

4 April 2019

## **STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE**

### **Byte Power Group Ltd update on Cryptocurrency Exchange**

Byte Power Group Ltd (ASX:BPG) is pleased to provide an update on the Cryptocurrency Exchange business of its subsidiary, Byte Power Pty Ltd ("BPPL") that was launched on 13 January 2019.

BPG is pleased to advise that as of 31 March 2019 there were 1,906 users who had registered with the Exchange. Of these users, 181 have satisfied the Exchange "Know Your Client" (KYC) requirements and these users come from 28 different countries of residence.

As part of the launch of the Exchange, an airdrop program offering free tokens to newly registered users was launched. These users are entitled to free tokens once they have completed their registration on the Exchange and deposited either fiat or cryptocurrency into their Exchange account.

As of 31 March 2019, 81,500 BPX tokens had been issued to registered users under this airdrop program. The utility of these tokens allows those users who hold 15,000 tokens or more to receive a discount of up to 40% off commissions incurred from trading on the BPX exchange. As at 31 March 2019 the aggregate discounts given to users who hold the requisite number of tokens to receive a discount off commissions (namely 15,000 tokens) was \$1.49 (as detailed in the management accounts of BPX). There are currently 18 registered users who hold the requisite number of BPX tokens that entitle them to a discount off exchange commissions. The majority of these 18 users hold token numbers that provide them the highest discount rate of 40%.

Trading commenced on the Exchange following its launch on 13 January 2019. From the launch date up until 31 March 2019, 38 qualified users conducted 353 trades on the Exchange with a total trade value of approximately A\$53,500. As this business operation has only recently commenced, commissions from trading on the Exchange are small (approximately \$351). BPG anticipates the number of pairings available to traders on the Exchange will increase over the coming months and as the number of pairings increase, so will trading volumes.

Since launching the Exchange, 10 users have transferred funds to their accounts. As at 31 March 2019 the aggregate funds deposited amounted to \$1,301. While it is very early days for this business, BPG is encouraged by the number of registered users and anticipates that the trade

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volumes will increase as more registered users complete their KYC requirements and as the Exchange launches more pairings for trading on the Exchange.

Development work is on-going by Noetic to add new pairings to the Exchange. Please refer to Byte Power X Pty Ltd's social media sites for information on expected new pairings that will be made available on the Exchange. Marketing activities through social media channels will increase to support the rollout of these new trading services on the Exchange.

BPG will look at increasing its management team over the balance of the financial year, hiring team members with skill sets that will complement the strategic plan of BPG. These team members will be hired as and when these specific skill sets are identified and required.

An amount of US\$85,000 was due to Noetic on 28 February 2019. An extension for this payment was agreed until 1 April. This amount was paid to Noetic on 28 March 2019. A balance of US\$458,150 owing to Noetic for other development work is due to be paid on or before 31 May 2019. BPPL anticipates that there will be further development work required to be undertaken by Noetic. BPPL anticipates that such work (once contracted) will incur further development costs of approximately US\$40,000.

BPG will provide periodic updates as this business unit grows and evolves.

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Byte Power Group Limited

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