial industry, therefore minimising transaction costs. Bitcoins are an increasingly accepted payment form and are used as payment for a range of on-line goods and service and is expanding as a payment option for offline services.

The use and storage of Bitcoins is facilitated through a **Bitcoin Wallet**. A Bitcoin Wallet contains the Private Key which is a secret piece of data that authenticate a person's right to spend Bitcoins from a specific Bitcoin Wallet through a cryptographic signature. A Bitcoin Wallet function is similar to a physical wallet in that it shows the Bitcoin balance and permits the Wallet owner to make specific payments.

Bitcoins can be redeemed for value in two ways:

(a) via an exchange, where participants offer to convert Bitcoin to Fiat Currency; and

(b) through private arrangements where Bitcoins are transferred between participant's Bitcoin Wallets. There are thousands of merchants worldwide now trading in Bitcoins for products from jewellery to electronics.[7]

3.2 How does Bitcoin Mining work?

3.2.1 Bitcoin Mining overview

Bitcoin Mining is the act of attempting to solve the Bitcoin Algorithmic Equation which verifies transactions involving Bitcoin (see Section 2(d)). Verifying transactions secures the Bitcoin Network by ensuring the legitimacy of the Bitcoins in the Network.

[6] 30 June value on chart titled "Total Bitcoins in Circulation" on Blockchain.info website (https://blockchain.info/charts/total-bitcoins)

[7] According to Coinmap.org, there are now over 5000 physical shops that accept Bitcoins. Large companies such as Dell, Newegg, Overstock, TigerDirect, Millennius, also accept Bitcoins, along with a number of politicians and big name NGO's such as Wikipedia.

By successfully solving the Bitcoin Algorithmic Equations, Miners are rewarded with Newly Minted Bitcoins (which are also known as the 'block reward'), which have value as a tradable digital commodity.

Mining relies on the operation of specialised Mining Equipment that generate **Hash Power** (see Section 3.2.2). Accordingly, the greater the Hash Power, the greater the chance that the Miner will solve the Block Chain Algorithmic Equation and be rewarded in Newly Minted Bitcoins.

3.2.2 Hash Power

Computing power for the purpose of Bitcoin Mining is referred to as Hash Power while Hash Rate is the measuring unit of Hash Power. The solving of the Block Chain Algorithmic Equation involves a trial-and-error process and essentially, the Hash Rate equates to the number of attempts it takes a Miner to solve the Block Chain Algorithmic Equation. The greater a Miner's Hash Power, the greater the chance the Miner will solve the Block Chain Algorithmic Equation.

In order to solve the Block Chain Algorithmic Equation, Miners need to customise their Mining Equipment by downloading and installing specific Mining software which adds the Miner's Hash Power to the Bitcoin Network.

3.2.3 Blocks and Block Chains

When a Bitcoin is transacted, it will form part of the transaction '**Block**'. The chronological record of verified Bitcoin transactions is known as the Block Chain. Each Block within the Block Chain has its own Block Chain Algorithmic Equation and by solving the Block Chain Algorithmic Equation, Miners attach the Block to the Block Chain. The Block Chain is hosted by an online peer-to-peer network and shared by all Bitcoin users. As a reward for providing Hash Power, the Bitcoin Network rewards a Miner with a certain amount of Newly Minted Bitcoins for each **Block** the Miner successfully solves and records to the Block Chain.

3.2.4 How are Bitcoin Miners remunerated?

Miners are remunerated in 2 ways in consideration for providing Hash Power:

- the Bitcoins Network issues Newly Minted Bitcoins to the Miners as a reward for solving the Block Chain Algorithmic Equation; and
- the payment of transaction fees by transaction initiators whose transaction is recorded by the Miners.

As of the date of the Prospectus, Miners are rewarded 25 Bitcoins for each Block which is solved and recorded on the Block Chain. However, the Bitcoin Network automatically halves the number of Newly Minted Bitcoins rewarded after every 210,000 Blocks (**Block Halving**). Block Halving takes place approximately every 4 years with the next Block Halving expected in July 2016[8]. When the next Block Halving occurs, only 12.5 Bitcoins will be issued upon the successful solving of a Block Algorithmic Equation.

8 See http://bitcoinclock.com/

3.2.5 The number and value of Bitcoins and the Bitcoin Mining market opportunity

As of 30 June 2015, there are 14.33 million Bitcoins in circulation[9]. The total number of Bitcoins that can be released by the Bitcoin Network is mathematically capped at 21 million. It is estimated that the final Bitcoin will be mined around the year 2140, with fixed money supply hardcoded into the software, it is expected that by 2033, the 99% of the Bitcoins available will be mined[10].

As at 31 August 2015, each Bitcoin has a value of AU$326.33. Currently, the Bitcoin Network generally releases 25 Newly Minted Bitcoins every 10 minutes which is approximately 3600 Bitcoins per day representing a current whole Network monthly Mining opportunity of approximately $35 million.[11] Block Halving will half the number of Newly Minted Bitcoins which are released (12.5) however, this is not expected to occur prior to the end of June 2016 (See section 3.2.4).

3.2.6 Difficulty in Mining

Difficulty is the Hash Power needed to solve the Block Chain Algorithmic Equation as described in Section 2(d).

The **Difficulty** is adjusted every 2016 Blocks based on the time it took to find the previous 2016 Blocks (usually 14 days). At the desired rate of one Block each 10 minutes, 2016 Blocks would take approximately two weeks to find. If the previous 2016 Blocks took more than two weeks to find, the Difficulty is reduced. If it took less than two weeks, the Difficulty is increased.

As Hash Power is required to solve the Block Chain Algorithmic Equation, the more Hash Power that joins the Bitcoin Network, the more a Miner will need to increase its Hash Power to maintain market share.

Therefore in order to maintain competitiveness and market share, a Miner has to increase its individual Hash Power in proportion to increase the Difficulty. Accordingly, there is a direct correlation between the Bitcoin Network Hash Rate and Difficulty.

3.2.7 Increases in Difficulty

Historically, Difficulty in Bitcoin Mining has grown substantially, resulting in a rapid depreciation of the value of the Mining Equipment.

However, as of October 2014, the mass introduction of specialised custom-built hardware generating high and consistent levels of Hash Power has resulted in a stabilisation in the growth of Difficulty. This has slowed the depreciation rates of the Mining Equipment with the expectation that current hardware will require replacement approximately every 18 months.

The Mining industry has therefore become more sustainable due to this stabilisation of Difficulty.

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[9] 30 June value on chart titled “Total Bitcoins in Circulation” on Blockchain.info website (https://blockchain.info/charts/total-bitcoins)

[10] “By 2032, 99 percent of those (Bitcoins) will have been created” (http://www.usatoday.com/story/tech/2013/04/11/bitcoin-economics/2073517/)

[11] Based on market value of AU$326.33 per Bitcoin (using USD to AUD exchange rate of 1.42588) calculated from 31 August 2015 Bitstamp Exchange weighted average Bitcoin price of US$228.86 (source: https://bitcoincharts.com/charts/bitstampUSD).

Difficulty during the 9 month period from 9 October 2014 to 22 August 2015 has increased at 2% every 13.1 days, which is an average increase of 4.8% per calendar month.

Date	Network Difficulty	Change	Network Hash Rate
Oct 09 2014	35,002,482,026	0.98%	250,557,526 GH/s
Oct 23 2014	35,985,640,265	2.81%	257,595,247 GH/s
Nov 05 2014	39,603,666,252	10.05%	283,494,086 GH/s
Nov 18 2014	40,300,030,328	1.76%	288,478,854 GH/s
Dec 02 2014	40,007,470,271	-0.73%	286,384,627 GH/s
Dec 17 2014	39,457,671,307	-1.37%	282,449,013 GH/s
Dec 30 2014	40,640,955,017	3.00%	290,919,288 GH/s
Jan 12 2015	43,971,662,056	8.20%	314,761,417 GH/s
Jan 27 2015	41,272,873,895	-6.14%	295,442,739 GH/s
Feb 09 2015	44,455,415,962	7.71%	318,224,263 GH/s
Feb 22 2015	46,684,376,317	5.01%	334,179,783 GH/s
Mar 08 2015	47,427,554,951	1.59%	339,499,662 GH/s
Mar 22 2015	46,717,549,645	-1.50%	334,417,246 GH/s
Apr 05 2015	49,446,390,688	5.84%	353,951,052 GH/s
Apr 19 2015	47,610,564,513	-3.71%	340,809,696 GH/s
May 03 2015	47,643,398,018	0.07%	341,044,727 GH/s
May 17 2015	48,807,487,245	2.44%	349,377,603 GH/s
May 31 2015	47,589,591,154	-2.50%	340,659,563 GH/s
Jun 14 2015	49,692,386,355	4.42%	355,711,957 GH/s
Jun 28 2015	49,402,014,931	-0.58%	353,633,397 GH/s
Jul 11 2015	51,076,366,303	3.39%	365,618,871 GH/s
Jul 25 2015	52,278,304,846	2.35%	374,222,683 GH/s
Aug 08 2015	52,699,842,409	0.81%	377,240,166 GH/s
Aug 22 2015	54,256,630,328	2.95%	388,384,088 GH/s

The above table demonstrates a direct correlation between of Hash Rate and Difficulty in the Bitcoin Network.[12]

For the period between 9 October and 22 August 2015, the Network Hash Rate increased at an average of 2% per period, which in turn increases the Network Difficulty by 2% per period. Bitcoin Group has applied this Difficulty Rate as the most accurate objective and publicly available calculation of Difficulty at the time of publishing this Prospectus.

Where Hash Rate increases, the Bitcoin Network will, after generating 2016 blocks, increase the Difficulty to make it more time consuming to generate a Block. This is the mechanism by which each Block is targeted to produce one Block of Bitcoins every 10 minutes no matter what the Hash Rate is.

[12] Data sourced from https://bitcoinwisdom.com/bitcoin/difficulty. See also the publicly available Bitcoin Network Hash Rate tables published on https://blockchain.info/charts/difficulty

3.2.8 Mining Pools

As explained above, the greater the Hash Power the greater the chance of solving the Block Chain Algorithmic Equation. Consequently, Miners often pool their Hash Power together in order to increase their chances of being the first to solve a Block Chain Algorithmic Equation. These are known as **Mining Pools.**

If the Mining Pool becomes the first to solve the Block Chain Algorithmic Equation, each member of the Mining Pool will receive a part of the rewarded Bitcoin in proportion to the Hash Power the Miner contributed.

Bitcoin Group has joined Mining Pools to capitalise on the combined resources to increase the Bitcoin output.

3.3 Recent regulatory announcement

The ATO has announced that it will view Bitcoin as a non-cash barter transaction with similar tax consequences. Bitcoins used for simple payments of $10,000 or less will not incur income tax or GST. However, if Bitcoins are used for business purposes, GST may be payable and capital gains consequences may apply. Miners who earn income from selling Bitcoins will be subject to income tax and expenses incurred for Mining Bitcoins will be allowed for deduction.[13]

[13] For more information on tax treatment of Bitcoin please refer to https://www.ato.gov.au/General/Gen/Tax-treatment-of-crypto-currencies-in-Australia---specifically-bitcoin/

BITCOIN GROUP

Business Overview

Section 4

4. Business Overview

4.1 Nature of Business

Bitcoin Group was incorporated by the Executive Directors to capitalise on worldwide Mining opportunities by aggregating their Mining experience and resources. Bitcoin Group is a pure-play Bitcoin Miner which currently conducts its Mining operations via its fully owned subsidiary BCM which is the holder of the Mining Facility Agreements **(BCM Operations)**.

BCM is an Australian registered company and was acquired by Bitcoin Group on 21 February 2015 on the terms set out in the Significant Investor Arrangements detailed in section 10.4.3.

The key to Mining success is dependent on Miners' ability to receive Newly Minted Bitcoins through solved the Block Chain Algorithmic Equation. This is done by operating specialised Mining Equipment efficiently producing **'Hash Power'** and contributing it to the Bitcoin Network (See Section 3.2.2).

Hash Power is the speed at which the Block Chain Algorithmic Equation can be decrypted. Accordingly, the greater the Hash Power, the greater the chance that the Miner will solve the Block Chain Algorithmic Equation and be rewarded in Newly Minted Bitcoins. Whilst the BCM Operations are performed internally, Bitcoin Group intends to explore joint venture opportunities with other Miners who are seeking to combine Hash Power by joining or creating Mining Pools (as described in Section 3.2.8 and 5.2.2).

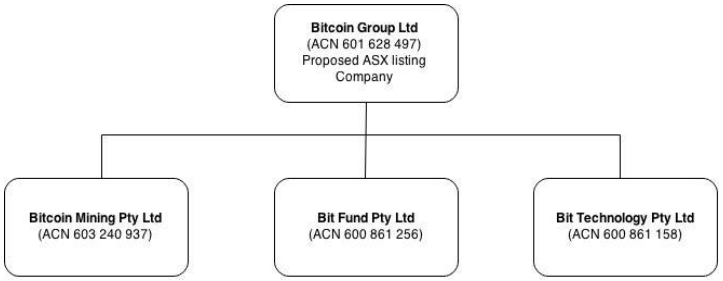
BCM conducts its Mining operations in seven locations, five in China, one in Iceland and a pilot operation in Australia. The Mining operations located in China account for over 98.5% of Bitcoin Group's Hash Rate output, with the balance of the operations conducted in Iceland. The pilot operation in Australia consists of only one Mining Machine for display and testing purposes.

The Mining Facility Agreements are structured in two ways:

- **Fully Hosted Service Agreements** (See Section 4.6(a)) providing equipment storage facilities, maintenance and electricity for a fixed fee. Certain risks such as faulty Mining Equipment and software updates rests with Bitcoin Group who engage contractors to perform repair and maintenance tasks. All associated costs of operating a Fully Hosted Service Agreements are set out in Section 4.8.1; and
- **Hash Power Purchasing Agreements** (See Section 4.6(b)) pursuant to which BCM purchases just the Hash Power. Under these agreements, the Mining Equipment is owned by the Hash Power providers and maintenance and all other liabilities attached to the operations are at the risk of the provider. Therefore Bitcoin Group has no other additional operating. Any shortfall in Hash Rate below the contracted service levels are to be compensated in full.

Currently, approximately 54.7% of the Bitcoins are generated from the Fully Hosted Service Agreements and 45.3% from Hash Power Purchasing Agreements. The spread of costs are set out in Section 4.9 (see also Sections 4.7 and 4.8 for further details on costs).

4.2 Corporate Structure



Bitcoin Group currently has three wholly owned subsidiary companies which serve specific purposes:

(a) Bitcoin Mining Pty Ltd (BCM)

BCM conducts all of the BCM Operations via the Mining Facility Agreements and is the designated Mining arm of Bitcoin Group.

(b) Bit Technology Pty Ltd (Bit Tech)

Bit Tech is designated to conduct future research and development into Mining technology. As at the date of this Prospectus, Bit Tech is not actively trading.

(c) Bit Fund Pty Ltd (Bit Fund)

Bit Fund is solely utilised as a special purpose vehicle holding the lease of Bitcoin Group's office premises in Australia. Bit Fund currently leases the premises at Level 1, 89-91 City Road Southbank, VIC 3006. Bit Fund is not otherwise actively trading.

4.3 Bitcoin Group Operations Strategy

The current primary focus of Bitcoin Group is to realise revenue through the activity of Mining Bitcoins as the revenue and return on investment are based on an independently verifiable mathematically formula.

The overall strategy of the Bitcoin Group will be an increased focus on fully hosted solutions as this aspect of Mining has proved to be the more cost effective. Accordingly, the bulk of the funds raised will be applied to purchase Mining Equipment to be deployed under the fully hosted solutions (see Section 4.9). Furthermore, China continues to present the most cost effective Mining environment and accordingly, focus will be on maintaining the current level of operations in China.

Bitcoin Group has adopted an **Operations Strategy** which addresses both short and long term strategies:

(a) Short term

- investing and focusing on current BCM Operations by maintaining and expanding on current Hash Power levels which include the acquisition of additional Mining Equipment to be serviced under fully hosted solutions as well as seeking additional Hash Power providers (See Sections 4.6, 4.7 and 4.8)
- deployment of Mining Equipment with current and future providers of Fully Hosted Solution Agreements (See Section 4.9)
- investing in facilities to increase the efficiency of the Mining Equipment, and
- investing in Mining management software to better monitor Mining Equipment output.

(b) Long term

- meeting demand for increases in Hash Power
- consistently monitoring electricity markets and where favourable conditions permit, expand into new territories
- expansion into middleware and application layer opportunities leveraging the Block Chain technology by developing mobile apps such as Digital Currency wallets
- acquisition of smaller Miners
- investing in research and development into Mining related software via Bit Tech and/or entering into joint ventures with third parties for the conduct of research and development, and
- potentially investing and acquiring Digital Currency industry startups that focus on building fintech applications, to be achieved through establishing a startup incubator.

4.3.2 A gradual, diversified investment model

To enable it to meet its Operations Strategy, Bitcoin Group has adopted a gradual investment strategy with the objective of steadily increasing Hash Power output in a cost effective manner whilst spreading risk by adhering to the following guidelines:

(a) Explore vertical integration with Mining Equipment manufacturers

The Board will continually assess Mining Equipment supply chains and determine whether there it is appropriate to enter into any purchase contracts that provide value-for-money opportunities. Bitcoin Group's current strategy is to expand its current BCM operations by acquiring Mining Equipment over the 7 month period after the completion of the offer (See Section 4.13.2).

(b) Explore vertical integration with Mining Facility providers

Bitcoin Group will constantly monitor the providers of existing Fully Hosted Service Agreements and the viability of a strategic investment to secure the expertise of operating a Mining facility.

(c) Explore vertical integration with Electricity companies

Where appropriate, Bitcoin Group will investigate the viability of participating in end to end production and delivery of electricity to its Mining facilities. As the profitability of Mining is heavily dependent on the cost of electricity, lowering the cost base further will ensure Bitcoin Group's long term competitive advantage in this industry. In addition to having more control of the upstream supply chain of Mining Equipment, facilities and electricity through vertical integration, Bitcoin Group will actively widen its current footprint of 7 facilities (5 in China, 1 in Iceland and 1 in Australia) to spread risks.

4.4 Revenue streams and expectations

4.4.1 Revenue streams

As a Miner, Bitcoin Group is issued with Newly Minted Bitcoins by the Bitcoin Network (see Section 3.2). Bitcoins have a value (although highly volatile) that can be exchanged for goods and services or Fiat Currency. Bitcoin Group will generate revenue through holding and transacting Bitcoins which it has acquired through its Mining activities. Bitcoins that are exchanged for goods and services by Bitcoin Group are treated as having been disposed of and the gains or losses at the date of the transaction are recognised as realised gains or losses in the Consolidated Income Statement.

Currently, approximately 98.5% of revenue of the BCM Operations are derived from Mining Equipment hosted at sites located in China and accordingly, Bitcoin Group's ability to earn revenue depends on the continuance of the Chinese Mining Facility Agreements (or finding suitable substitute agreements). Of that revenue, 54.7% is generated from Mining Equipment operating under the Fully Hosted Service Agreements and 45.3% is generated from Hash Power Purchase Agreements.

Bitcoin Group invests capital into the BCM Operations to meet the working capital requirements of the BCM Operations in order to achieve its growth objectives. The revenue generated is credited into the account of BCM and/or Bitcoin Group. Bitcoins will be accounted for by BCM as revenue to BCM and Bitcoin Group.

4.4.2 Correlation between the revenue stream and Difficulty

The revenue stream is directly related to the Difficulty required to solve the Block Chain Algorithmic Equation. Difficulty is explained at Section 3.2.6.

4.5 Factors affecting revenue

The revenue for Miners is driven by two key variables:

- The **price** of a Bitcoin
- The **number** of Bitcoins Mined

4.5.1 The price of a Bitcoin

As Bitcoin has no central issuer or regulator, the value of Bitcoins is highly volatile, the price of Bitcoins is purely driven by supply and demand for Bitcoins.

Bitcoin Group believes that the increasing Bitcoin Network's value will have a flow on effect in supporting current Bitcoin prices, therefore ensuring the a sizable market opportunity for sustained participation in the Bitcoin Mining as an industry.

