

ASX Announcement

23rd July 2018

IOT to act as Advisor to authorised Bitfury Blockchain Mining Partner.

Highlights

- ✓ IOT Group Limited subsidiary, International Blockchain Advisory Corp Pty Ltd's (IBAC) is to act as an Advisor for Royalti Blockchain Group. (RBG) RBG is Bitfury's Authorised Australian Integrator and approved partner. (Bitfury.com - Bitfury is the world's leading Blockchain technology Company.) IOT's and IBAC's role is limited to an advisory role of the Blockchain solution for RBG.
- ✓ IBAC has signed a Binding Contract with RBG to advise on the best Blockchain protocol solutions for the RBG Initial Coin Offering (ICO).
- ✓ IBAC will receive within 14 days of signing this Binding Contract, 5 million ERC20 tokens (5% of the units issued) of the Blockchain Project.
- ✓ RBG is one of the world's first fully automated digital currency mines, guided by Artificial Intelligence to deliver significant energy savings.

INTERNATIONAL BLOCKCHAIN ADVISORY CORP (IBAC)

The IOT Group Limited (ASX: IOT) ("IOT" or "the Company") is pleased to announce that its subsidiary International Blockchain Advisory Corp Pty. Ltd (IBAC) (ibac.io) is advising for a Blockchain project to develop the RBG Blockchain Mining Services.

IBAC's role in this Project is to advise and introduce qualified technical management to complete the RBG Blockchain Mining Project.

IOT's and IBAC's role is limited to an advisory role for the Blockchain solution. IOT will not itself directly, indirectly or jointly undertake the ICO and will remain as an advisor to RBG. IBAC will not be participating in a Digital currency other than in receiving Tokens as compensation for services.

The Binding Contract Terms details that IBAC will receive 5 million tokens of the Blockchain Project with a proposed value of \$1 AUD per unit. As RBG will initially be listing on an

Australian ICO exchange, the currency is determined as AUD. IBAC will receive all 5 Million units as ERC20 Tokens on the Ethereum platform within the next 14 days. This issue of Tokens represents the consideration for IBAC's provision of services under the Binding Contract. Subject to working capital requirements and prevailing investment market conditions, IOT will trade the RBG Tokens on the relevant exchange (once listed) to realise the cash value.

Investors should note that the basis for the Token valuation is, in fact, unknown at this stage and is only notional, and will only be known once the Tokens are planned to be listed on an exchange in Q4 this year. Furthermore, if the ICO does not take place as planned, the Tokens will not be redeemable and therefore IOT will not receive any monetary compensation for this project. Accordingly, there are significant risks associated with the Valuation of the Tokens and investors should be aware of these risks.

IOT see this Binding Contract as significant, being IOT's first Contract in this burgeoning market.

As noted above, IBAC has entered into a Binding Contract. IOT's and IBAC's role is limited to an advisory role and the development of the Blockchain solution.

A summary of the Binding Contract is contained in the Annexure to this announcement.

As previously announced on the ASX, International Blockchain Advisory Corp Pty. Ltd. (IBAC) will advise clients on how to use and benefit from the Blockchain protocol. IBAC will work with clients to develop Blockchain solutions and opportunities for their assets and businesses.

IBAC is taking the first mover advantage, rapidly expanding its blockchain capabilities and engaging with industry to both realise and drive the opportunities inherent in this new technology.

Commentary

Executive Director and Founder of IOT Group Limited: Sean Neylon comments:

"IBAC will generate significant business for the IOT Group. IBAC is in the process of securing further clients to advise on how to develop a Blockchain solution for their business."

Executive Co-Founder, Mark Roper, of Royalti Blockchain Group comments:

"We are delighted to contract IBAC as an advisor to help launch our digital mining services in Australia, Canada and Norway"

"RBG will be the world's first fully automated mining business that is driven by data science and artificial intelligence meaning there is no layer of management needed"

Annexure

The following information is provided in relation to the Binding Contract:

- The Binding Contract is subject to no conditions precedent.
- In terms of the fees and timetable for implementing the transaction, the parties have agreed in this Binding Contract:
 - IBAC will begin to provide services upon signing of the Binding Contract.
 - IBAC will receive the following payment for Advisory Services given to RBG:
 - 5,000,000 (Five Million) ERC20 Tokens to be issued within 14 days of signing of the Binding Contract.
 - RBG aims to list the tokens on an exchange in Q4 of 2018 for a proposed value of AUD\$1.00 per token
 - The Term of the Binding Contract will continue for a period of two (2) years unless terminated earlier. RBG may terminate the Binding Contract on 180 days written notice. All existing payments up to the Termination Date will remain the Property of IBAC. IOT have no Termination Rights during the Term of the Binding Contract.
- The Binding Contract does not contemplate the issue of securities or any changes to the board or senior management of IOT.
- No consideration is payable or was paid by or to IOT for entering into the Binding Contract.



EVERYTHING IS CONNECTED

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Company Information

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Sean Neylon	Founder and Executive Director
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All references to IOT Group includes its subsidiaries.