

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

For immediate release

13 May 2019

## FIRST INVESTMENTS HOLDING LIMITED

### Argo Blockchain PLC - Response

First Investments notes the announcement, released this morning by Argo, in which the Company disclosed that it has entered into conditional heads of terms with HIVE Blockchain Technologies Ltd (“Hive”) for a possible strategic partnership. Most disappointingly, Argo states that it has spent an additional US\$1.5 million on rapidly depreciating mining hardware in expectation of entering into the partnership, when that partnership is at this stage not even certain.

FIH believes that announcing such an early stage venture at this juncture is a last frantic attempt to change Shareholders’ views in advance of the Requisitioned General Meeting, with yet another change in direction. Given management has now announced a change to their purported strategy three times since February 2019, First Investments questions how meaningful the *“three months of discussions”* regarding the conditional heads of terms were and why they were not mentioned before this latest announcement.

Further, in the event that the contemplated strategic partnership is ultimately concluded on the terms described, current shareholders will see their ability to determine the Company’s future strategy greatly diminished particularly as a result of the issuance of 15 per cent. of the Company’s issued share capital to Hive, meaning that management and Hive would control approximately 24.5 per cent. of Argo’s enlarged share capital.

Perhaps most worryingly in FIH’s view, the Company is now announcing that it has spent an additional US\$1.5 million on additional equipment, over and above the £1.7 million expenditure announced last week *“...to meet the significant demand the Company foresees from the partnership announced today”*. FIH believes that to commit capital ahead of such an uncertain, conditional, venture which may never happen is highly inappropriate and deliberately vexatious. This course of action by management is particularly disrespectful to all Shareholders, given the Company is just days away from the Requisitioned General Meeting, where Shareholders are voting on a proposed change in strategy and board.

**This latest expenditure means that Argo has spent or committed to spend approximately £4.15 million (or 28 per cent. of stated cash reserves of £15 million as at 31 March 2019) since they were made aware of certain Shareholders’ disapproval of management’s strategy. FIH believes this to be a flagrant abuse of Shareholders’ trust, at a time when all Shareholders should be given an opportunity to consider and vote on the proposed change in strategy. First Investments understands that management have been speaking to Shareholders and therefore must know that a significant proportion of other Shareholders share FIH’s concerns regarding the recent expenditure.**

**FIH believes that this proposed issue of Argo shares and commitment of capital together effectively constitutes an attempt to introduce a poison pill, in advance of the Requisitioned General Meeting.**

Should the Resolutions be carried at the Requisitioned General Meeting, Jeff Couch would seek to preserve Shareholders' funds and investigate the Company's ability to unwind the recent capital expenditure, in advance of delivery.

**FIH reiterates its strong recommendation that Shareholders VOTE IN FAVOUR of each of the Resolutions at the Requisitioned General Meeting.**

*Unless otherwise defined, capitalised terms in this announcement have the same meaning ascribed to them in FIH's announcement on 30 April 2019.*

### **Background**

On 28 March 2019, Lynchwood Nominees Limited, on behalf of FIH wrote to request a general meeting of the Shareholders in order to appoint a new director to Argo's board, remove two of the Company's existing executive directors, Jonathan Bixby and Mike Edwards, and any Director nominated by the Board in the interim.

The Requisitioned General Meeting is to be held at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG at 10.00 a.m. on 16 May 2019. As at the close of business yesterday, Lynchwood Nominees held, on behalf of FIH, 40,500,000 ordinary shares in the capital of the Company, representing approximately 13.79 per cent. of Argo's issued share capital.

The full text of First Investments' announcement of 30 April 2019 and 9 May 2019 regarding the Requisitioned General Meeting can be seen using the following links:

<https://www.investegate.co.uk/first-investments/rns/requisitioned-gm-of-argo-blockchain-plc/201904300745025260X/>

<https://www.investegate.co.uk/first-investments/rns/statement-re--argo-blockchain-plc/201905090700114420Y/>

Enquiries:

Strand Hanson Limited

Simon Raggett / James Dance

Tel: +44(0)207 409 3494