As at 31 August 2015, the value of a Bitcoin is US$228.86 or AU$326.33[14].

[14] the current market value of AU$326.33 per Bitcoin (using USD to AUD exchange rate of 1.42588) calculated from 31 August 2015 Bitstamp Exchange weighted average Bitcoin price of US$228.86 (source: https://bitcoincharts.com/charts/bitstampUSD).

See section 4.14 to view projected revenue of the 2016 Financial Year in each where Bitcoin is valued at AU$250, AU$400, AU$550.

4.5.2 Number of Bitcoins that Bitcoin Group can Mine

To calculate the number of Newly Minted Bitcoins that Bitcoin Group can Mine in a **Period**, the following equation is used:

$$\frac{\text{Total Hash Rate of Bitcoin Group } \mathbf{(A)}}{\text{Total Hash Rate of the Bitcoin Network } \mathbf{(C)}} \times \text{50,400* (Total Newly Minted Bitcoins available per Period) } \mathbf{(B)}$$

With the above formula, we can estimate Bitcoin Group's current output of Bitcoins through Mining to be 883.71 Bitcoins per Period using the following definition of variables below.

(A) = Total Hash Rate output of Bitcoin Group

Bitcoin Groups Total Hash Rate output, the following equation is used:

Bitcoin Group's number of Mining Equipment	x	**Portfolio Hash Rate per Mining Equipment**	+	**Hash Rate from Hash Power Purchase Agreement's** three agreements totalling 2.92 PH (see 10.4.1(b))
3,579 units as of 30 June 2015		1335GH per unit (see table at 4.9.2)		

(B) = Total Number of Bitcoins per Period

A **Period** is defined as the timeframe taken for the Bitcoin Network to release and add 2,016 Blocks to the Blockchain (with the current Block reward at 25 Newly Minted Bitcoins per Block), as each Block is regulated by the Network through the adjustment of **Difficulty** to release a Block every 10 minutes. The Period is usually a 14 day. Accordingly 50,400 Newly Minted Bitcoins are released through the Bitcoin Network every Period* (See sections 3.2.6).

(C) = Total Network Hash Rate

Total Hash Rate of the Bitcoin Network: 353.6 Petahash[15]

*Based on the current number of Bitcoins released by the Network. This figure will change when a Block Halving occurs (see Section 3.2.4).

4.6 Equipment management

Bitcoin Group acquires Hash Power generated predominately in China (98.5%) directly by purchasing Mining Equipment (which is then managed under a fully hosted solution) or by purchasing Hash Power (where the Hash Power is delivered directly from the provider's Mining Equipment).

[15] 353.6 Petahash value derived from "Difficulty History" section of "Difficulty Charts" https://bitcoinwisdom.com/bitcoin/difficulty for 28 June 2015

(a) Fully Hosted Service Agreements

Under the Fully Hosted Service Agreements, Bitcoin Group has outsourced the operation and basic maintenance of its Mining Equipment to third parties. Most of the Hash Power generated from the Fully Hosted Service Agreements are from two sites located in Sichuan and Henan province of China, with a small amount of Hash Power generated from one site in Iceland. The collective Hash Power across all fully hosted sites accounts for approximately **54.7%** of Bitcoin Group's generated Hash Power (See Section 10.4.1(a)).

Under the Fully Hosted Service Agreements, for a set fee, the service provider supplies premises to house the Mining Equipment, power to operate the Mining Equipment, hardware configuration, system software installation, firmware upgrading, broadband network support, security monitoring and control, air-conditioning, server management, fault elimination and other ancillary services to keep the Mining Equipment in operation.

Bitcoin Group is responsible for the costs of a highly specialised local level manager who inspects the Mining Equipment, co-ordinates upgrades and monitors equipment replacements. Bitcoin is able to monitor Hash Power output remotely via specialised software.

(b) Hash Power Purchase Agreements

Under the Hash Power Purchase Agreements Bitcoin Group acquires Hash Power from third party Hash Power providers who operate exclusively out of China. Hash Power under the Hash Power Purchase Agreements account for **45.3%** of Bitcoin Group's generated Hash Power. As this type of arrangement is for the provision of Hash Power only, the provider is fully responsible for the ownership and operation of the Mining Equipment. Accordingly, Bitcoin Group is not responsible for any additional management or operational costs, other than the fixed fee discussed in Section 4.7.1.

As with the Fully Hosted Service Agreements, Hash Power output is monitored remotely to assess service levels and operating capacities.

4.7 Net Cost of Hash Power - Hash Power Purchase Agreements

4.7.1 Hash Power Purchase Agreement service fees

Under the Hash Power Purchase Agreements, an annual service fee of totalling $2,884,760 is payable by way of instalments over the term of the Agreements provided Hash Rate is achieved. The Hash Power Purchase Agreements have a term of 12 months and are expected to be renewed on similar or more favourable terms on expiry in March and April 2016.

4.7.2 Hash Power Purchase Agreements service level agreement

Hash Power must be maintained at 100% of contracted Hash Rate. If the Hash Rate drops below the contracted rate, Bitcoin Group is entitled to compensation in Bitcoins to the extent of any Hash Rate shortfall calculated at the end of the term (noting that Hash Power fluctuations are recorded and adjusted monthly over the term). As at 4 September 2015, Star Capital owed Bitcoin Group 899 Bitcoins as a result of the cumulative shortfall of 25% in the production of Bitcoins to that date. All the Hash Power Purchase Agreements have a term of 1 year and Bitcoin Group is not aware of any matter that may prevent the service provider from renewing the agreement on the same terms and conditions.

4.7.3 Mining Equipment used by provider of Hash Power Purchase Agreements

The following Mining Equipment owned and operated by Star Capital is deployed to service the Hash Power Purchase Agreements:

- 1000 Ant Miner S5 Mining Equipment
- 700 Ant Miner S2 Mining Equipment
- 500 ASIC Miner Prisma Mining Equipment
- 350 Dragon Miner Mining Equipment

Further details on Star Capital and these agreements are set out in 10.4.1.

4.8 Net Cost of Hash Power - Fully Hosted Service Agreements

Unlike the Hash Power Purchase Agreements, the Fully Hosted Service Agreements do not include cost of ongoing management and maintenance of the Mining Equipment and associated upgrade costs. The Mining Equipment is purchased and owned by Bitcoin Group.

4.8.1 Related expenses

It is assumed that contractors will be used to undertake repairs and maintenance. The daily cost of contractors has been projected to be at AU$81 (CNY400) per day escalating to AU$141 (CNY700) per day as Mining operations expand. [16]

The table below shows the monthly and total occupancy costs, pool fees, contractor payments and repairs and maintenance costs projected for financial year 2016.

Month	No of machine*	No of days per month	Daily occupancy expenses per machine**	Occupancy expenses $,000***	Pool fees 2.5% of revenue $,000	Contractor payments $,000	Repair & Maintenance $,000
Jul-15	3,579	31	1.6902	188	7	3	2
Aug-15	3,579	31	1.6902	188	7	3	2
Sep-15	9,642	30	1.6902	489	28	2	2
Oct-15	12,744	31	1.6902	668	37	3	3
Nov-15	20,394	30	1.6902	1,034	61	3	2
Dec-15	28,312	31	1.6902	1,483	82	3	3
Jan-16	35,961	31	1.6902	1,884	101	4	3
Feb-16	39,064	29	1.6902	1,915	105	4	3
Mar-16	54,406	31	1.6902	2,851	142	4	3
Apr-16	54,406	30	1.6902	2,759	136	4	4
May-16	54,406	31	1.6902	2,851	129	4	4
Jun-16	54,406	30	1.6902	2,759	124	4	4
FY 2016 Total				**19,067**	**960**	**41**	**33**

[16] Transactions and balances denominated in Chinese Yuan have been translated into Australian dollars at 4.9518. This is the rate at 30 April 2015 as published on RBA.

This table does not constitute a forecast.

* Further details of the number of projected Mining Equipment is specified in Section 4.9.

** Daily occupancy expense per machine is calculated using KWh value of 0.742KWh per Mining Equipment specified in Section 4.9.2.

***The Bitcoin price is assumed to remain stable at $400 for the purpose of calculating the 'Pool Fees'.

4.9 Bitcoin Group's Mining Equipment allocations and Portfolios

Currently the percentage of Hash Power generated by Mining Equipment owned by Bitcoin Group by location is as follows:

- China 98.5%
- Iceland 1.5%

Australia has only one machine operating.

The deployment of Mining Equipment acquired from Offer proceeds will be allocated in the same proportions as set out above as:

- operations in China continue to be the most cost effective; and
- China will continue to be the focus for future operations.

4.9.1 Pre-listing Mining Equipment acquisitions

At the date of this Prospectus, a total of **3,579** units of Mining Equipment have been purchased in two tranches:

- Q3 2015 Portfolio acquisitions

  Between January 2015 and March 2015, Bitcoin Group purchased 1,500 Antminer S5 Mining Equipment, 500 Avalon Mining Equipment, 200 ASICminer Mining Equipment and 20 Spondoolies Mining Equipment.

- Q4 2015 Portfolio acquisitions

  Between April 2015 and June 2015, Bitcoin Group purchased 1,359 Antminer S5 Mining Equipment.

4.9.2 Post-listing Portfolio acquisitions

New Mining Equipment is to be acquired from October 2015 from proceeds of the Offer and the reinvestment of profits from Mining activities. All Mining Equipment is assumed to be acquired at the beginning of the month.

Mining Equipment will be acquired in the following fixed proportions (**Portfolios**) assuming a fully subscribed Offer:

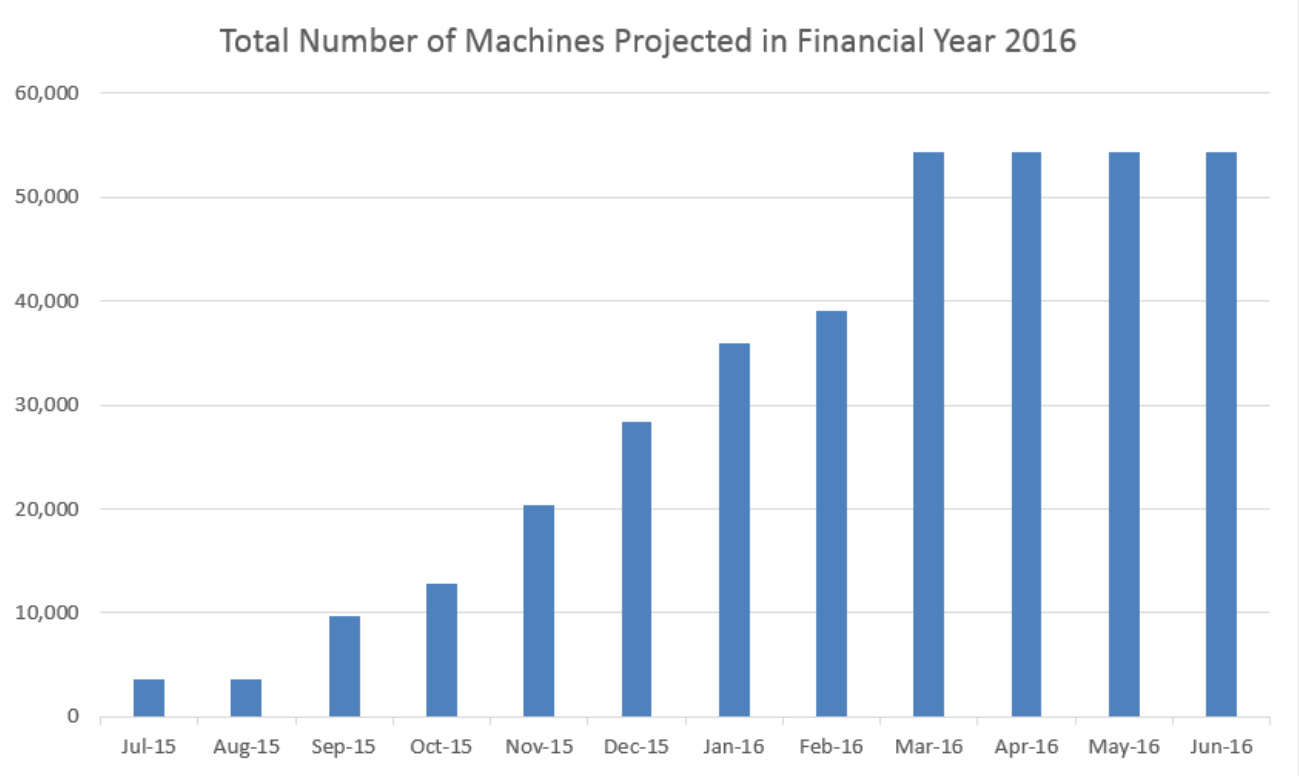
Mining Machine	Avalon A4.1	Antminer S5	Asicminer Prisma	Spondoolies SP30	Portfolio
Unit Price (AUD)	505	424	343	2514	**533**
Hash Rate (G)	1000	1150	1400	4900	**1335**
KW	0.6	0.59	1.2	3	**0.742**
Investment Allocation%	10%	80%	5%	5%	**100%**

The price per machine is based on the advertised price as at 30 June 2015. It has been assumed that the price of Mining Equipment remains stable. The Hash Rate and KW are based on the machine specifications provided by the manufacturer.

Based on the expectation that:

- approximately $18,000,000 raised from the Offer will be applied to acquiring new Mining Equipment over a 7 month period starting in September 2015; and
- approximately 60% of the gross proceeds from Mining in the 3 months to 31 December 2015 and 31 March 2016 will be reinvested into acquiring Mining Equipment,

Bitcoin Group should achieve just over 54,406 units by March 2016 as set out below.



On the assumption that Bitcoin makes the above Mining Equipment acquisitions, Bitcoin Group expects to control during March 2016 an estimated 13.43% of the global Network Hash Rate[17]. This is calculated with Difficulty factored in based on the observed change in Hash Rate during the period from 9 October 2014 to 3 May 2015 of 2% approximately every 13.1 days, this is an average increase of 4.8% per calendar month. It is expected that Hash Rate will increase from 355PH (Petahash) as at 14 June 2015 to 624PH (Petahash) as at end of June 2016 (See Section 3.2.7).

Month	Bitcoin Network Hash Rate	Hash Rate output (fully hosted agreements)	Bitcoin Group % share of Network Hash Rate
30 Jun-2015	353,633,397	3,533,281	1.15%
Jul-15	370,592,473	3,533,281	0.95%
Aug-15	388,364,849	4,090,623	1.05%
Sep-15	406,375,016	12,184,728	3.00%
Oct-15	425,863,404	16,325,898	3.83%
Nov-15	445,612,542	26,538,648	5.96%
Dec-15	466,982,630	37,109,178	7.95%
Jan-16	489,377,556	47,320,593	9.67%
Feb-16	511,298,945	51,463,098	10.07%
Mar-16	535,819,133	71,944,668	13.43%
Apr-16	560,667,396	71,944,668	12.83%
May-16	587,555,131	71,944,668	12.24%
Jun-16	614,802,618	71,944,668	11.70%

4.10 Cost comparisons

4.10.1 China and Iceland operations

The costs attributable to Bitcoin Group's China operations is approximately 96% of total operating costs whilst contributing 98.5% of Hash Power from Fully Hosted Service Agreements. This demonstrates that operating costs in China are more favourable than in Iceland.

4.10.2 Fully hosted solutions compared with Hash Power purchases

Total expenses under the Fully Hosted Service Agreements account for approximately 52.8% of total operating expenses whilst producing 56.92% of Bitcoin Group's Hash Power.

The Hash Power Purchase Agreements account for approximately 47.2% of total operating costs whilst producing 45.30% of Bitcoin Group's Hash Power. Accordingly, the Hash Power Purchase Agreements are less cost effective compared to a lower 'per petahash' cost associated with fully hosted solutions.

See Section 4.4.1 for a breakdown of revenue sources.

[17] Market Share is derived from the Bitcoin Group Hash Rate represented as a % of the Bitcoin Network Hash Rate. Assuming the company's Hashrate output of 71,944,664 GH by March 2016 on an estimated Bitcoin Network hash rate of 535,819,133 based on 2% difficulty per period increase.

4.11 Other Costs

4.11.1 Employment costs

Five executive contracts have been executed with the CEO, CFO, CSO, systems manager and operations manager. The CEO, CFO and CSO positions commenced on 25 June 2015 while the systems manager and operations manager positions commenced on 20 April 2015. The salary, superannuation and on-costs are included in the employment costs.

It has been assumed that up to 5 other employees will be required during the projected period at an average salary of $44,000 plus superannuation and on-costs.

4.12 Flow of Funds

4.12.1 Bitcoin Group expenses

Bitcoin Group pays for all operating costs, ancillary costs and salaries of the BCM Operations. In relation to employee wages and other operational costs in Australia, Bitcoin Group pays for those expenses directly.

4.12.2 BCM expenses

As stated above in Section 4.4.1, Bitcoin Group invests capital into BCM. BCM is responsible for the payment of all Mining operations running costs such as fixed costs, electricity, storage, transport, wages, purchase and maintenance of its Mining Equipment and ancillary costs. BCM uses its Bitcoin inventory to meet its third party obligations such as wages, electricity and mining equipment, purchase and maintenance. Details on expenses can be found in Sections 6.

4.12.3 Bit Fund expenses

Bitcoin Group's subsidiary company, Bit Fund, holds and pays for all Australian lease-related expenses.

4.12.4 Use of Mined Bitcoin

Bitcoin Group's strategy in relation to the use of Bitcoin is to:

(a) use it as primary currency to purchase Mining Equipment, hardware and infrastructure required for the Mining operations. Further information of the realisation of Bitcoins as revenue and treatment of realised gains is set out in Section 6;

(b) hold as assets of the Bitcoin Group; and

(c) convert small amounts of Bitcoin into Fiat Currency where necessary to meet its expenditure and expenses which cannot otherwise be paid in Bitcoin.

4.13 Purpose of Offer and Use of Funds

4.13.1 Purpose of the Offer

The purpose of the Offer is to provide Bitcoin Group with:

(a) opportunities to increase Mining production by acquiring new Mining Equipment. The proceeds of the Offer will provide Bitcoin Group with additional funds to continue to grow the business in a strong, sustainable manner;

(b) increased working capital capability to provide operational flexibility to meet the demands from business growth;

(c) repay funds to the Directors' Loans (see Section 10.6); and

(d) funds to pay the costs of the Offer including Listing Bonus.

4.13.2 Use of Funds on raising $20 million

On raising $20 million, use of funds will be allocated in accordance with the following table:

Use of Funds	$m	%
Investment in new Bitcoin Mining Equipment	**18.00**	**90.00**
Payment of costs of the offer	**1.08**	**5.40**
Repayment of the Directors' Loans	**0.23**	**1.15**
Working capital	**0.19**	**0.95**
Listing Bonus	**0.50**	**2.50**
Funds from Full offer	**20.00**	**100.00**

Approximately $18 million of capital raised will be invested into expanding the BCM Operations by acquiring new Mining Equipment over a 7 month period commencing September 2015 to increase Hash Power and spread risk. The execution of the investment strategy is outlined under Bitcoin Group's Operations Strategy in Section 4.3. Costs of the Offer, Directors loans and the Listing Bonus will be payable no later than 60 days from admission to the Official List. Working capital will be used on an 'as needs' basis but it is expected to be applied over the 12 to 18 months period following admission to the Official List.

Approximately $2 million of capital raised will be invested into business expenses outside of the BCM Operations. This includes costs associated with employment, repayment of the Directors loans, promotional, marketing, sales commissions, communication, technology, compliance, Listing Bonus, listing costs and costs of the Offer.

As disclosed in Section 8.4.1 of this Prospectus, a cash bonus may be paid to employees upon admission to the Official List. It has been assumed that on full subscription, a Listing Bonus of $500,000 will be paid in FY2016.

If the Offer is not fully subscribed, the distribution of funds will vary, primarily impacting the amount of capital invested into new Mining Equipment. See Section 4.20 for scenarios that assume the Offer is subscribed to $5 million and $10 million amounts.

4.14 Potential revenue generation from proposed Bitcoin Mining

On the basis that the prospectus is fully subscribed and there is $18m available to be invested into fully hosted Mining Equipment, the company will proceed to invest in that Mining Equipment and assuming:

- that the rate of Difficulty in the Bitcoin Network increases as a constant of 2% per Period (ie. at the same rate it has done between 1 January 2015 and 31 August 2015)
- the new Mining Equipment is acquired over a 7 month period starting September 2015
- 60% of the value generated from Bitcoins Mined will be reinvested in two tranches in December 2015 and March 2016 into fully hosted Mining Equipment
- the Portfolio Equipment cost is AU$533 per unit (See Section 4.9.2)
- the Portfolio Hash Rate of pre-IPO Mining Equipment is 1143 GH (Gigahash) per unit
- the Portfolio Hash Rate of post-IPO Mining Equipment is 1335 GH (Gigahash) per unit (see Section 4.9.2), and
- The total number of Newly Minted Bitcoins released by the Network each month is 108,000 (assuming Block Halving occurs on 27 July 2016)

Bitcoin Group during FY2016 (1 July 2015 - 30 June 2016) expects to mine between 80,000 – 115,000 Bitcoins.

4.15 Key assets and ownership

The key assets are held by BCM which consists of the Bitcoins Mined and Mining Equipment.

4.16 Financing arrangements

Currently, Bitcoin Group has outstanding liabilities to the Directors as detailed in Section 10.7, which are repayable on the completion of the Offer.

4.17 Competition

There are currently a number of large scale Miners who have existing arrangements with other participants including Mining Equipment suppliers. Reputation is critical within the Mining industry and therefore, existing competitors with well-established reputations will continue to be major players in the Bitcoin industry. The reputations of the Executive Directors will be essential to Bitcoin Group acquiring its own reputation within the industry over time. The Executive Directors have committed to Bitcoin Group for a minimum period of 2 years.

There are some barriers to new participants entering the Bitcoin Network namely, adequate funding to establish sufficient Hash Power and reputation. While pooling is always available to any new industry participant (as described in Section 3.2.8), Bitcoin Group takes the view that the barrier to entry is still high.

4.18 Contingencies

The risks associated with the fall in value of Bitcoins and its impact on the profitability of Bitcoin Group's operations can be mitigated through the use of futures contracts and purchase contracts signed with other parties to ensure that Bitcoins can be liquidated at a pre-agreed price. Bitcoin Group has a network of strategic partners that can assist but is not obligated to liquidate Bitcoins to Fiat Currency.

The risks associated with the loss of Fully Hosted Service Agreements can be mitigated as the Mining Equipment is fully owned by BCM and are easily transportable to alternative storage and operating facilities. In relation to the Hash Power Purchase Agreements, various suppliers offer similar arrangements and in the event of termination of any of these arrangements, BCM will contract with alternative providers.

4.19 Dependencies

The BCM Operations rely significantly on the continuation of the Mining Facility Agreements which comprise the Fully Hosted Service Agreements and the Hash Power Purchase Agreements. The Fully Hosted Service Agreements lock in electricity prices and provide storage space for BCM's Mining Equipment whilst the Hash Power Purchase Agreements are for the purchase of Hash Power only.

If the Mining Facility Agreements cease, it would significantly impact Bitcoin Group's profitability. Although alternative providers would be approached, Mining may stop wholly or partially for an undetermined amount of time.

Given the costs of electricity continue to be more cost effective in offshore jurisdictions, the reliance on third party Hash Power providers and fully hosted solutions will continue to be critical to the on-going success of Bitcoin Group Limited.

No dependency applies in relation to the Australian pilot operations as currently only one machine is operating to test outcomes against those available in other jurisdictions.

4.20 What happens if the offer has not been fully subscribed

If the offer is not fully subscribed, the Directors will determine whether the amount raised is sufficient to meet Bitcoin Group's current strategy. If the Directors decide that the amount raised is insufficient to meet its current strategy, all capital raised will be fully returned via trust account to investors (without interest).

As Hash Power generally relates to the number of Bitcoins rewarded by the Bitcoin Network, a lower capital raise would result in a lower Hash Rate being achieved and therefore a lower amount of Bitcoins produced. A lower capital raise would not impact on the ability of Bitcoin Group to continue to operate as a going concern.

4.20.1 Use of Funds on only raising $10 million

On raising $10 million, use of funds will be allocated in accordance with the following table:

Use of Funds	$m	%
Investment in new Bitcoin Mining Equipment	**8.00**	**80.00**
Payment of costs of the offer	**0.56**	**5.60**
Repayment of the Directors' Loans	**0.23**	**2.30**
Working capital	**0.71**	**7.10**
Listing Bonus	**0.50**	**5.00**
Funds from 10m offer	**10.00**	**100.00**

$8 million of capital raised will be invested into expanding the BCM Operations by acquiring new Mining Equipment over a 7 month period commencing September 2015 to increase Hash Power and spread risk. The execution of the investment strategy is outlined under Bitcoin Group's Operations Strategy in Section 4.3. Costs of the Offer, Directors loans and the Listing Bonus will be payable no later than 60 days from admission to the Official List.

$2 million of capital raised will be invested into business expenses outside of the BCM Operations. This includes costs associated with employment, repayment of the Directors loans, promotional, marketing, sales commissions, communication, technology, compliance, Listing Bonus, costs of listing and the costs of the Offer.

4.20.2 Use of Funds on only raising $5 million

On raising $5 million, use of funds will be allocated in accordance with the following table:

Use of Funds	$m	%
Investment in new Bitcoin Mining Equipment	**3.00**	**60.00**
Payment of costs of the offer	**0.29**	**5.80**
Repayment of the Directors' Loans	**0.23**	**4.60**
Working capital	**1.23**	**24.60**
Listing Bonus	**0.25**	**5.00**
Funds from 5m offer	**5.00**	**100.00**

$3 million of capital raised will be invested into expanding the BCM Operations by acquiring new Mining Equipment over a 7 month period commencing September 2015 to increase Hash Power and spread risk. The execution of the investment strategy is outlined under Bitcoin Group's Operations Strategy in Section 4.3. Costs of the Offer, Directors' loans and the Listing Bonus will be payable no later than 60 days from admission to the Official List.

$2 million of capital raised will be invested into business expenses outside of the BCM Operations. This includes costs associated with employment, repayment of the Directors loans, promotional,

marketing, sales commissions, communication, technology, compliance, Listing Bonus, costs of listing and the costs of the Offer.

4.21 Dividend policy

Bitcoin Group is committed to expanding its BCM Operations and anticipates that income will be directed into its expenditure program over the next 3 years. Accordingly, Bitcoin Group does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by Bitcoin Group (and the potential creation of a dividend policy for that purpose) will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Bitcoin Group, future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Bitcoin Group.

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BITCOIN GROUP

Risks & Benefits

Section 5

5. Risks & Benefits

This Section identifies some of the major risks associated with an investment in Bitcoin Group.

The Directors are of the view that an investment in Bitcoin Group should be considered a speculative investment.

5.1 Bitcoin Group specific risks

5.1.1 Volatility in price of Bitcoin

The price of Bitcoin is volatile. This is largely due to Bitcoin being relatively new in the market. In recent history Bitcoin's value has fluctuated between US$63.00 and US$1,163.29 on the exchange Bitstamp over the last 24 month period.[18] Bitcoin's volatility acts as a deterrent for many investors and merchants. Investors see it as a weakness because the value of their investment could be significantly reduced in a short space of time. Merchants see it as a weakness because of the inconvenience of constantly updating their prices to reflect changes in the Bitcoin value. Due to the volatility of the Bitcoin price, modelling is difficult.

5.1.2 Fluctuating electricity costs

As the key driver of the business model is to increase Hash Power, there is great reliance on electricity. The low electricity costs in China and Iceland are the reasons why Bitcoin Group has decided to focus its BCM Operations in those jurisdictions.

However, electricity prices are subject to fluctuation. A substantial increase in electricity costs could render Mining ineffective. In such a case, Bitcoin Group would need to seek alternative energy sources or cease Mining activities all together.

In order to limit this risk, Bitcoin Group has entered into the Fully Hosted Service Agreements which fix electricity prices over a period of 1 year. Please see section 10.4 for more information.

5.1.3 Additional requirements for capital

In order to maintain a competitive edge, Bitcoin Group must continually upgrade its Mining Equipment. Bitcoin Group's current Mining Equipment is considered by the Board to be sufficient but the Board has committed to a gradual acquisition strategy for the period of 7 months from the date of listing. A portion of funds raised under this Offer have been allocated to meet this expected expense.

However, from time to time, major capital injections may be required and if insufficient revenue has been raised to meet the acquisition of new Mining Equipment, effective Mining operations may be impacted.

Bitcoin Group is exposed to risks associated with its financial instruments and cash flow (consisting of digital Bitcoin, cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes risks of third party contractual breaches, Bitcoin Group's inability to meet

[18] As of 1 June 2015

its financial obligations as they fall due and risk that market prices may vary affecting Bitcoin Group's financial position.

Bitcoin Group has addressed this risk by implementing contingencies in its business model. Bitcoin Group may also seek to raise further funds through equity or debt financing, joint ventures or other means. There is no assurance that additional finance will be available when required or whether the terms of such financing will be favourable to Bitcoin Group. Raising further equity may have the effect of diluting shareholdings.

5.1.4 Increasing Hash Power requirements

As the Mining industry grows and more Miners participate in the Mining space, more Hash Power will be required to solve a Block Chain Algorithmic Equation. The need for more Hash Power increases operating costs. This may exceed the value of the Bitcoin Mined and render Mining activities unviable or unsustainable. Bitcoin Group has made provisions for the acquisition of further Mining specific hardware in order to meet increase Hash Power.

5.1.5 Legal jurisdiction of Mining Facility Agreements

Some of the Material Contracts are governed under the laws of the People's Republic of China (**Chinese Laws**) and the laws of England & Wales. These Material Contracts have been drafted in accordance with the applicable laws of those jurisdiction. In the event any dispute arises in relation to these Material Contracts, Bitcoin Group (or BCM) as the case may be may have to pursue its rights in the People's Republic of China or England.

As the majority of operations are conducted in China, there is an inherent risk in operating a significant portion of operations in one foreign jurisdiction which may be affected by regulatory decisions which may not be subject to due process or capable of challenge.

There may also be some jurisdictional risks for foreign entities seeking to enforce rights in China. Although the Hash Power Purchase Agreements are governed by Australian law, enforcement will in any event need to take place in China, in which case, the same limitations for foreign entities will apply.

5.1.6 Loss of Mining Facility Agreements

The Mining Facility Agreements are crucial to the BCM Operations as they fix the cost of Mining. The loss of the Mining Facility Agreements could result in the halting of BCM's Operations or an increase in costs if BCM cannot relocate its operations at the same cost.

5.1.7 Limited history & limited relevant experience of proposed Directors & management

Bitcoin Group commenced trading in 2014 and has a limited operating history. In addition to this, none of the Executive Directors have experience as a director or executive of an ASX listed entity and consequently have limited expertise in this area.

The Executive Directors are experienced in Mining and each have committed to a minimum 2 years with Bitcoin Group, subject always to the rights of Shareholders to remove directors.

5.1.8 Supply of Mining Equipment

Bitcoin Group (via BCM) will acquire Mining Equipment from suppliers (and potentially directly from manufacturers) from time to time.

It is commonplace in the industry for deposits to be made with respect to Mining Equipment purchases prior to delivery of the hardware. This permits the supplier to fund the manufacture of the hardware which is 'made to order'.

Whilst the exposure may be minimised by granting of a security interest in the Mining Equipment being purchased and various compensation clauses being incorporated into such agreements, there is no guarantee that the security interest could be perfected, or that the supplier will have sufficient assets to fund the compensation.

Further, it is unlikely that the manufacturer would maintain insurances sufficient to cover replacement value of the hardware and loss of revenue in the interim in the case of destruction of the hardware during the manufacturing process.

5.1.9 Competition

There is significant competition in the Digital Currency industry generally. There is no assurance that Bitcoin Group will succeed in its Mining strategy.

Bitcoin Group may be unable to compete successfully against future competitors where aggressive policies are employed by its competitors to capture market share.

5.1.10 Legal compliance

The current regulatory and legal treatment of Bitcoin is unclear and there is a risk that relevant authorities may impose strict regulations and compliance which may adversely affect Bitcoin Group's operations in various jurisdictions in Australia. At present, the ATO is the only Australian government agency that has set out a determination for the tax treatment of Bitcoins. Other government agencies have yet to make a determination or impose any regulations on Bitcoin.

The Australian Taxation Office has taken the view that Bitcoin is considered as an asset for capital gains tax purposes. Where Bitcoin is acquired through the Bitcoin Mining, any income derived from the transfer of mined Bitcoin to a third party is included in Bitcoin Group's accessible income. Any expenses incurred in respect to the mining activity would be allowed as a deduction. Any Bitcoin held by Bitcoin Group is considered by the ATO to be trading stock and Bitcoin Group is required to account for any Bitcoins on hand at the end of each income year.

5.2 Bitcoin Mining risks

5.2.1 Mining return risks

Bitcoin Group's main business is the Mining of Newly Minted Bitcoins. This process involves using powerful computer technology to perform Verification.

As the number of Newly Minted Bitcoins awarded for solving the Block Chain Algorithmic Equation decreases due to Block Halving, the incentive paid to Miners decreases which will affect Bitcoin

Group's profitability. Historically Bitcoin prices have increased upon the occurrence of Block Halving[19].

Transaction fees as part of each Block may also decrease if current usage trends were to reverse.

In essence, any reduction in confidence in Verification or processing power of the Bitcoin Network may adversely impact Bitcoin Group.

5.2.2 Mining pool risks

Bitcoin Group may form Mining Pools in order to pool its Hash Power capacity. In return for forming Mining Pools, Bitcoin Group may have to distribute its mined Bitcoin in fair proportion to the contributed Hash Rate by Mining Pool by the Mining Pool participants.

Bitcoin Group may also join other established Mining Pools and may only receive Bitcoins in the proportion of Bitcoin Group's contributed Hash Power. Mining Pool operators may charge their own fees, or may manipulate distributions. Distributions may be subject to errors, fraud or hacking, which may adversely affect the earning capacity of Bitcoin Group.

5.3 Industry risks

5.3.1 Bitcoin Network development

The Bitcoin technology and other Digital Currencies may be rendered obsolete by new inventions and technologies, which would adversely impact Bitcoin Group.

Further, the administrators of the Bitcoin Network's source code or other users could propose amendments to the Bitcoin Network's protocols and software that, if accepted and authorised by the Bitcoin Network's community, could adversely Bitcoin Group.

The Bitcoin Network is based in a cryptographic, algorithmic protocol that governs the interactions between computers connected to the Bitcoin Network. Amendments may occur to the Bitcoin Network's source code through one or more software upgrades that alter the protocols and software that govern the Bitcoin Network and the properties of Bitcoins, including the irreversibility of transactions and limitations on the Mining of Newly Minted Bitcoins.

To the extent that a significant majority of the users and Miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network would be subject to new protocols and software that may adversely affect Bitcoin Group. Where less than a significant majority of the users and miners on the Bitcoin Network install such software upgrade(s), the Bitcoin Network could "fork" – where the acceptance of Bitcoin Network software patches or upgrades by a significant, but not overwhelming, percentage of the users and Miners in the Bitcoin Network, results in the operation of two separate networks until such time until the forked Block Chains are merged. The temporary or permanent existence of forked Block Chains could adversely impact Bitcoin Group.

19 See Bitstamp (https://bitcoinwisdom.com/markets/bitstamp/btcusd)

5.3.2 Malicious Actors

To the extent that Malicious Actors obtain a majority of the processing power on the Bitcoin Network, it could alter the source code and Block Chain on which the Bitcoin Network and all Bitcoin transactions rely upon.

There is also a risk that Malicious Actors could further corrupt the Block Chain such that double-spending of Bitcoins could occur. If this occurs on a significant scale, the integrity of Bitcoin would come into question and the Bitcoin price may fall significantly.

If Malicious Actors obtain control of over 50 percent of the Hash Power contributed to the Bitcoin network, this could manipulate the source code of the Bitcoin Network or the Block Chain in a manner that adversely affects Bitcoin Group and its ability to operate.

5.3.3 Transaction fees

Currently there are minimal transaction fees incurred on transactions conducted using Bitcoin. However, as the number of Newly Minted Bitcoins awarded to Miners decreases, the incentive to continue Mining may decrease as well. Once the majority of the Bitcoins have been mined, there may not be an incentive for Miners to continue Mining unless transaction fees compensate for the reduced Block rewards.

If the transaction fees are too low, then there will be less of an incentive for Miners and some may cease Mining. This would result in a reduction in the Bitcoin Network's Hash Power which would make it easier for a single user to control more than 50% of the Hash Power. This may result in corruption of the Block Chain. If this were to occur, the value of Bitcoin would be adversely affected.

Alternatively, if the transaction fees are too high, consumers and merchants may no longer wish to use Bitcoin and the demand for the currency would decrease. This may also have an adverse effect on Bitcoin.

5.3.4 Supply of Bitcoin

Bitcoin is a commodity which is issued in limited amounts. If the Bitcoin Network alters the limited nature of its supply and increases the number of Bitcoins issued (which can be achieved by majority consensus) or to be issued, it may adversely affect the market value of the already issued Bitcoin.

5.3.5 Security of Bitcoin

Bitcoins need to be stored in either a Bitcoin Wallet or at an exchange. In order to access Bitcoins, the user has a Private Key (similar to a password). If a user loses the Private Key, they will be unable to access their Bitcoins. Unlike a bank that could confirm a person's identity by another means in the event that a password to a bank account is lost, there is no such system for gaining access to a Bitcoin Wallet once the Private Key is lost.

In the event that a Hacking occurs, the true owner of those Bitcoins has no recourse and cannot retrieve their Bitcoins. For example, on 4 March 2014, Flexcoin, a Bitcoin online wallet service provider, announced that it was closing after the 896 Bitcoins (worth approximately $0.6 million at the time) that were stored in their Bitcoin Wallet were stolen by Hackers.

Bitcoins held with an exchange may also be lost. This is in contrast to a bank where the government may guarantee deposits held by the bank; as is the case for Major banks in Australia.

5.3.6 Uncertainty on future of Digital Currencies

Since Digital Currencies are a new concept, there is significant uncertainty as to whether any growth in Digital Currencies will eventuate. If the market prices of Bitcoin or other Digital Currencies fall, it would adversely affect Bitcoin Group and the value of Bitcoin Group's Shares.

5.3.7 Hoarding

There is a risk that other industry participants may hoard Bitcoin. Hoarding would involve people buying or Mining and not spending them with the hope of making a profit in the future. This action may reduce the liquidity in the Bitcoin market. While supply shortage may result in an initial increase in price, prolonged hoarding would eventually lead to a significant decrease in the price and demand of Bitcoin.

5.3.8 Loss of Bitcoin market share

There is a risk that Bitcoin may lose its advantage as one or more other Digital Currencies compete for Bitcoin's market share. Current statistics do not guarantee that Bitcoin will always be the market leader.

Although other Digital Currencies are available, Bitcoin has one significant advantage over all other Digital Currencies, its acceptance by more merchants than any other Digital Currency.

5.3.9 Insurance risks

Bitcoin Group intends to insure its operations in accordance with technology industry practice. However, given the novelty of the Digital Currencies business and associated businesses, such insurance may not be available or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on Bitcoin Group.

5.3.10 Legal and regulatory risks

Bitcoin involves relatively new technology which has been identified as possibly posing risks in relation to law enforcement and government regulation. It is likely that governments worldwide, including Australia, will continue to explore the benefits, risks, regulations, security and applications of Bitcoin.

New legislation or amendments to existing legislation, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Bitcoin Group's operations or contractual obligations could have an adverse impact on Bitcoin Group and its Shares.

5.4 Trading and market risk

5.4.1 Guarantee of tender

Bitcoin is not regulated by a central exchange or a monetary authority. It does not fall within the legal jurisdiction and jurisprudence of traditional Fiat Currency and therefore does not constitute a legal tender or currency. There is a risk that changes in Bitcoin's terms of use by administrators, inconsistent application of such terms of use and the implementation of any policy by third parties aimed at regulating Bitcoin may adversely affect the nature of Bitcoin trading, the demand and supply of Bitcoin and Bitcoin Group.

The lack of a central authority may also result in a change of functioning and core components of Bitcoin as a currency.

Furthermore, as there is no central authority regulating Bitcoin, there is no redeemer of last resort and no authority providing a promissory value of Bitcoin.

5.4.2 Trading and liquidity

Further to 5.4.1 above, Bitcoin is only transferable into Fiat Currency via a third party exchange or via entering into private arrangements where parties accept to buy and sell Bitcoin for value. There is currently no central exchange available and there is a risk that Bitcoin Group may not be able to liquidate its Bitcoins, or to liquidate it at the desired market price.

5.4.3 Decentralisation, wallets, exchanges

Bitcoin utilises third party applications and private exchanges, all of whom gather a profit via transaction charges or subscription charges. These third parties may not be regulated as a financial service and consumers of such applications and exchanges are subject to changes in terms and conditions of use and market practises which may differ between one application or exchange to another. Furthermore, there is a risk that these third party exchanges impose trading freezes, fixed exchange rates or other limitations upon users, severely restricting users from utilising their Bitcoin or capping the value of Bitcoin.

5.4.4 Third party operators

Due to the decentralised nature of Bitcoin exchanges (see Section 3.1 and 5.4.3 above), holders of Bitcoin are subject to terms and conditions of use and/or terms and conditions of acceptance by third parties providing Bitcoin Wallet services and private exchanges. These terms and conditions may adversely affect the demand or supply of Bitcoin, the liquidity of Bitcoin and the operation of Bitcoin Group.

Furthermore, third party providers lack regulation and may not have a physical presence (or lack a legal entity to be pursued for legal recourse). Should an error emerge in a transaction taking place via a third party operator, Bitcoin holders are at risk of being unable to claim for recourse against these third parties.

5.4.5 Uncertain exchange rate data

Unlike Fiat Currency, which has an exchange rate that is subject to international standards, Bitcoin exchange rates are not subject to, or are based on such standards. Price formation may be opaque due to factors described in 5.1.1 and 5.4.1 above, and the execution of buying and selling orders may occur without proper transparency.

5.4.6 Acceptance as a means of payment

The majority of merchants still do not accept Bitcoins as a means of payment. This limits the ways in which Bitcoins can be spent and is therefore a deterrent for some people that might otherwise consider using Bitcoin.

5.4.7 Certainty

Upon receipt of Bitcoin as a means of payment, holders have no guarantee that they are able to spend them or convert them into Fiat Currency. Furthermore, due to volatility in prices as detailed above in 5.1.1, Bitcoin holders have no certainty of the value of Bitcoin.

5.5 General Risk

5.5.1 Emerging market

Bitcoin as a commodity has a limited operational history. The risks involved in relation to Bitcoin, its unregulated nature, lack of precedence in relation to its operation and limited knowledge by established markets of its benefits (and risks) result in Bitcoin being an unpredictable commodity capable of high levels of speculation.

5.5.2 Economic risk

Economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Bitcoin Group's business activities and potential development programmes.

5.5.3 Force majeure

Bitcoin Group may be adversely affected by risks outside the control of Bitcoin Group.

5.5.4 Reliance on personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Bitcoin Group depends substantially on senior management and its key personnel (including the Executive Directors). There can be no assurance given that there will be no detrimental impact on Bitcoin Group if one or more of these employees cease their employment or if one or more of the Directors leaves the Board.

5.6 Benefits

5.6.1 Established relationships with Bitcoin Mining Equipment manufacturers

Bitcoin Group maintains a strong relationship with leading Mining Equipment manufacturers such as Antminer, Avalon and Spondoolis, which provides direct access to the latest Mining technology at competitive prices.

5.6.2 Access to cost effective electricity

Bitcoin Group has been able to significantly reduce the cost of the BCM Operations by basing them in China and Iceland. Hosting BCM's Operations in these locations allow Bitcoin Group access to lower cost electricity and good technical support from operators who are knowledgeable in creating failovers and redundancies.

5.6.3 Strong support from cornerstone sophisticated investors

Initial investment into Bitcoin Group has come from sophisticated investors from a variety of professional backgrounds. Bitcoin Group is thus supported by not only the financial capital but also the expertise of successful people from diverse range of areas.

5.6.4 Strong link with global Bitcoin industry

In addition to being an industry member of the Digital Currency Commerce Association of Australia (ADCCA), Bitcoin Group has established strong links with industry organisations such as the Melbourne Bitcoin Technology Center (MBTC) and Bitcoin Association of Australia (BAA). Bitcoin Group is also involved in the Bitcoin community as a sponsor to monthly industry events hosting industry leading across Bitcoin and Fintech space. Bitcoin Group also provides support and resources to operate education and awareness programs such as the weekly Bitcoin for Beginners workshop and Bitcoin Buskers project to help build awareness and understanding of those interested in Bitcoin and its underlying Block Chain technology.

Bitcoin Group has entered into several strategic cooperation agreements with well-known industry leaders outside Australia such as BTC China (Digital Currency Exchange), F2Pool (Mining Pool Provider), and BitMain (Mining Equipment Manufacturer).

5.6.5 Expertise of the Directors

Bitcoin Group's CEO Mr Samuel Lee, was a speaker at the G20 Digital Currency Summit in Brisbane and Inside Bitcoins Conference in Melbourne. Bitcoin Group's CSO Mr Ryan Xu, voted most influential writer / commentator of the year in the Chinese Bitcoin industry for 2014, Mr Xu is known as a reputable industry leader within the Chinese Bitcoin community.

5.6.6 Industry consultants

Bitcoin Group was invited to submit and did submit recommendations to the Australian Governments Senate Economics Reference Committee to develop an effective regulatory system for Digital Currency, discuss the potential impact of Digital Currency technology on the Australian economy and how Australia can take advantage of Digital Currency technology.

BITCOIN GROUP

Financial Information

Section 6

6. Financial Information

6.1 Introduction

This section contains a summary of the Historical and Pro Forma Financial Information prepared by the Directors of Bitcoin Group.

The **Financial Information** includes:

- the Historical Consolidated Statement of profit or loss and Other Comprehensive Income for the period ended 30 June 2015 (Profit or Loss); and
- the Pro Forma Consolidated Historical Balance Sheet as at 30 June 2015 (Pro Forma Balance Sheet).

Also summarised in Section 6 is the basis of preparation and presentation of the Financial Information (Section 6.2).

All amounts disclosed in the tables are presented in Australian dollars, unless otherwise noted and have been rounded to the nearest $1,000.

ShineWing Australia has reviewed the Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report.

6.2 Basis of preparation and presentation of the Financial Information

6.2.1 Overview

The Directors of Bitcoin Group are responsible for the preparation of the Financial Information.

The Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

The Financial Information is presented in this Prospectus in an abbreviated form, as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

The Financial Information should be read in conjunction the risk factors set out in Section 5 and other information in this Prospectus.

Bitcoin Group's accounting policies are set out in Section 6.6. Bitcoin Group will generate revenue from mining Bitcoins. Costs associated with Mining activity such as occupancy, service fees, pool fees and some salary costs and the acquisition of Mining Equipment are likely to be settled by Bitcoin Group exchanging Bitcoins for the goods or services received wherever possible.

6.2.2 Preparation of the Financial Information

The Pro Forma Balance Sheet has been prepared for the purpose of inclusion in this Prospectus and has been derived from the management accounts of Bitcoin Group at 30 June 2015 with Pro Forma adjustments being made to reflect the Company's capital structure that will be in place following completion of the Offer. Bitcoin Group was incorporated on 4 September 2014.

Investors should note that past results are not a guarantee of future performance.

6.3 Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income For the period ended 30 June 2015	
	30 June 2015 AUD $,000
Revenue	
Revenue from Bitcoins Mined	1,737
Total Revenue	1,737
Bitcoin Mining Costs	
Service Fees	620
Occupancy Costs	397
Mining Pool Fees	26
Depreciation	263
Total Bitcoin Mining Costs	1,306
Gross Profit	431
Other Expenditures	
Advertising costs	63
Employment expenses	115
Rental expense	94
Travel and Accommodation	17
Other Expenses	127
Profit before Income Tax	15
Income Tax Expense	(5)
Net profit after tax	10
Fair value gain/(loss) on Bitcoins, net of tax	59
Total comprehensive income	69

6.3.1 Revenue

Bitcoin Group generates revenue by providing computer processing activities (Hash Power) for bitcoin generation and transaction processing services to a pool operator that aggregates Bitcoin group's Hash Power with other providers and provides this Hash Power to the public ledger system known as the Bitcoin Blockchain. The Bitcoin pool balances the Bitcoin generation between participants to ensure the generation of Bitcoins are evenly distributed between pool participants. Bitcoin Group receives consideration for providing such Bitcoin mining activities in the form of Bitcoins, less a 2.5% commission.

Bitcoins received from mining activities are recognised as revenue at fair value on the day of receipt in a private wallet controlled by Bitcoin Group.

6.3.2 Bitcoin Mining costs

(a) **Occupancy costs** are costs incurred in housing and running Mining Equipment owned by Bitcoin Group and includes: utilities, internet connectivity, support services and rent.

(b) **Mining Pool fees** represent the fees paid to the Bitcoin Mining Pools that the Bitcoin Group has joined.

(c) **Depreciation and amortisation expenses** consist primarily of depreciation of specialised Mining Equipment for Bitcoin Mining, also sundries including fixtures and fittings, computer equipment, software and leasehold improvements are also included.

(d) **Service fees** are costs paid to companies that provide Bitcoin Group with a contracted level of Hash Power without the need to acquire the Mining Equipment.

(e) **Employment expenses** consist of base salaries, share based payments, bonuses, and other employee-related costs.

(f) **Other operating expenses** consist of insurance costs, communication costs, non-salary technology costs and compliance costs.

6.4 Consolidated Historical & Pro Forma Statement of Financial Position

The table below sets out the Pro Forma Balance Sheet for Bitcoin Group as at 30 June 2015 including the impact of the operating and capital structure that will be in place following Completion of the Offer as if it had occurred or were in place as at 30 June 2015.

Management discussion on the Historical Balance Sheet is included in Section 6.5. The Pro Forma transactions and events are summarised in Section 6.5.1.

	Historical Balance Sheet as at 30 June 2015 AUD $,000	Pro-forma Transactions AUD $,000	Pro-forma Balance Sheet as at 30 June 2015 AUD $,000
Assets			
Current Assets			
Cash and cash equivalents	**235**	**19,227**	**19,462**
Trade and Other Receivables	**332**	**-**	**332**
Intangible assets	**368**	**-**	**368**
Other assets	**439**	**(373)**	**66**
Total Current Assets	**1,374**	**18,854**	**20,228**
Non-Current Assets			
Property, plant and equipment	**1,699**	**-**	**1,699**
Deferred tax assets	**-**	**585**	**585**
Other assets	**88**	**-**	**88**
Total Non-Current Assets	**1,787**	**585**	**2,372**
Total Assets	**3,161**	**19,439**	**22,600**
Liabilities			
Current Liabilities			
Trade and other payables	**180**	**-**	**180**
Loans	**225**	**(225)**	**-**
Other Liabilities	**64**	**-**	**64**
Total Current Liabilities	**469**	**(225)**	**244**
Non-Current Liabilities			
Other Liabilities	**43**	**-**	**43**
Total Non-Current Liabilities	**43**	**-**	**43**
Total Liabilities	**512**	**(225)**	**287**
Net Assets	**2,649**	**19,664**	**22,313**
Equity			
Issued capital	**2,580**	**21,030**	**23,610**
Less: Offer costs	**-**	**(1,016)**	**(1,016)**
Reserves	**59**	**-**	**59**
Accumulated Profit/(Losses)	**10**	**(350)**	**(340)**
Total Equity	**2,649**	**19,664**	**22,313**

6.5 Historical Balance Sheet

The Historical Balance Sheet reflects the start-up nature of the Bitcoin Group at 30 June 2015.

Since incorporation, Bitcoin Group has raised $2.58 million from issuing Shares. The funds have been expended on acquiring and installing Mining Equipment, acquiring other fixed assets, Mining costs and other administration and establishment costs.

6.5.1 Pro Forma adjustments made to derive the Pro Forma Balance Sheet

The Pro Forma adjustments made to derive the Pro Forma Balance Sheet as at 30 June 2015 are as follows:

(a) gross Offer proceeds of $20 million and $1.03 million relating to capital that has been raised currently in escrow, reflecting the issue of 100 million shares at a price of $0.20, and 64.87 million shares at a weighted average price of $0.0556 being recognised within cash and issued capital;

(b) the offer is expected to cost $1,449,000, up to 30 June 2015 $372,000 of these costs have already been incurred and recognised as an asset on the expectation that the offer will complete in the near future. This asset, the additional costs of $1,078,000 and associated deferred tax of $435,000 have been directly offset against raised capital. Issue costs are inclusive of non-recoverable GST. The deferred tax asset has been recognised as a non-current asset;

(c) liabilities of Bitcoin Group of $225,000 associated with Directors loans are expected to be paid out of the proceeds of the Offer; and

(d) the Listing Bonus payable to the employees and Executive Directors of Bitcoin of $350,000 including deferred tax benefit has been recognised through retained earnings as this cost is expected to be an expense when incurred on the successful listing of Bitcoin Group.

The Pro Forma Balance Sheet is provided for illustrative purposes and is not represented as being necessarily indicative of Bitcoin Group's future financial position.

6.6 Significant accounting policies

A summary of significant accounting policies which have been adopted in the preparation of the Financial Information set out in Sections 6.3 and 6.4 and which will be adopted and applied in preparation of the financial statements of Bitcoin Group for the year ended 30 June 2015 and subsequent years is set out below.

6.6.1 Basis of preparation of accounts

Compliance with Australian Accounting Standards ensures that the Financial Information complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, the Financial Information has also been prepared in accordance with and complies with IFRS as issued by the IASB.

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

6.6.2 Principles of consolidation

The consolidated Financial Information incorporates the assets, liabilities and results of entities controlled by Bitcoin Group at the end of the reporting period. A controlled entity is any entity over which Bitcoin Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

In preparing the consolidated Financial Information, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation.

6.6.3 Bitcoins

Bitcoins are indefinite life intangible assets initially recognised at cost.

Bitcoins are subsequently measured at fair value by reference to the quoted price in an active Bitcoin market.

Increases in the carrying amount of Bitcoins on revaluation are credited to a revaluation surplus in equity. Decreases that offset previous increases are recognised against the revaluation surplus in equity; all other decreases are recognised in profit and loss.

On disposal of Bitcoins, the cumulative revaluation surplus associated with those Bitcoins is transferred directly to retained earnings.

6.6.4 Financial Instruments

Financial assets and financial liabilities are recognised when Bitcoin Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

6.6.5 Income tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Any realised gains or losses that Bitcoin Group derives from the transfer of Bitcoins to a third party are included in assessable income. Any expenses incurred in respect to Mining activity are allowed as a deduction.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the Balance Sheet date.

Deferred tax is accounted for using the Balance Sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

6.6.6 Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(a) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

(b) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to Bitcoin Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

6.6.7 Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Bitcoin Group are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Bitcoin Group will obtain ownership of the asset or over the term of the lease

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight - line basis over the lease term.

6.6.8 Foreign currency transactions and balances

The financial statements are presented in Australian dollars. Foreign currency transactions are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by Bitcoin Group that are outstanding at the reporting date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

6.6.9 Employee benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year are measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

6.6.10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Balance Sheet.

6.6.11 Revenue

Revenue from Bitcoin mining is recognised at fair value on the date Bitcoins are received.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

6.6.12 Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

6.6.13 Equity transaction costs

Transaction costs arising on the issue of equity are recognised directly as a reduction of the proceeds of equity instruments to which the costs relate.

BITCOIN GROUP

Investigative Accountants Report

Section 7

7. Investigating Accountant's Report

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

4 September 2015

The Due Diligence Committee
Bitcoin Group Limited
Level 1, 89-91 City Rd
Southbank VIC 3006

Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT ON THE REVIEW OF HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

Introduction

This report has been prepared at the request of the Due Diligence Committee to report on Historical and Pro Forma Financial Information including the Income Statement for the period ended 30 June 2015 and Balance Sheet as at 30 June 2015 of Bitcoin Group Limited (**Bitcoin Group**) for inclusion in Section 6 of the Replacement Prospectus to be dated on or around 4 September 2015. The Replacement Prospectus has been prepared by Bitcoin Group in relation to a proposed $20 million Offer.

Expressions and terms defined in the public document have the same meaning in this report. The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the *Corporations Act 2001*. ShineWing Australia Corporate Finance Pty Ltd holds the appropriate licence under the *Corporations Act 2001.*

Scope

You have requested ShineWing Australia Corporate Finance Pty Ltd (**ShineWing**) to review the following historical financial information of Bitcoin Group included in Section 6 of the Replacement Prospectus:

- Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2015;
- Historical and Pro Forma Balance Sheet as at 30 June 2015;

collectively referred to as the **Historical Financial Information**.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

The Pro Forma Balance Sheet has been derived from historical financial information, after adjusting for the effects of Pro Forma adjustments described in the Replacement Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the Pro Forma adjustments relate, as described in the Replacement Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Balance Sheet. Due to its nature, the Pro Forma Balance Sheet does not represent Bitcoin Group's actual or prospective financial position.

ShineWing Australia Corporate Finance Pty Ltd ABN 13 068 744 114. An authorised representative of ShineWing Australia Wealth Pty Ltd ABN 34 006 341 386. Australian Financial Services Licence 236556. An independent member of ShineWing International Limited – members in principal cities throughout the world.

Bitcoin Group was incorporated on 4 September 2014 and commenced operations on 30 January 2015 and has not prepared financial reports or been audited in accordance with the Australian Auditing Standards.

The Historical Financial Information incorporates the bitcoin mining activities and associated costs incurred by Bitcoin Group for the period from incorporation to 30 June 2015.

The Financial Information is presented in the Replacement Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors of Bitcoin Group's responsibility

The directors of the Bitcoin Group are responsible for the preparation of:

- the Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information;
- the Historical and Pro Forma Balance Sheet as at 30 June 2015, including the selection and determination of Pro Forma adjustments made to the historical financial information and included in the Pro Forma Balance Sheet; and
- the Replacement Prospectus.

This includes responsibility for such internal control as the directors of Bitcoin Group determine are necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Auditing Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Income Statement, Historical and Pro Forma Balance Sheet are not presented fairly in all material respects, in accordance with the stated basis of preparation described in Section 6 of the Replacement Prospectus.

Consent

ShineWing has consented to the inclusion of this Investigating Accountant's Report in the Replacement Prospectus in the form and context in which it is included, but has not authorised the issue of the Replacement Prospectus. Accordingly, ShineWing makes no representations regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Replacement Prospectus.

Independence

ShineWing does not have any interest in the outcome of this Offer other than in the preparation of the Investigating Accountant's Reports for which normal professional fees will be received.

General Advice Warning

This report has been prepared, and included in the Replacement Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

Rami Eltchelebi
Director
ShineWing Australia
Corporate Finance Pty Ltd

ShineWing AUSTRALIA

Financial Services Guide

1. ShineWing Australia Corporate Finance Pty Ltd ('ShineWing')

ShineWing has been engaged by Bitcoin Group Limited (the "Company") to issue an Investigating Accountant's Report for inclusion in the Replacement Prospectus dated on or about 4 September 2015.

ShineWing is an authorised representative of ShineWing Australia Wealth Pty Ltd, the holder of our Australian Financial Services Licence.

2. Financial Services Guide

We are required to issue to you, as a retail client, a Financial Service Guide ("FSG"). The FSG is designed to assist clients in their use of the general financial advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG contains information about:

- ShineWing Australia Wealth Pty Ltd generally;
- the financial services we are licensed to provide;
- remuneration that we may receive in connection with the preparation of the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them

3. Financial services we are licensed to provide

The Australian Financial Services Licence that we hold authorises us to provide financial product advice in relation to a broad range of services, including providing financial product advice in relation to various financial products such as interests in managed investments, securities, superannuation products, insurance products, life products, managed investment schemes, government debentures, life products, stocks or bonds, and deposit products.

4. General financial product advice

The report contains only general financial product advice as it was prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general financial advice having regard to your own objectives, financial situation and needs before you act on this advice. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commission and other benefits we may receive

ShineWing charges fees for providing reports. These fees are agreed with, and paid by, the entity who engages us to provide the report.

Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us.

Except for the fees referred to above, neither ShineWing, nor any of its directors, authorised representatives, employees or related entities, received any pecuniary benefit, directly or indirectly, for or in connection with the provision of the report.

6. Associations and relationships

The ShineWing Australia Group of companies, including ShineWing Australia Corporate Finance Pty Ltd is a member firm of ShineWing International Limited, consisting of independent member firms and correspondents.

ShineWing and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products in the ordinary course of its business.

7. Complaints

The law requires ShineWing to have arrangements in place to compensate certain persons for the loss or damage they suffer from certain breaches of the Corporations Act by its representatives. ShineWing Australia Wealth Pty Ltd has internal compensation arrangements, as well as professional indemnity insurance that satisfy these requirements.

Internal complaints resolution: If you have concerns with the advice provided, please contact your adviser. If your concerns are not addressed in a timely manner, please send your complaint in writing to The General Manager, ShineWing Australia Pty Ltd, 10/530 Collins St, Melbourne, VIC 3000.

External dispute resolution: If your complaint remains unresolved to your satisfaction, you have the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company established to provide advice in relation to the financial services industry.

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Toll free: 1300 780 808
www.fos.org.au

ShineWing Australia Corporate Finance Pty Ltd, an authorised representative of ShineWing Australia Wealth Pty Ltd (ABN 34 006 341 386)
AFSL 236556

10/530 Collins Street
Melbourne, VIC 3000
Australia

T: +61 3 86351800

F: +61 3 81023400
www.shinewing.com.au

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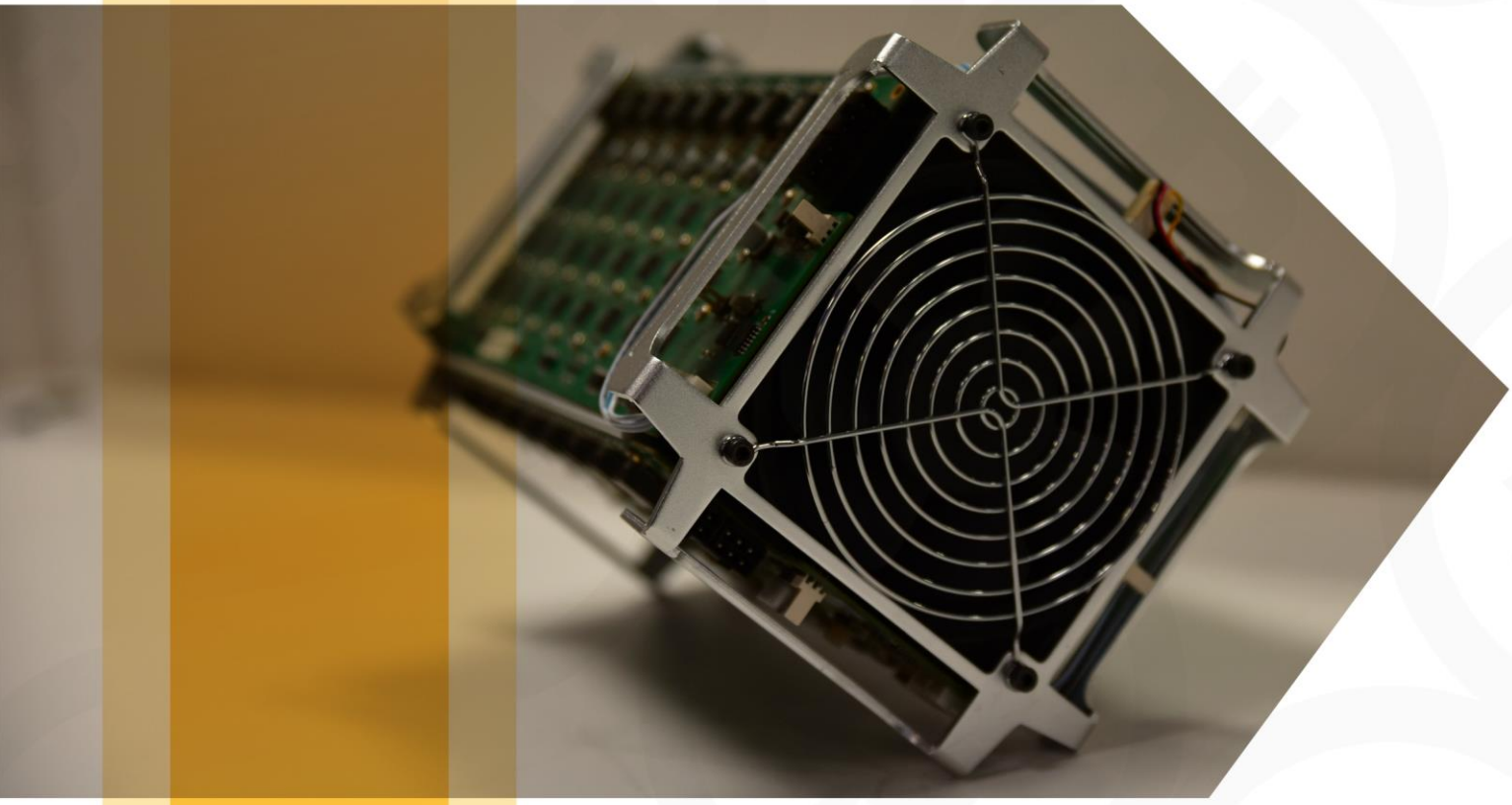
BITCOIN GROUP



Directors, Key Managers Corporate Governance

Section 8

8. Directors, Key Managers & Corporate Governance

The Board and management team have been selected for their extensive relevant experience and expertise. The Directors bring to the Board a variety of skills and experience, including industry and business knowledge, financial management, accounting, legal, operational and corporate governance experience.

Following the acquisition of Bitcoin Mining Pty Ltd, Samuel Lee was appointed as Managing Director of Bitcoin Group. Sam Lee, Ryan Xu and Allan Guo with the support of other members of the Board, undertook a review of the management team structure and as a result of this review, two new members of senior management were appointed to complement the existing executive team. The Bitcoin Group senior management team now includes Jacob Cheng and Jin Chen who bring extensive industry experience and leadership. The management team has been instrumental in establishing Bitcoin Group as a Miner.

(L-R) Chief Financial Officer Allan Guo, Systems Manager Jin Chen, Chief Strategy Officer Ryan Xu, Operations Manager Jacob Cheng and Chief Executive Officer Samuel Lee

8.1 Board of Directors & Senior Managers

8.1.1 Executive Directors

(a) Mr Samuel Lee (Chief Executive Officer)

Mr Lee is a co-founder of Bitcoin Group and has a background as a Strategy Director in the financial services outside Australia and digital media industry. Mr Lee has performed the role of an IT Enterprise strategy consultant, specialising in project planning and execution, servicing companies such as Renault, Heinz, Total S.A and Cricket Australia. Mr Lee is one of the founding organisers of the Melbourne Bitcoin Meetup[20]. He has worked with the community to realise initiatives such as the

[20] An Organiser (http://www.meetup.com/BitcoinMelbourne/members/?op=leaders) of the Melbourne Bitcoin Meetup (http://www.meetup.com/BitcoinMelbourne)

Melbourne Bitcoin Technology Center[21], Bitcoin Boulevard Australia[22] and Bitcoin Buskers[23].

With the clear goal of creating an accountable, legitimate and transparent investment vehicle, to bring Bitcoin into the mainstream, Mr Lee's first involvement with Bitcoin, is as a Director of Millennius Pty Ltd, implementing a Bitcoin payment gateway as a website checkout option in June 2013 to become Australia's first e-tailer to accept Bitcoin. After which, he co-founded Bitcoins Reserve, a BVI entity with office in Hong Kong which operates the world's first arbitrage fund specialising in the cryptocurrency asset class.

Mr Lee is responsible for the overall management of Bitcoin Group. His role in Bitcoin Group will comprise of leading and overseeing the implementation of Bitcoin Group's long and short term plans in accordance with Bitcoin Group's Operations Strategy, human resources management, risk management and overall communication management.

(b) Mr Ryan Xu (**Chief** Strategy Officer)

Mr Xu is a co-founder of Bitcoin Group with a background in engineering and has extensive experience working as an Engineer operating Power Plants under management of Hainan Nuclear Power Co. Ltd a subsidiary of state owned enterprise China Nuclear, . Mr Xu has developed specialised knowledge of electricity consumption and Chinese the electricity grid which will be key to understanding the electrical requirements of deploying Mining facilities in selected locations. Voted most influential writer / commentator of the year in the Chinese Bitcoin industry for 2014 by member of the Chinese Bitcoin community that are registered on the 8BTC Bitcoin News Portal[24], Mr Xu graduated from Shanghai Jiao Tong University with a Bachelors of Electrical Engineering.

Mr Xu's role in Bitcoin Group is to set out and implement Bitcoin Group's Operations Strategy for medium and long-term growth. He is in charge of developing partnerships with institutional leaders, special committees and consultants for the execution of Bitcoin Group's key initiatives. Mr Xu is also responsible for the development of the employees within Bitcoin Group and acts as an internal strategy consultant to Bitcoin Group.

(c) Mr Allan Guo (Chief Financial Officer)

Mr Guo is a co-founder of Bitcoin Group and brings his banking, accounting and compliance background to Bitcoin Group. Prior to joining Bitcoin Group, Mr Guo held the role of GST and Tax Accountant at NAB, in this role, Mr Guo reviewed and reconciled accounts of superannuation funds valued at over 2 billion Australian Dollars. Acting as Director of Peak Property Development Pty Ltd, Peak AG Real Estate Pty Ltd and Peak international Pty Ltd, Mr Guo has holds a real estate

[21] http://bitcoincenter.co

[22] http://www.coindesk.com/melbourne-celebrates-chinese-new-year-with-bitcoin-giveaway/

[23] http://www.bitcoinbuskers.com

[24] http://www.8btc.com/2014-top-10

licence and has been involved in a number of property developments in Australia and abroad. Mr Guo graduated from Adelaide University with a Bachelors of Commerce.

Mr Guo will manage the financial affairs and business development of Bitcoin Group, as well as advise Bitcoin Group on contractual financial implication to ensure that the operating budget is complied with. Mr Guo will also oversee the payroll activity and the banking activities of Bitcoin Group.

8.1.2 Senior management team

(a) Mr Jacob Cheng (Senior Operations Manager)

Mr Cheng brings more than 12 years of experience in client facing production planning and capacity management across numerous leading Semiconductor Foundries. The foundation of his extensive experience begins with managing capacity allocation and collaborating with engineers to fabricate ASIC chips for IBM and Samsung at Semiconductor Manufacturing International Corporation (SMIC) (NYSE: SMI) (SEHK: 0981) which operates the largest and most advanced semiconductor foundry in mainland China. Mr Cheng subsequently took up the role of Senior Production Planning Engineer of German based X-Fab, specialising in end to end production planning for clients such as BMW and Mercedes. Most recently Mr Cheng acted as the Principle Industrial Engineer overseeing the expansion of the Kuching (Malaysia) foundry of SunEdison (NYSE:SUNE), the leading American Solar Silicon Wafer Manufacturer where he reported directly to the CEO of Asia Pacific on rollout progress and utilisation. His experience brings strong Logistics and Project management background, which can benefit Bitcoin Group's Mining operations by effectively coordinating the transportation, deployment and upkeep of the increasing Mining capacity under the company's management.

Mr Cheng focuses on supply chain management and product lifecycle management of Mining Equipment and Mining facilities. Mr Cheng assists the management in the planning of the budget and the implementation of operational management.

Mr Cheng graduated from Wuhan University with a Bachelor of Engineering, and also studies APICS CSCP (Current).

(b) Mr Jin Chen (Senior Systems Manager)

Mr Chen is a senior developer with 13 years of programming experience. His extensive understanding of security and risk management methodologies for managing cryptocurrencies such as Bitcoin is built on solid and practical software architecture experience. Highly versed in agile project management methodology, he is able to effectively manage technical teams to deliver within scope projects that are both uptime critical and containing high value data from clients such as IMA-MT and Digiway. His extensive experience in software development translated to his most recent tenure as Lead Platform Architect, managing the full development lifecycle involving systematic updates, upgrades and integrations to the online presences of Ray White (Australia's Largest and Leading Real Estate Agency). His achievements include implementing global libraries and API's to enable efficient knowledge sharing and collaboration across the technical teams of the Company.

Mr Chen will have responsibility for the management of the IT development and the security needs of Bitcoin Group, including the scoping, resourcing and technical project management of software

developers, followed by internal penetration testing and subsequent implementation of security strategies manage IT risks.

Mr Chen graduated from Beijing University of Posts and Telecommunications with a Bachelors of Information Engineering and subsequently graduated from Shanghai Jiao Tong University with a Masters of Information Security.

8.1.3 Non Executive Directors

(a) Mr Andrew Plympton (Independent Director, Chairman of the Board)

Mr Plympton has served as Chief Executive Officer and Chairman for the Asia Pacific operations of two global insurance broking firms' operations. In addition, Mr Plympton has served as Chairman of a specialist aviation underwriting company and Chairman of Macdonald's family restaurants' captive insurance operations. Three years ago, Mr Plympton was appointed to the Australian Advisory Board of the world's largest broking and consulting company, AON Group.

In the ASX-listed companies' sector, Mr Plympton currently serves as Chairman of Shoply Limited (ASX:SPP) and Entellect Limited (ASX:ESN). In addition, Andrew is a Director of Energy Mad Limited (NZX:MAD), a company listed on the New Zealand Stock Exchange.

In addition to being on numerous boards of both ASX-listed and unlisted companies, Mr Plympton's background and achievements in sport and sport administration is well documented.

(b) Mr Harry Wang (Independent Director)

Mr Wang founded 'Anying' foreign exchange and money remittance business in 2003 in Melbourne, and under Mr Wang's leadership, Anying has recorded impressive year-on-year growth in the last 12 years, and is now ranked the 3rd largest money remittance business in Australia, behind OzForex and Western Union. Mr Wang's decade long hands-on experience in the remittance space will be invaluable to help the Bitcoin Group leverage the Block Chain technology for remittances, bringing with him knowledge in key areas such as anti-Money laundering/counter-terrorism financing, non-cash payment, foreign exchange market and online payment platform.

(c) Mr Xiangdong Gao (Independent Director)

Mr Gao has over 30 years of experience in the construction industry, and currently serves as the Chairman of Dalian Qifei Fire Mechanical and Electrical Engineering Co, Ltd since its founding in 2000. He is also a non-executive Director of Dalian Dongxing Trading Company since 2009. His tenure has seen both these businesses grow from strength to strength through successful dealings with numerous state regulatory departments.

8.2 Director's interests and remuneration

Bitcoin Group has entered into employment agreements with its Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer. The following are summarised and are included for the information of potential investors. However these summaries do not purport to be complete and are qualified by the text of the contracts themselves.

8.2.1 Executive Directors

Bitcoin Group has entered into employment agreements with each of the Executive Directors.

(a) Mr Samuel Lee

Under an executive employment agreement entered into between Mr Lee and Bitcoin Group, Mr Lee is appointed as the Chief Executive Officer with effect from 25 June 2015.

Mr Lee's engagement is for a minimum term of 2 years, subject to the rights of the Shareholders to remove a director. In the event Mr Lee's employment is terminated, Mr Lee is restricted from engaging in any similar activities and/or soliciting any of Bitcoin Group's clientele, employees, agents or contractors for a period of one (1) year.

Mr Lee's salary will be $250,000.00 per annum plus superannuation, the cost of salary sacrificed items and the associated fringe benefits tax. Bitcoin Group may reimburse Mr Lee for reasonable out-of-pocket expenses he incurs on Bitcoin Group's business.

Mr Lee will also be eligible to participate in the Bonus Plans, Performance Rights Entitlement and the ESOP as disclosed in this Prospectus. Please see section 8.4 for more information in relation to employee incentive arrangements.

(b) Mr Ryan Xu

Under an executive employment agreement entered into between Mr Xu and Bitcoin Group, Mr Xu is appointed as the Chief Strategy Officer with effect from 25 June 2015.

Mr Xu's engagement is for a minimum term of 2 years, subject to the rights of the Shareholders to remove a director. In the event Mr Xu's employment is terminated, Mr Xu is restricted from engaging in any similar activities and/or soliciting any of Bitcoin Group's clientele, employees, agents or contractors for a period of one (1) year.

Mr Xu's salary will be $250,000.00 per annum plus superannuation, the cost of salary sacrificed items and the associated fringe benefits tax. Bitcoin Group may reimburse Mr Xu for reasonable out-of-pocket expenses he incurs on Bitcoin Group's business.

Mr Xu will also be eligible to participate in the Bonus Plans, Performance Rights Entitlement and the ESOP as disclosed in this Prospectus. Please see section 8.4 for more information in relation to employee incentive arrangements.

(c) Mr Allan Guo

Under an Executive Employment Agreement entered into between Mr Guo and Bitcoin Group, Mr Guo is appointed as the Chief Financial Officer with effect from 25 June 2015.

Mr Guo's engagement is for a minimum term of 2 years, subject to the rights of the Shareholders to remove a director. In the event Mr Guo's employment is terminated, Mr Guo is restricted from engaging in any similar activities and/or soliciting any of Bitcoin Group's clientele, employees, agents or contractors for a period of one (1) year.

Mr Guo salary will be $250,000.00 per annum plus superannuation, the cost of salary sacrificed items and the associated fringe benefits tax. Bitcoin Group may reimburse Mr Guo for reasonable out-of-pocket expenses he incurs on Bitcoin Group's business.

Mr Guo will also be eligible to participate in the Bonus Plans, Performance Rights Entitlement and the ESOP as disclosed in this Prospectus. Please see section 8.4 for more information in relation to employee incentive arrangements.

8.2.2 Non-Executive Directors

Under the Constitution, the Board determines the total amount of remuneration payable to the Directors. It is a requirement of the ASX Listing Rules that the amount payable to non-executive directors must not exceed the total amount fixed for a financial year in a general meeting. The total amount agreed to be paid from the date of listing is $114,000.00 payable to:

(a) Mr Andrew Plympton - $54,000.00

(b) Mr Harry Wang - $30,000.00

(c) Mr Xiangdong Gao - $30,000.00

Directors are also entitled to be reimbursed for travel and other expenses properly incurred the course of Bitcoin Group's business.

The Non-Executive Directors are required to ensure that Bitcoin Group has adequate corporate governance policies and monitor the compliance with the policies, attend Board meetings and ensure that the Board meets regularly.

The Non-Executive Directors must act in good faith towards Bitcoin Group and act in the best interest of Bitcoin Group and its associated entities.

8.2.3 CFO and Company Secretary

Mr Guo is engaged as the Chief Financial Officer of Bitcoin Group pursuant to terms and conditions summarised in Section 9.2.1(c) and will also perform the role of Company Secretary.

8.2.4 Other key management personnel

Each of Bitcoin Group's senior management team is employed under individual executive services agreements which establish:

- total compensation including a base salary and participation in ESOP and Bonus Plans;
- variable notice and termination provisions;
- confidentiality provisions;
- leave entitlements; and
- restraint provisions, in the case of certain employees.

8.3 Deed of indemnity and access

Bitcoin Group has entered into deeds of access, indemnity and insurance **(D&O Deeds),** with all of its Directors which provides right of access to certain books and records of Bitcoin Group. The Directors may access these books and records of Bitcoin Group for the purpose of exercising powers as an officer of Bitcoin Group and for the purpose of defending claims brought against the Directors.

The D&O Deeds indemnify the Directors against all liabilities incurred in their capacities as Directors to the maximum extent permitted by law. The Directors' indemnity under the D&O Deeds is a continuing indemnity which shall persist even if the Directors are not officers of Bitcoin Group at the time of the claim or at the time when the action accrued or the liability was incurred before the D&O Deeds was entered into. This indemnity is limited by the Corporations Act which sets out certain conditions that Bitcoin Group is prohibited from indemnifying the Directors against.

Under the D&O Deeds, Bitcoin Group shall ensure that the Directors are covered under an officer's liability insurance policy during the Director's term of office and for 7 years after the Director ceases from being an officer of the Bitcoin Group. Bitcoin Group shall pay the premiums in respect of the policy on behalf of the Directors.

8.4 Employee incentive arrangements

8.4.1 Listing Bonus

In the event of a successful listing on the ASX, the employees and Executive Directors of Bitcoin Group may be eligible to receive a one-off cash bonus in recognition of their efforts in assisting with achieving the listing of Bitcoin Group (**Listing Bonus**). The Listing Bonus is the lesser of 5% of capital raised and $500,000.00.

The amount paid to each individual will be at the discretion of the Remuneration Committee with recommendations by the Board. The maximum amount payable to an individual is $150,000.00. The Listing Bonus will be paid within 60 days of admission to the Official List.

8.4.2 Bonus Pool

Bitcoin Group intends to allocate 20% of the company's consolidated group NPAT for each financial year **(Bonus Pool)** to be allocated to the Remuneration Committee for distribution to employees including Executive Directors based on a minimum NPAT of $10,000,000.00 **(NPAT Goal)**. The payment of the Bonus Pool is based on the following pre-determined scale:

(a) achieves 50% or greater of the NPAT Goal, 100% of the Bonus Pool;

(b) achieves 40% to 49.9% of the NPAT Goal, 80% of the Bonus Pool;

(c) achieves 30% to 39.9% of the NPAT Goal, 60% of the Bonus Pool;

(d) achieves 20% to 29.9% of the NPAT Goal, 40% of the Bonus Pool;

(e) achieves 10% to 19.9% of the NPAT Goal, 20% of the Bonus Pool, or

(f) achieves less than 10% of the NPAT Goal, no allocation.

No bonuses under the Bonus Pool will be declared for the financial year 2015/16.

8.4.3 Performance Rights Entitlement

In addition to the Bonus Plans, the Executive Directors are entitled to participate in Bitcoin Group's performance rights (**Performance Rights Entitlement**). Subject to Bitcoin Group being admitted to Official List, the Performance Rights Entitlement will be issued to each of the three Executive Directors granting to each of them, a one-off additional issue of 2,500,000 fully paid ordinary Shares (**Performance Shares**) totalling 7,500,000 fully paid ordinary Shares.

The Performance Rights will vest if Bitcoin Group's consolidated group NPAT for the period from 1 January 2015 to 30 June 2017 (all inclusive) is $10,000,000.00 or greater, the Performance Shares shall be issued to the Executive Directors for no consideration and will vest on 1 July 2017.

In the event of a takeover, a pro-rata amount of Performance Shares vested at time of a takeover will be allotted provided that their allotment does not result in more than 10% of the total Shares on issue in Bitcoin Group at the time.

All Performance Shares allotted and issued upon the vesting of Performance Rights will upon allotment and issue, rank pari passu in all respects with other Shares. The Performance Rights Entitlement are not transferable and do not confer the right to vote or receive dividends.

The Performance Rights do not issue unless the Bitcoin Group is admitted to the Official List.

8.4.4 Employee Shares and Options Plan (ESOP)

The following table summarises the ESOP adopted by Bitcoin Group:

Eligibility	Under the ESOP, Bitcoin Group is entitled to issue Shares and/or Options to qualifying employees which include Directors, employees and certain contractors of Bitcoin Group and its subsidiaries subject to such terms and restrictions as the Board determines.
Offers	Offers under the ESOP must be made in writing and identify any restrictions to which the person accepting such as invitation will be subject under the terms of the ESOP.
Exercise Period and Lapsing	Options are non-transferable. Unless otherwise determined by the Board, Options will only be exercisable into Shares 3 years from the date they are granted and will lapse 7 years from that date or on the date that a participant ceases to be a qualifying employee (unless special circumstances arise).
Issue Price	Will be determined by the Board at the time of issue. It is expected that Options will be issued for nil consideration. However the Board has the discretion to set or issue price for the Option.
Ranking	Shares issued pursuant to the ESOP will be issued fully paid and rank equally for dividend with other Shares on or after the date of allotment.
Disposal Restrictions	Shares or Options issued under the ESOP that are subject to restrictions on disposal cannot be dealt with in any way until the restrictions have expired. However, in the event of a takeover bid (including a scheme of arrangement) option holders will be entitled to exercise the options notwithstanding any exercise restrictions in place (provided the option has not lapsed).
Reconstruction and Reorganisation	In the event that there is a reorganisation of the Bitcoin Group capital by way of bonus issue or rights issue on reconstruction, the numbers of options or performance rights issued under the ESOP may be adjusted.

Maximum Issue	The Board must not issue any Share or Options under the ESOP if, immediately after the issue, the sum of: **(a)** the total number of Shares under the ESOP and any other employee incentive scheme which may be adopted by the Company, plus **(b)** the total number of unissued Shares over which Options, Performance Rights Entitlement or other options (which remain outstanding) have been granted under and any other employee incentive scheme, issued during the preceding three years would exceed 5% of the total number of Shares on issue at the time of the proposed issue.

8.5 Directors' and senior managers' shareholdings

8.5.1 Directors and senior manager's Shares

Name	Shares
Samuel Lee	100
Ryan Xu as beneficiary of a Unit Trust	3,750,000
Allan Guo as held by his Family Trust and Superannuation Fund	10,400,000
Xiangdong Gao as held by his Family Trust	6,250,000
Harry Wang via Fortune Capital	5,000,000
Jin Chen	1,000,000
Jacob Cheng	Nil

The above interests are 'relevant interests' as that term is defined in Section 608 of the Corporations Act which includes indirect interest in and the ability to control certain dealings with the Shares.

No options are currently on issue.

8.5.2 Total Shares on Completion of Offer

Name	At Prospectus Date		At Completion of Offer	
	Shares	%	Shares	%
Mr Samuel Lee	100	0.0002	100	0.0001
Mr Allan Guo*	10,400,000	16.03	10,400,000	6.31
Mr Ryan Xu**	3,750,000	5.78	3,750,000	2.27
Mars Capital Australia Pty Ltd***	7,500,000	11.56	7,500,000	4.55
Non-Executive Directors Senior Managers	7,250,000	11.18	7,250,000	4.40
Sophisticated Investor: AXF Group Pty Ltd	5,000,000	7.71	5,000,000	3.03
Sophisticated Investor: Fortune Capital Investments Pty Ltd	5,000,000	7.71	5,000,000	3.03
Sophisticated Investor: Ozstudy Group Pty Ltd	5,000,000	7.71	5,000,000	3.03
Other Existing Shareholders	20,970,830	32.33	20,970,830	12.72
New Shareholders Pursuant to Offer	-	-	100,000,000	60.65
TOTAL	64,870,930	100%	164,870,930	100%

*Mr Allan Guo holds his Shares directly and indirectly via:

- ACL Investment Australia Pty Ltd, the corporate trustee of the ACL Family Trust, of which Mr Guo is a class of beneficiary (see Section 10.5)
- ACL Investment Australia Pty Ltd, the corporate trustee of ACL Family Trust, which is a beneficiary of the Star Investment Unit Trust (See Section 10.5.4). Star Investment Australia Pty Ltd is the corporate trustee of Star Investment Unit Trust which directly holds 8,750,000 Shares, and
- the Allan Guo Family Super Fund which is his self-managed superannuation fund.

**Ryan Xu holds his Shares directly and indirectly via Mars Asset Management Pty Ltd, as the corporate trustee for Ryan Iris Family Trust, a beneficiary of the Star Investment Unit Trust. Star Investment Australia Pty Ltd is the corporate trustee of Star Investment Unit Trust which directly holds 8,750,000 Shares.

***Mars Capital Australia Pty Ltd holds shares as corporate trustee for the Mars Family Trust and is also a beneficiary of the Star Investment Unit Trust (See Section 10.5.4). Star Investment Australia Pty Ltd is the corporate trustee of Star Investment Unit Trust which directly holds 8,750,000 Shares.

8.6 Interests of advisers

Bitcoin Group has engaged the following professional advisers in relation to the Offer:

Lincolns Lawyers and Consultants and Foster Nicholson Jones Lawyers have acted as joint Australian Legal advisers (except in relation to taxation matters) in relation to the Offer. Bitcoin Group has paid or agreed to pay approximately $80,000.00 each to Lincolns Lawyers and Consultants and Foster Nicholson Jones Lawyers for the legal services up to the date of the Prospectus. Further fees may be charged in relation to matters which affect Bitcoin Group after the date of the Prospectus.

ShineWing Australia has acted as the Investigating Accountant on and has performed work in relation to the Financial Information and has performed work in relation to its Investigating Accountant's Report at section 7. Bitcoin Group has paid or has agreed to pay approximately $70,000.00 for these services up to the date of the Prospectus.

AFS Capital Securities Ltd has acted as Lead Manager to the Offer and is entitled to the fees described in section 10.4.6.

Other than as set out in the Prospectus, no Director or proposed Director of Bitcoin Group or any person performing a function in a professional, advisory or other capacity in connection with the preparation, distribution or promotion of this Prospectus or financial services licensee involved in the Offer has now or has had, within the 2 years before lodgement of this Prospectus with ASIC, any interest:

- in the formation or promotion of Bitcoin Group;
- any property acquired or proposed to be acquired by Bitcoin Group in connection with its formation or promotion or the Offer of the New Shares; or
- the Offer.

Other than as set out in this Prospectus, no amounts or benefits have been paid or agreed to be paid for services rendered by the person performing a function in a professional, advisory or other capacity, in connection with the preparation or distribution of this Prospectus or this Offer or to any Director or proposed Director to induce them to become or qualify as a Director.

8.7 Corporate governance

The Board has overall responsibility for the corporate governance of Bitcoin Group. The Board is responsible for monitoring Bitcoin Group's operations by developing and overseeing its business strategies, determining budgets and its financial position.

The Board's responsibilities are set out in Bitcoin Group's Board Charter summarised at Section 8.10 which has been prepared in accordance with the ASX Corporate Governance Principles and Recommendations (third edition) **(CGP)**.

Whilst the CGP are not compulsory, a company is required to advise the market whether it meets the CGP and if not, state why not. Bitcoin Group has disclosed their departures from the CGP in Section 8.8 below.

8.9 Departures from CGP

Departure from CGP Recommendations	Reason for Departure
Recommendation 2.1 The board of a listed entity should: **(a)** have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or **(b)** if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Due to the specialist nature of the Bitcoin Mining industry, small size and operation of Bitcoin Group and current structure and composition of the Board, Bitcoin Group has decided not to adopt a nomination committee at this stage. The Board is satisfied that a lack of a nomination committee at this time will not be detrimental to Bitcoin Group. The Board has indicated that it would look into establishing a nomination committee during the 2015/16 financial year.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	The Board considers that the composition of the Board without an independent director majority is adequate for Bitcoin Group's current size and operations, and includes an appropriate mix of skills and expertise, relevant to Bitcoin Group's business. The Board has formed the view that the individuals on the Board can, and do make quality judgments in the best interests of the Company on all relevant issues.
Recommendation 4.1 The board of a listed entity should: **(a)** have an audit committee which: 1. has at least three members, all of whom	Bitcoin Group has decided that it is within the interests of Bitcoin Group to have an equal representation of executive directors and independent directors on the Audit and Risk Committee. The members of the ARC are listed in Section 8.11(a).

Departure from CGP Recommendations	Reason for Departure
are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board, and disclose: 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or **(b)** if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	This is because the Board believes that due the specialist and new nature of the Bitcoin Mining industry, equal representation in the Audit and Risk Committee is necessary for the efficient operation of the Committee and discharge of its duties. The Board is satisfied that the composition of Bitcoin Group's Audit and Risk Committee is adequate at this time will not be detrimental to Bitcoin Group.
Recommendation 7.1 The board of a listed entity should: **(a)** have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the	Bitcoin Group has decided that it is within the interests of Bitcoin Group to have an equal representation of Executive Directors and Independent Directors on the Audit and Risk Committee. The members of the ARC are listed in Section 8.11(a). This is because the Board believes that due the specialist and new nature of the Bitcoin Mining industry, equal representation in the Audit and Risk Committee is necessary for the efficient operation of the Committee and discharge of its duties. The Board is satisfied that the composition of Bitcoin Group's Audit and Risk Committee is adequate at this time will not be detrimental to Bitcoin Group.

Departure from CGP Recommendations	Reason for Departure
individual attendances of the members at those meetings; or **(b)** if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	

8.10 Board charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including the following responsibilities:

- providing leadership and strategic guidance for Bitcoin Group
- reviewing and approving corporate strategies
- approving annual targets and financial statements and monitoring financial performance against forecast and prior periods
- approving operating budgets and capital expenditure
- determining dividend policy and the amount, nature and the timing of the dividends to be paid
- considering and approving the frameworks for managing risk and setting the risk appetite within which the Board expects management to operate at
- approving risk management strategies and monitoring the effectiveness of risks management by Bitcoin Group, including satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are in place and are being implemented in accordance with regulatory requirements
- overseeing the processes for identifying significant risks facing Bitcoin Group and that appropriate and adequate control, monitoring and reporting mechanisms are in place
- monitoring financial performance and overseeing the integrity of Bitcoin Group's accounting and corporate reporting systems, including any external audit
- maintaining an on-going dialogue with Bitcoin Group's auditors and where appropriate, principal regulators to provide reasonable assurance of compliance with all regulatory requirements
- reviewing and approving the Non-executive Directors' Board and committee fees
- selecting, appointing and determining terms of appointment of the Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer
- appointing and assessing the performance of the CEO and overseeing succession plans for the senior executive team
- approving Bitcoin Group's remuneration framework, other than Executive Director remuneration, and
- reporting to and communicating with the Shareholders.

The Board Charter sets out the roles and responsibilities of management and the Chairman. The Charter further sets out the conduct of Board meetings.

Under the Board Charter, there are also guidelines in which the Board has adopted to determine what would constitute Directors' independence.

8.11 Bitcoin Group committees

(a) Audit and Risk Committee

The Board has adopted an Audit and Risk Committee. The members of the Audit and Risk Committee are Mr Samuel Lee, Mr Allan Guo, Mr Andrew Plympton, and Mr Xiangdong Gao. The chairman of the Audit and Risk Committee is Mr Andrew Plympton.

The Audit and Risk Committee reports directly to the Board and has the responsibility to provide independent and objective audit, risk management and internal audit functions.

(b) Remuneration Committee

The Board has established a Remuneration Committee. The members of the Remuneration Committee are Mr Xiangdong Gao, Mr Andrew Plympton and Mr Allan Guo. The chairman of the Remuneration Committee is Mr Andrew Plympton.

The Remuneration Committee reports directly to the Board to determine the fair remuneration of the Directors and Employees and ensuring that incentives encourage the Directors and employees to pursue growth and success of Bitcoin Group.

8.12 Policies

The Board has adopted the following policies set out below.

8.12.1 Privacy policy

The Board has adopted a privacy policy that sets out guidelines in relation to the collection, protection and usage of personal information collected by Bitcoin Group. The policy sets out the ways in which Bitcoin Group collects personal information and specifies the type of personal information collected by Bitcoin Group. The policy also provides for situations in which Bitcoin Group may disclose personal information to third parties.

8.12.2 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Shares by employees. Bitcoin Group encourages their employees to deal in Shares subject to this policy. This policy covers Directors and, if applicable, senior level employees. The policy provides for recommended periods to avoid trading such as closed seasons declared by the Board and periods after release of Financial Information of Bitcoin Group which are not generally available.

8.12.3 Diversity policy

The Board has adopted a diversity policy providing a framework for diversity in the workplace and in its culture. The policy encourages inclusive practices and behaviours, eliminating artificial barriers for career progression, mentorship and accountability for the benefit of all staff. It also implements

objectives to balance the proportions of men and women in senior executive positions and across other levels of Bitcoin Group.

8.12.4 Code of conduct

The Board has adopted a code of business conduct detailing expectations and standards of behaviour and conduct in the workplace and with stakeholders outside Bitcoin Group. This policy aims to provide guidance and benchmarks for appropriate and ethical behaviour and sets requirements for compliance with other policies. The code is applicable to all Bitcoin Group staff and generally provides that all actions, representations and work must be done with standards of professionalism, integrity, ethics and compliance with the law. The code also provides a framework for confidentiality, public disclosure, intellectual property and proper use of Bitcoin Group assets. It also covers conflict of interest and how an employee is to disclose and deal with such conflicts.

8.12.5 Risk management

The Board has implemented a risk management policy to provide guidance on management of risks in relation to Bitcoin Group. It generally provides that the Board will provide oversight of risk management and that regular audits will be conducted to ensure that the Board is discharging its responsibilities adequately. It also provides that the CEO is responsible for implementation of all risk management policies in Bitcoin Group, assisted by Senior Managers and to be adhered by all employees.

The Risk Management policy also states that an Audit and Risk Committee is established to report directly to the Board and has responsibility to provide independent and objective audit, risk management and internal audit functions.

8.12.6 Shareholder communication

The Board has adopted a Shareholder communication policy endorsing all principles provided by the ASX in relation to Shareholder communication. The policy generally provides that all Shareholders will be provided ready access to balanced and understandable information about Bitcoin Group and also covers the posting of announcements on webpages, Shareholders' attendances at meetings and proxies.

8.12.7 Continuous disclosure

The Board has adopted a continuous disclosure policy in line with legislation and ASX Listing Rules. It stipulates a requirement to provide disclosure of all information in accordance with the ASX Listing Rules and the Corporations Act. This policy also endorses keeping Shareholders informed via electronic communication such as comprehensive and up to date information about Bitcoin Group and posting all relevant information on its website. Bitcoin Group's Secretary is responsible for the implementation of this policy.

The policy also covers media relations and the control of issuing media statements. No statement must be made without approval by the Board in the head office in Melbourne. Employees are encouraged to refrain from making public comment, replying to public comment and disclosing information which is not in the public domain unless specifically delegated by the Board to do so.

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BITCOIN GROUP

Details of The Offer

Section 9

9. Details of the Offer

9.1 What is the offer?

This Prospectus relates to the initial public offering of up to 100,000,000 New Shares in Bitcoin Group at an offer price of $0.20 per New Share. The total amount to be raised under this Prospectus is $20,000,000 (on a fully subscribed basis) before payment of fundraising expenses.

The rights and liabilities attached to the New Shares are set out in section 9.13. All New Shares will rank equally with each other and with Existing Shares in respect to dividend and voting rights and be quoted on the ASX. Completion of the Offer is subject to the ASX approving the application for listing on the ASX.

9.2 The offer period

The Offer opens on 4 September 2015 and will close on 30 October 2015. The Directors reserve the right to extend the Closing Date subject to notification to ASIC and ASX.

No New Shares will be issued under this Prospectus later than 13 months from the date of this Prospectus.

9.3 What is the purpose of the offer

The purpose of the Offer is to raise funds to:

(a) meet the costs of maintaining the current BCM Operations;

(b) provide working capital to expand the BCM Operations by meeting the costs of purchasing more Mining Equipment;

(c) meet the significant on-going electricity costs of maintaining Hash Power (high electricity demands);

(d) as working capital;

(e) repaying the Directors' Loans (see Section 10.6) and

(f) to meet the costs of the Offer.

9.4 Other sources of funds

The Directors are of the view that upon completion of the Offer, Bitcoin Group will have sufficient funds available from the Offer proceeds to fulfil its purposes of the Offer and satisfy its objectives and otherwise meet its expected commitments.

9.5 Minimum and maximum subscription amounts for an investor

The minimum subscription amount for an investor is $2,000. There is no maximum subscription amount. Bitcoin Group may reject any application in its absolute discretion.

9.6 Allocation

Subject to admission of Bitcoin Group to the Official List, allotment of New Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all Application Monies shall be held by Bitcoin Group on trust for applying Shareholders.

The Directors reserve the right to allot New Shares in full or in part for any Application or to decline any Application and may treat any defective application forms as invalid. When determining allocation, the Directors will have regard to a policy that promotes allocation on a fair and equitable basis, having regard to the shareholder spread requirements required by the ASX Listing Rules.

Surplus Application Monies will be returned by cheque to the Applicant within fourteen days of the allotment date without interest.

The Directors do not expect any Shareholder to control Bitcoin Group on Completion of the Offer (as the term control in defined in section 50AA of the Corporations Act).

Please see the table in Section 8.5.2 which details the ownership of Shares at the Prospectus date and the expected ownership of the Shares at the completion of the Offer.

9.7 When are the New Shares expected to commence trading

It is expected that the New Shares will commence trading on the ASX on 11 November 2015.

Following the issue of the New Shares, successful applicants will receive holding statement which will set out the number of New Shares issued to them. It is expected that the holding statements will be issued by 6 November 2015. Successful applicants are responsible for confirming their allocation as set out in the holding statement.

9.8 Taxation implications

Yes. Please see section 10.8.

9.9 Restriction Agreements

Yes. Please see section 10.5.7 for a summary of Restriction Agreements.

9.10 Pro Forma Balance Sheet

Please see Section 6.4 for Bitcoin Group's Pro Forma Balance Sheet following completion of the Offer.

9.11 How to apply

Applications for New Shares may only be made on an Application Form attached to or accompanying this Prospectus.

By making an application, you warrant and declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an

Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Application Form (and accompanying application process) is disclosed in Section 12.

The Offer opens at 9.00am (AEST) on 4 September 2015 and is expected to close at 30 October 2015. Bitcoin Group may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice.

Completed Application Forms may be lodged at any time after the Opening Date and must be received by the Closing Date. Bitcoin Group reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Completed Application Forms together with Application Moneys must be sent by post to:

C/O Bitcoin Group Limited IPO

AFS Capital Securities:
Level 12, 20 Bridge Street Sydney, NSW 2000

Telephone 1: +61 2 8208 6042
Fax: +61 2 8014 7069
Email: info@afssec.com.au

AFS Capital Securities:
Level 8, 303 Collins Street Melbourne, VIC 3000

Telephone 1: +61 3 9013 0630
Fax: +61 3 8080 7144
Email: info@afssec.com.au

The Company may at its discretion elect to use ASX BookBuild, the capital raising facility operated by ASX. See Section 10.12 for details about how the Company will announce its intention to use the facility, key parameters and additional information.

9.12 ASX Bookbuild

ASX Bookbuild is an automated on-market Bookbuild facility operated by ASX and is part of ASX Trade, the public market infrastructure and trading system.

Bitcoin Group may at its discretion elect to use the ASX Bookbuild facility. If this decision is taken, information about the facility (including the ASX Bookbuild code, key parameters, the identity of the technical lead manager and other information) will be announced to the market at least 1 day prior to the facility being opened for bids. The announcement will be made via the ASX Market Announcement Platform under Bitcoin Group's ASX code.

If Bitcoin Group decides to use the ASX Bookbuild Facility, eligible retail and wholesale investors will be able to apply for Shares via their broker. To participate, an Applicant must have in place a 'once-off' ASX Bookbuild Client agreement with their broker (please contact your broker for further information). Where an Applicant receives an allocation of New Shares as a result of a bid entered on their behalf via ASX Bookbuild, the Applicant is obliged to subscribe for the number of securities allocated to them.

Additional information about ASX Bookbuild can be found on the ASX website.

9.13 Rights attached to shares

The rights and liabilities attaching to ownership of Shares are set out in the Constitution and statute. Those rights are subject to the ASX Listing Rules during any period that Bitcoin Group is listed on the ASX.

Below is a summary of the key rights. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. Prospective Shareholders should review a copy of the Constitution in order to gain a full understanding of the rights attached to New Shares.

(a) Voting

Every holder of a Share who is present in person or by proxy, representative or attorney has one vote at every general meeting of Bitcoin Group on a show of hands and, on a poll, one vote for each Share held.

(b) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of Bitcoin Group and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and ASX Listing Rules.

(c) Dividends

Subject to the Corporations Act, the Constitution and the terms or rights of any Shares with special rights to dividends, the Board may from time to time resolve to pay dividends to Shareholders. Further information regarding dividends is set out in Section 4.21.

The Constitution authorises the Directors, on any terms and at their discretion, to establish a dividend reinvestment plan (under which any member may elect that the dividends payable by Bitcoin Group be reinvested by a subscription for securities).

Subject to the Constitution, Corporations Act and the ASX Listing Rules, Shareholders are generally free to transfer their Shares.

(d) Transfers

Except where required or permitted by law, the ASX Listing Rules, any Restriction Agreements, the ASX settlement operating rules of the Constitution, there is no restriction on the transfer of shares. Where securities are quoted on ASX, the Directors may in their absolute discretion refuse the registration of any transfer of shares which are subject to:

- a holding lock;
- in any circumstances permitted by the ASX Listing Rules; or
- Where the transfer is in breach of the ASX Listing Rules or a Restriction Agreement.

(e) Winding up

On a winding up, Shareholders will participate in any surplus assets (after payment of all liabilities including any preferential payments under preferential shares) in accordance with their respective proportion of paid up capital.

(f) Issuing further Shares

The Directors have the right to issue further Shares at their discretion, subject to any limitations set out in the Constitution and the ASX Listing Rules.

(g) Variation of class rights

Bitcoin Group currently has on issue only one class or fully paid ordinary Shares. Subject to the Corporations Act and the terms of issue of a class of Shares, the rights attaching to any class of Shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued Shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

9.14 Offer subject to ASX Listing

The Offer under this Prospectus is subject to Bitcoin Group being admitted to the Official List on the ASX and the official quotation of the New Shares on the ASX. Bitcoin Group will make an application for the New Shares to be quoted on the ASX as soon as practicable following the date of issue of this Prospectus, and in any event within seven days after the date of issue of this Prospectus.

If ASX does not admit the New Shares to quotation within three months of the date of this Prospectus, no New Shares will be issued and all Application Monies received under the Offer will be returned to Applicants. Interest will not be paid on any Application Monies refunded. Any interest earned on the Application Monies will be retained by Bitcoin Group.

9.15 Restrictions on Distribution

No action has been taken to register or qualify this Prospectus, the New Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia, and may only be distributed to persons to whom the institutional Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

9.16 ASX Clearing House Electronic Sub-register system

Bitcoin Group will apply to participate in the ASX's Clearing House Electronic Sub-register System (CHESS), in accordance with the ASX Listing Rules and the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected electronically.

Following allotment of the New Shares, Shareholders will be sent an initial holding statement that sets out the number of New Shares that have been allocated. This holding statement will also provide details of a Share Holder Identification Number (HIN) or, where applicable, the Security holder Reference Number (SRN) of issuer sponsored holders.

9.17 Underwriting

The Offer is not being underwritten.

9.18 Brokerage

No commission or brokerage is payable by an Applicant.

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BITCOIN GROUP

Additional Information

Section 10

10. Additional Information

10.1 Registration

Bitcoin Group was registered on 4 September 2014 in Victoria as a public company limited by shares.

10.2 Corporate structure

Bitcoin Group's Corporate Structure as of the date of the Prospectus is detailed in Section 4.2.

10.3 Company tax status

The Company is and will be subject to tax at the Australian corporate tax rate.

10.4 Summary of Material Contracts

The following Material Contracts are summarised and are included for the information of potential investors. However these summaries do not purport to be complete and are qualified by the text of the Material Contracts themselves. None of the counterparts to the Material Contracts are related parties of Bitcoin Group.

Some of the Material Contracts are subjected to the laws of the People's Republic of China and these Material Contracts have been drafted in accordance with the applicable laws of that jurisdiction. Bitcoin Group makes no representations in relation to the enforceability and suitability of these contractual terms if the laws of Australia apply. Some terms of certain Material Contracts are subject to confidentiality restrictions and cannot be disclosed below. In particular some locations, provider details and specified Hash Rates, if disclosed, could risk the security of the relevant operations.

10.4.1 Mining Facility Agreements

Two types of agreements entered into by Bitcoin Group to accumulate Bitcoins through the contribution of Hash Power, where the company purchases and managing a portfolio of Mining Equipment within a providers Mining Facility **(Fully Hosted Service Agreement)** or by purchasing Hash Power delivered directly from the provider's Mining Equipment **(Hash Power Purchase Agreement)**. (See 4.6 Equipment Management).

Accordingly, Bitcoin Group has acquired Mining Equipment (managed pursuant to the Fully Hosted Service Agreements) and entered into Hash Power Purchase Agreements to generate Bitcoins with the following agreements in place.

(a) Fully Hosted Service Agreements

Sichuan and Henan Fully Hosted Service Agreement

On 7 March 2015 BCM entered into a fully hosted service agreement **(Chinese Fully Hosted Service Agreement)** with a Chinese fully hosted solutions provider in relation to sites in China, at Sichuan and Henan. This agreement grants BCM with:

- a licensed area to store and utilise BCM's Mining Equipment
- provision of electricity and broadband services, and
- supervision and maintenance service of the Mining Equipment in both locations

BCM is responsible for any software updates and obtaining the intellectual property rights to the use and installation of any software installed in its Mining Equipment.

Under the Chinese Fully Hosted Service Agreement, the average cost of occupancy per machine is $1.6902 based on the electrical consumption of 0.742 per KW/h post listing Portfolio of Machines to be acquired (See Section 4.9.2). The service agreement provider is responsible for supplying the premises to house the Mining Equipment, electricity to run the Mining Equipment, hardware configuration, system software installation, firmware upgrading, broadband network support, security monitoring and control, air-conditioning, server management, fault elimination and other ancillary services to keep the Mining Equipment in operation.

The contract has a term of 1 year and expires on 7 March 2016. Bitcoin Group is not aware of any matter that may prevent the service provider from renewing the contract on the same terms and conditions as the existing contract.

The name of the provider is considered confidential as it would disclose location of Ming Equipment which could pose a security risk.

This agreement is subject to the laws of the People's Republic of China.

Iceland Fully Hosted Service Agreement

On 10 March 2015 BCM entered into a one year fully hosted service agreement (Icelandic Fully Hosted Service Agreement) with an Icelandic fully hosted service provider (**Icelandic Provider**). This agreement commenced on 13 March 2015 and grants to BCM a licence to install BCM's Mining Equipment in Iceland within the Icelandic Provider's customer space. In addition to the storage space, the agreement provides related power, infrastructure, connectivity and basic maintenance services. The name of the provider is considered confidential as it would disclose location of Mining Equipment which could pose a security risk.

The electrical power supplied under this agreement has been capped at 60 kilowatts (**Maximum Power Draw**) and all fees, expenses and charges paid by BCM under this agreement have been calculated in accordance with the Maximum Power Draw.

The service fee paid by BCM is in consideration for the provision of all the services above and is fixed, thus having the effect of locking in storage, electricity and maintenance prices.

Where the Maximum Power Draw is exceeded, the Icelandic Provider may issue a notice to BCM to reduce their consumption of electricity. In the event BCM fails to reduce its power consumption, the Icelandic Provider may disconnect the Mining Equipment to remedy the breach. This may cause BCM's Mining operations in Iceland to cease.

The Icelandic Provider may relocate BCM's Mining Equipment a new area on 10 working days' notice. All costs associated with the physical relocation of the Mining Equipment shall be borne by the Icelandic Provider.

This agreement is governed by the laws of England & Wales and any dispute resolution may need to be resolved in that jurisdiction.

(b) Hash Power Purchase Agreements

Sichuan Mining Site – Hash Power Purchase Agreement 1

BCM entered into the agreement on 23 April 2015 for the purchase of specified Hash Rate from a Sichuan Mining facility operated by Star Capital Management Co., Limited **(Star Capital)**. This agreement locks in the cost of Hash Rate purchased by BCM.

In the event the provision of Hash Power is disrupted due to legislative changes or orders from any judicial bodies or government authorities, Star Capital shall refund the fees paid on a pro rata basis.

This agreement limits Star Capital's liability in the event the provision of Hash Power is interrupted as a result of the disruption of connectivity to the Internet. This is Agreement is governed by Australian law.

The service provider must provide 1.15 Petahashes and maintain a 100% operation rate of the Mining Equipment. If the rate drops below 100% Bitcoin Group is entitled to compensation for the downtime. The contract has a term of 1 year and expires on 6 March 2016. Bitcoin Group is not aware of any matter that may prevent the service provider from renewing the contract on the same terms and conditions as the existing contract.

Star Capital is an International Business Company incorporated under the International Business Companies Act of 1994 in the Republic of Seychelles with a Company Number of 155873. Managing a portfolio of Mining Equipment within a network of Mining Facilities, They are well known in the industry to be a cost effective supplier of Hash Power.

Hebei Mining Site – Hash Power Purchase Agreement 2

BCM entered into the agreement on 18 March 2015 for the purchase of specified Hash Rate from a Hebei (China) Mining facility operated by Star Capital. This agreement locks the cost of Hash Rate purchased by BCM.

The Hash Power Purchase Agreement 2 contains substantially similar legal terms as the Hash Power Purchase Agreement 1. This is Agreement is governed by Australian law.

The service provider must provide 0.47 Petahashes and maintain a 100% operation rate of the Mining Equipment. If the rate drops below 100% Bitcoin Group is entitled to compensation for the downtime. The contract has a term of 1 year and expires on 18 March 2016. Bitcoin Group is not aware of any matter that may prevent the service provider from renewing the contract on the same terms and conditions as the existing contract.

Tianjin Mining Site – Hash Power Purchase Agreement 3

BCM entered into an agreement on 8 April 2015 for the purchase of specified Hash Rate from a Tianjin (China) Mining facility operated by Star Capital. This agreement locks the cost of Hash Rate to be purchased by BCM.

The Hash Power Purchase Agreement 3 contains substantially similar legal terms as the Hash Power Purchase Agreement 1. This is Agreement is governed by Australian law.

The service provider must provide 1.3 Petahashes and maintain a 100% operation rate of the Mining Equipment. If the rate drops below 100% Bitcoin Group is entitled to compensation for the downtime. The contract has a term of 1 year and expires on 8 April 2016. Bitcoin Group is

not aware of any matter that may prevent the service provider from renewing the contract on the same terms and conditions as the existing contract.

10.4.2 Mining Equipment Agreements

BCM has entered into a number of contracts to purchase Mining Equipment and related power adapters. The contracts for the purchase of Bitcoin Group's Mining Equipment are summarised below as follows:

(a) Beijing Diwei ShuShi Mining Machine Contract

BCM purchased a total of 1500 Mining Equipment which produce a specified Hash Rate. BCM purchase 500 Mining Equipment on 27 January 2015 and a further 1000 Mining equipment were purchased on 22 February 2015. The Mining Equipment are also under a 3 month warranty period.

Beijing Diwei ShuShi is the manufacturers of the well-known Avalon branded Mining Equipment. They are reliable supplier of Bitcoin Mining Equipment, with a track record of honouring the replacement and refund of faulty Mining Equipment.

(b) Beijing Jia Nan Yun Zhi Technology Mining Equipment Sales Contract

BCM purchased a total of 400 Mining Equipment on 4 February 2015 to provide a specified Hash Rate. The Contract also provides for a number of after-sales services.

The Mining Equipment provided are covered by a 90 day warranty where the supplier shall provide repair and maintenance services to BCM. Any defects arising in the 90 day warranty period in relation to the operation of the Mining Equipment shall be resolved within 24 hours upon receiving the notice from BCM.

Beijing Jia Nan Yun Zhi Technology is the manufacturers of the well-known Avalon branded Mining Equipment. They are reliable supplier of Bitcoin Mining Equipment, with a track record of honouring the replacement and refund of faulty Mining Equipment.

(c) ASICMINER Prisma Mining Equipment Sales Contract

BCM purchased 200 units of Mining Equipment on 23 January 2015. This contract provides after-sales services such as:

- Provision of an additional 5% of the Mining Equipment purchased to pre-empt a possible replacement occurring (due to hardware failure or any other reason)
- A 90 day warranty period for any hardware quality issues, and
- Repair of any malfunctions at the vendor's own cost (excluding delivery costs) if any defects arise between 90 to 180 days after the purchase.

(d) Spoondolies Machine Purchase Contract

BCM purchased 20 units of Mining Equipment on 3 March 2015 from Spoondolies Tech Ltd (Spoondolies). This Mining Equipment have a higher Hash Rate as compared to

the normal Mining Equipment and as such, improve the efficiency of BCM's Operations.

The Mining Equipment is covered by a ninety day (90) warranty period from the date of delivery which is limited to failures in operation of the Mining Equipment. The Contract is subject to the laws of the State of Israel and any dispute resolution in relation to this Contract will have to be commenced in Israel.

(e) ANTMINER s5 Mining Equipment Purchase Contracts - MaBian HeRun Investments Ltd

On 21 May 2015, BCM has entered into three separate contracts with MaBian HeRun Investments (a company incorporated in China) to purchase a total of 1559 units of ANTMINER s5 Mining Equipment. The contacts provide for a 30 day warranty period. All units have been delivered and are currently in operation.

MaBian HeRun Investments Limited is a Bitcoin Mining company operating predominately AntMiner. They are a reliable supplier of Bitcoin Mining Equipment, with a track record of honouring the replacement and refund of faulty Mining Equipment.

(f) Antminer S5 Power Adapter Contract

BCM has entered into the Contract on 2 March 2015 to purchase power adapters and power supply fittings for specific levels of power consumption required for the BCM's Mining Equipment. The vendor also provides a 30 day no-cost repair for any hardware quality issues. During the warranty period, any shipping or delivery costs shall be paid by BCM.

10.4.3 Significant Investor Arrangements

BCM and three significant investors AXF Group Pty Ltd (AXF), Fortune Capital Investments Pty Ltd (Fortune Capital) and Ozstudy Group Pty Ltd (OzStudy) (collectively, the Significant Investors) entered into three **Business Loan Facility Agreements**. The drawdown date was 15 December 2014.

- AXF Group Pty. Ltd. (AXF) – $600,000
- Fortune Capital Investments Pty Ltd (Fortune Capital) – $500,000
- Ozstudy Group Pty Ltd (OzStudy) – $500,000

Pursuant to the Business Loan Facility Agreements, the Significant Investors were granted security over all chattels, equipment, contracts, credit, assets (including BCM Shares) and intellectual property of BCM (BCM Assets). Each Significant Investor received 30 shares in BCM.

The Significant Investors subsequently entered into Share Subscription Agreements, each subscribing for 5,000,000 Shares in Bitcoin Group in consideration for the forgiveness of the Business Loan Facility Agreements, the release of the security over the BCM's Assets and the transfer of the BCM Shares to Bitcoin Group.

Funds advanced under the Business Loan Facility Agreements were utilised to purchase Mining Equipment for BCM Operations.

10.4.5 Strategic Agreements

Bitcoin has entered into a number of non-material strategic and cooperation agreements with industry participants. Bitcoin intends to work jointly with partners in the Digital Currency industry to explore and develop business opportunities within the industry.

Bitcoin's partners are as follows: Beijing Jiananyunzhi Information Technology Pty Ltd (Avalon ASIC), ASICminer Pty Ltd, Shanghai Satuxi Internet Pty Ltd (BTC China), F2Pool, Antminer Pty Ltd, Digital CC USA LLC.

10.4.6 Lease – Melbourne Premises

Bitcoin Group via Bit Fund has entered into a lease for its Australian premises at Level 1, 89-91 City Road Southbank, VIC 3006. The Board does not consider this lease to be material for purposes but the lease is referenced.

10.4.7 Lead Manager Agreement

Bitcoin Group has entered into an agreement with the Lead Manager pursuant to which the Lead Manager is responsible for assisting with the structuring of this Offer, assisting with the management of the Offer including acting as Technical Lead Manager to operate ASX Bookbuild, as well as assist with allocating New Shares to investors.

The Lead Manager is entitled to the following fees plus GST:

(a) A placement commission of 4% of the gross proceeds of the Offer (excluding capital raised from Shareholders and investors directly related to Bitcoin Group);

(b) Success fee calculated based on the formula (X * 100) * 4% / 90, where X is the percentage of the proceeds raised from the general public against the total proceeds from the Offer;

(c) Engagement fee of $50,000 of which $25,000 has been paid; and

(d) Termination fee of $50,000 where the offer is terminated or not realised by 31 December 2016.

10.5 Related party transactions

Full details of the Directors and Senior Management's Share holdings are set out in Section 8.5.1. The following are a summary of all related party transactions in relation to Bitcoin Group and its Directors:

10.5.1 ACL Family Trust

6,250,000 Shares are held by ACL Investment Australia Pty Ltd **(ACL)** as trustee for ACL Family Trust. Mr Allan Guo's mother, Xiangling He, is the director of ACL and a named beneficiary. Mr Allan Guo is also within a class of beneficiaries of the ACL Family Trust. ACL is a beneficiary of the Star Investment Unit Trust (see Section 10.5.4).

10.5.2 GXD Family Trust

6,250,000 Shares are held Rui Yang International Pty Ltd as trustee for the GXD Family Trust. Mr Xiangdong Gao is a named beneficiary of the GXD Family Trust.

10.5.3 Mars Family Trust

6,250,000 Shares are held by Mars Capital Australia Pty Ltd as trustee for the Mars Family Trust Shares. Mr Samuel Lee's mother, Mdm Gui Hua Li is a named beneficiary and accordingly this holding has been determined to be a related party interest. Mars Capital is a beneficiary of the Star Investment Unit Trust (see Section 10.5.4).

10.5.4 Star Investment Unit Trust

8,750,000 Shares are held by Star Investment Australia Pty Ltd as trustee for the Star Investment Unit Trust **(Star Unit Trust).** Of the 7 units issued in the Star Unit Trust:

- 3 units are held by ACL as trustee for the ACL Family Trust (see 10.5.1)
- 3 units are held by Mars Asset Management Pty Ltd as trustee for the Ryan Iris Family Trust **(RIFT),** of which Mr Ryan Xu is in the class of beneficiaries, and
- 1 unit is held by Mars Capital Australia Pty Ltd as trustee for the Mars Family Trust (see 10.5.3)

10.5.5 Allan Guo Family Super Fund

Mr Allan Guo's Super Fund, Allan Guo Family Super Fund, holds 400,000 Shares.

10.5.6 Jin Chen

Mr Jin Chen, a Senior Manager at Bitcoin Group holds 1,000,000 Shares.

10.5.7 Restriction Agreements

Mr Samuel Lee, ACL Investments, Rui Yang International Pty Ltd Mars Capital Australia Pty Ltd, Star Investment Australia Pty Ltd and Liang Guo, Xiangling He and Caicai Liu (trustees of the Allan Guo Super Fund) have entered into Restriction Agreements providing a voluntary two year escrow on Shares held by them (**Restricted Shares**).

Existing Shareholders who have purchased Shares prior to listing for less than $0.16 per Share have entered into voluntary restriction agreements to hold those Shares on escrow for a period of one year from the date of admission to the Official List.

The Restricted Parties cannot dispose of, agree or offer to dispose of the Shares, create a security interest, or do anything or omit to do anything which would have the effect of transferring ownership or control of their Restricted Shares.

10.7 Related party loan agreements

Bitcoin Group has entered into the following Loans agreements with its Directors:

Director	Amount	Commercial Terms	Repayment
Allan Guo	$25,000	Loan to Bitcoin Group without any interest payable.	Upon successful listing of Bitcoin Group to the ASX.
Ryan Xu	$25,000	Loan to Bitcoin Group without any interest payable.	Upon successful listing of Bitcoin Group to the ASX.
Samuel Lee	$25,000	Loan to Bitcoin Group without any interest payable.	Upon successful listing of Bitcoin Group to the ASX.
Xiangdong Gao	$150,000	Loan to Bitcoin Group without any interest payable.	Upon successful listing of Bitcoin Group to the ASX.

As set out in Section 2(f) and 4.13, $225,000 of Directors' loans will be repayable by Bitcoin Group on the successful listing on the ASX, with $21,000 to remain outstanding until Board approval.

10.8 Legal proceedings

The Directors are not aware of any pending or threatened litigation which may have a material adverse effect on the business or financial condition of Bitcoin Group.

10.9 Taxation considerations

The comments in this section provide a general outline of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in Bitcoin Group on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account.

This summary does not consider the consequences for foreign resident Shareholders, insurance companies, banks and Shareholders that hold their Shares on revenue account or carry on a business of trading in shares, or Shareholders who are exempt from Australian tax. This summary also does not cover the consequences for Shareholders who are subject to the Taxation of Financial Arrangement rules contained in Division 230 of the Income Tax Assessment Act 1997.

The summary in this section is general in nature and is not exhaustive of all income tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax consequences, including capital gains tax **(CGT),** stamp duty and Australian goods and services tax **(GST)** of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summary in this section is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summary does not take into account the tax law of countries other than Australia.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries does not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant tax authorities. If there is a change, including a change having retrospective effect, the tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to Australian taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about their investments. Shareholders should consider taking advice from a licensed adviser, before making a decision about their investment to acquire Shares under this Prospectus.

10.9.1 Income tax treatment of dividends received by Australian tax resident Shareholders

Australian resident individuals and complying superannuation entities

Where dividends on a Share are paid, those dividends should constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credits attached to that dividend.

The rate of tax payable by each Australian Shareholder that is an individual will depend on the individual circumstances of the Shareholder and his or her prevailing marginal rate of income tax.

Where a dividend paid is unfranked, the Shareholder should generally be taxed at his or her prevailing marginal rate on the dividend received, with no tax offset.

10.9.2 Corporate Shareholders

Corporate Shareholders are also required to include both the dividend and associated franking credits in their assessable income. A tax offset should then be allowed up to the amount of the franking credits on the dividend.

An Australian resident corporate Shareholder should be entitled to a credit in its own franking account to the extent of the franking credits attached to the dividend received. Such corporate Shareholders can then pass on the benefit of the franking credits to their own shareholder(s) on the payment of franked dividends.

Excess franking credits received by a corporate Shareholder cannot give rise to a refund, but may in certain circumstances be converted into carry-forward tax losses.

10.9.4 Trusts and partnerships

Australian tax resident Shareholders who are trustees (other than trustees of 'complying superannuation entities') or partnerships should include the dividend and franking credits in determining the net income of the trust or partnership. A beneficiary, trustee or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership as the case may be.

10.9.5 Shares held at risk

To be eligible for the benefit of franking credits and tax offsets, a Shareholder must satisfy both the 'holding period' and 'related payment' rules. This requires that a Shareholder holds the Shares 'at risk' for more than 45 days continuously (not including the date of acquisition and disposal).

Any day on which a Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the Shares (e.g. through transactions such as granting options or warrants over Shares, or entering into a contract to sell the Shares) will not be counted as a day on which the Shareholder held the Shares 'at risk'. In addition, a Shareholder must not be obliged to make a 'related payment' in respect of any dividend, unless they hold the Shares 'at risk' for the required holding period around the dividend dates.

Where these rules are not satisfied, the Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000. Special rules apply to trusts and beneficiaries.

Shareholders should obtain their own professional tax advice to determine if these requirements, as they apply to them, have been satisfied.

On 30 June 2014, legislation to implement previously announced changes by the Australian Government relating to the denial of franking tax offsets to certain 'distribution washing' arrangements received Royal Assent. Shareholders should consider the impact of these integrity measures which apply to distributions, including dividends, paid on or after 1 July 2013. Shareholders should have regard to these 'distribution washing' changes together with the broader integrity provisions that apply to the claiming of tax offsets, having regard to their own facts and circumstances.

10.9.6 CGT implications for Australian tax resident Shareholders on disposal of Shares

The disposal of a Share by a Shareholder will be a CGT event. A capital gain should arise where the 'capital proceeds' on disposal exceed the 'cost base' of the Share (broadly, the amount paid to acquire the Share plus any transaction costs incurred in relation to the acquisition or disposal of the Share). In the case of an 'arm's-length' on-market sale, the capital proceeds should generally be the cash proceeds received from the sale of the Share.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or Trustee, and the Shares have been held for at least 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be halved after offsetting current-year or prior-year capital losses. For a complying superannuation

entity, any capital gain may be reduced by one-third after offsetting current-year or prior-year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders who are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

10.9.7 Tax File Numbers

Shareholders are not required to quote their Tax File Number (TFN) or, where relevant, Australian Business Number (ABN) to Bitcoin Group. However, if a valid TFN, a valid ABN or exemption details are not provided, Australian tax may be required to be deducted by Bitcoin Group from distributions and/or unfranked dividends at the maximum marginal tax rate plus any relevant levy (e.g. the Medicare levy). Australian tax should not be required to be deducted by Bitcoin Group in respect of fully franked dividends.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN. Non-residents are exempt from this requirement.

10.9.8 GST implications

No GST should be payable by Shareholders in respect of the acquisition or disposal of their Shares in Bitcoin Group, regardless of whether or not the Shareholder is registered for GST.

Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect, relevant to their particular circumstances. No GST should be payable by Shareholders on receiving dividends distributed by Bitcoin Group.

10.9.9 Stamp duty

Shareholders should not be liable for stamp duty in respect of the acquisition of their Shares, unless they acquire – either alone or with an associated/related person, an interest of 90% or more in Bitcoin Group. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares while Bitcoin Group remains listed.

10.10 Consents

Each of the following parties referred to below:

(a) has given, and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent; and

(b) each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than the reference

to its name and any statements or report included in this Prospectus with the consent of that party as described below.

- **ShineWing Australia Corporate Finance Pty Ltd** has given its written consent to the inclusion in this Prospectus of its Investigating Accountant's Report and to all statements referring to that report or attributed to or derived from that report in the form and context in which they appear and to the references to the Historical Financial Information of Bitcoin Group in Section 7 and has not withdrawn such consent before the lodgement of this Prospectus with ASIC. ShineWing has not authorised the issue of the Prospectus and ShineWing made no representation regarding, and takes no responsibility for any other statements, or materials in, or omissions from the Prospectus
- **Lincolns Lawyers and Consultants** and **Foster Nicholson Jones Lawyers** as the Australian legal advisors to Bitcoin Group in relation to the Offer
- **AFS Capital Securities Ltd** as Lead Manager

  AFS Capital has had no involvement in the preparation of this Prospectus and has not given any professional or other advice in respect of any other part of this Prospectus. AFS Capital does not accept any liability of any person in respect of any false or misleading statement in, or omission from any part of this Prospectus
- **Computershare Investor Services Pty Ltd** as the Share Registry

  Computershare Investor Services Pty Ltd has had no involvement in the preparation of this Prospectus other than as being named as Share Registry to Bitcoin Group. Computershare Investor Services has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus
- **Alco Financial Group Pty Ltd** as the accountants to Bitcoin Group

  Alco Financial Group Pty Ltd has not authorized or caused the issue of the Prospectus and does not make any representation or take any responsibility for any part of the Prospectus, except as specified in the accountants Compilation Report accompanying the compiled financial statements
- **Beijing Jiananyunzhi Information Technology Pty Ltd** (Avalon ASIC)
- **ASICminer Pty Ltd**
- **Shanghai Satuxi Internet Pty Ltd** (BTC China)
- **F2Pool Pty Ltd**
- **Antminer Pty Ltd**; and
- **Digital CC USA LLC**
- **MaBian HeRun Investments Ltd**

10.11 Governing law

This Prospectus is governed by the laws of Victoria and each Applicant submits to the exclusive jurisdiction of the Courts of Victoria.

10.12 Authorisation

Each Director of Bitcoin Group has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC.

11. Definitions

Application Form means the application form attached to this Prospectus in Section 12.

Application Monies means the monies collected upon receiving the Application Form for the subscription for New Shares.

ASX means the Australian Stock Exchange, as operated by ASX Limited (ACN 008 624 691).

ASX Bookbuild means the automated on-market bookbuild facility operated by the ASX.

ASX Listing Rules means the rules of the ASX.

ATO means the Australian Taxation Office.

BCM means Bitcoin Mining Pty Ltd a wholly owned subsidiary of Bitcoin Group.

BCM Operations means the Mining operations conducted by Bitcoin Group, via BCM, pursuant to the Mining Facility Agreements.

Bitcoin Group means Bitcoin Group Limited ACN 601 628 497.

Bitcoin means a payment exchange medium which was introduced by Satoshi Nakamato (pseudonym) in 2009 as a software based online payment system.

Bitcoin Network means a peer-to-peer payment network that operates on a cryptographic protocol. Users send Bitcoins, the units of currency, by broadcasting digitally signed messages to the network using Bitcoin Wallet software. This network is secured via the process of Mining.

Bitcoin Network Hash Power means the sum of all Hash Power contributed by all participants (Miners) involved in the Bitcoin cryptographic protocol through the activity of Mining

Bitcoin Wallet means online wallets that store the private keys required to access Bitcoin.

Block means a unit of Bitcoin transaction records.

Block Chain Algorithmic Equation means the equations attached to each Bitcoin to complete the Verification process to verify the authenticity of the Bitcoins released by the Bitcoin Network and transactions effected by way of Bitcoin.

Block Chain means the public transaction ledger which records the financial transactions in Bitcoins in chronological order.

Block Halving is defined in section 3.2.4.

Board means the Directors appointed to the Bitcoin Group's Board of Directors.

Bonus Plans means the Listing Bonus and Bonus Pool.

Bonus Pool is defined at Section 8.4.2.

Chinese Fully Hosted Service Agreement means the agreement summarised in Section 10.4.1(a).

Constitution means Bitcoin Group's company constitution.

Corporate Governance Principles or **CGP** means the ASX Corporate Governance Principles and Recommendations (third edition).

Corporations Act means the Corporations Act 2001 (Cth).

Difficulty means the Hash Power need to solve the Block Chain Algorithmic Equation as described in Section 3.2.6.

Digital Currency means decentralised digital currencies built upon blockchain technology

Directors means the directors who are or are being appointed to the board of directors of Bitcoin Group and includes the Executive Directors.

Directors' Loans means the loans that were provided by the Directors to Bitcoin Group as summarised in Section 10.6.

ESOP is defined at Section 8.4.4.

Executive Directors means the Mr Samuel Lee, Mr Ryan Xu and Mr Allan Guo.

Existing Shares means all the shares on issue as at the date of this Prospectus.

Exposure Period means seven (7) days after the date of lodgement of the Original Prospectus.

Fiat Currency means currency that a government has declared to be legal tender, but is not backed by a physical commodity.

Financial Information means the Pro Forma Balance Sheet and Consolidated Statement of Financial Position (as set out in Section 6).

Fully Hosted Service Agreements means the Chinese Fully Hosted Service Agreements and the Icelandic Fully Hosted Service Agreement.

Hackers means a person or persons who uses computers to gain unauthorised access to data.

Hacking means the process in which Hackers gain unauthorised access to data in a system or computer.

Hash Power means the speed at which tailored hardware can perform decrypting calculations in order to solve the Block Chain Algorithmic Equation.

Hash Power Purchase Agreements means the following agreements (described in Section 10.4.1(b)):

- Sichuan Hash Power Purchase Agreement
- Hebei Hash Power Purchase Agreement, and
- Tianjing Hash Power Purchase Agreement.

Hash Rate means the measuring unit of Hash Power.

Icelandic Fully Hosted Service Agreement means the agreement summarised in Section 10.4.1(a).

Investigative Accountant Report means the report disclosed in Section 8 of this Prospectus.

Listing Bonus is defined in Section 8.4.1.

ASX Listing Rules means the rules of the ASX.

Malicious Actors means person or persons who may hack into the Bitcoin Network and/or Bitcoin Wallets causing the alteration of the Bitcoin source code and Block Chain.

Material Contracts means contracts that are material to Bitcoin Group as summarised in Section 10.4.

Miners means the people who solve the algorithmic Block Chain Algorithmic equations required to maintain the Block Chain.

Mining means the process of Verification and adding transaction records to the Block Chain which secures the Bitcoin Network.

Mining Equipment means specialised custom-built hardware generating high levels of Hash Power.

Mining Facility Agreements means the Fully Hosted Service Agreements and the Hash Power Service Agreements.

Mining Pools means the pooling of the Miners in order to accumulate Hash Power to increase the chances of being the first to solve a Block Chain Algorithmic Equation.

New Shares means fully paid ordinary shares in the Bitcoin Group as offered under this Prospectus.

Newly Minted Bitcoins means Bitcoins

Non-Executive Directors means the Mr Andrew Plympton, Mr Harry Wang and Mr Xiangdong Gao.

NPAT means net profit after tax.

NPBT means net profit before tax.

Offer means the offer to subscribe up to 100,000,000 New Shares pursuant to this Prospectus.

Official List means the ASX official list of listed companies.

Operations Strategy means the strategy Bitcoin Group has adopted to utilise the capital raised pursuant to this Offer as detailed in Section 4.3.

Options means the options to purchase Bitcoin Group's Shares.

Performance Rights Entitlement is defined at Section 9.4.3.

Private Key means the secret piece of data that proves a person's right to spend Bitcoins from a specific Bitcoin Wallet through a cryptographic signature.

Prospectus means this Prospectus outlining the details of Bitcoin Group's investment offering for sale to the public.

Restricted Shares are defined in Section 10.5.7.

Restriction Agreements means the restriction agreements entered into by certain existing Shareholders as summarised in Section 10.5.7.

Shares means both the existing shares of Bitcoin Group and the New Shares issued under this Prospectus.

Shareholders means any person or persons who hold Bitcoin Group Securities.

Shares means shares in Bitcoin Group Limited.

Shares Registry means Computershare Investor Services Pty Ltd, the share registry appointed by Bitcoin Group.

Significant Investors are defined at Section 10.4.3.

Verification means the process in which Miners verify the authenticity of the Bitcoins released by the Bitcoin Network and transactions effected by way of Bitcoin. Verification is performed by Bitcoin Miners solving the Block Chain Algorithmic Equation.

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12. Application Forms

BITCOIN GROUP
ABN 82 601 628 497

General Offer Application Form

Your application must be received by 5.00pm (AEDT) on 30 October 2015.
This General Offer Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.
You should read the Bitcoin Group Limited Replacement Prospectus dated 4 September 2015 (Prospectus), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus (whether in paper or electronic form).

A **I/we apply for**

B **I/we lodge full Application Money**

A$.

Number of New Shares at $0.20 per New Share applied for. The Application must be for a minimum of 10,000 New Shares (A$2,000).

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name Telephone Number - Business Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any New Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

G **Payment details - Please note that funds are unable to be directly debited from your bank account.**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques or bank drafts should be made payable to "Bitcoin Group Limited".

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Bitcoin Group Limited.

See overleaf for completion guidelines ➔

How to complete this General Offer Application Form

A **Number of New Shares applied for**
Enter the number of New Shares you wish to apply for. The Application must be for a minimum of 10,000 New Shares (A$2,000).

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of New Shares applied for in Step A by the Issue Price of A$0.20.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
The Company participates in CHESS. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G **Payment**
Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in Section B. Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to this Application Form. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Before completing this General Offer Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for New Shares in Bitcoin Group Limited is upon and subject to the terms of the Prospectus and the Constitution of Bitcoin Group Limited, agrees to take any number of New Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited ('**CIS**') by no later than 5.00pm (AEDT) on 30 October 2015. You should allow sufficient time for this to occur. Return the Application Form with cheque attached to:

C/- Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

Neither CIS nor Bitcoin Group accepts any responsibility if you lodge the Application Form at any other address or by any other means

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Bitcoin Group Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

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Corporate Directory

Registered Office

Bitcoin Group Limited
ABN 82 601 628 497
Level 1, 89-91 City Rd,
Southbank
VIC 3006
Australia

Share Registry

Computershare Investor Services Pty Ltd
ACN 078 279 277
452 Johnston Street
Abbotsford
VIC 3067
Australia

Investigating Accountant

ShineWing Australia Corporate Finance Pty Ltd
Level 10, 530 Collins Street
Melbourne
VIC 3000
Australia

Financial Adviser to the Company

ALCO Financial Group Pty Ltd
Level 7, 221 Queen Street
Melbourne
VIC 3000
Australia

Lead Manager

AFS Capital Securities Limited
Level 8, 303 Collins Street
Melbourne
VIC 3000
Australia
AFSL: 363925

Legal Advisers

Lincolns Lawyers and Consultants
Level 9, 179 Queen Street
Melbourne
VIC 3000
Australia

Foster Nicholson Jones Lawyers Pty Ltd
Level 7, 420 Collins Street
Melbourne
VIC 3000
Australia

Offer Information Hotline
1300 883 848
9am to 5pm, GMT +10 (Melbourne Time),
Monday to Friday (Business Days only)

Website
www.bitcoingroup.com.au