

April 16, 2018



Blockchain Mining Completes Transaction with Bitfarms

MONTREAL, April 16, 2018 (GLOBE NEWSWIRE) -- Blockchain Mining Ltd. ("BLCM" or the "Company") (TASE:BLCM) (OTC:BITFY) is pleased to announce that it has completed its transaction with Backbone Hosting Solutions Inc. ("Bitfarms"), operating under the commercial brand "Bitfarms", whereby the Company acquired 60.7% of the issued and outstanding shares of Bitfarms in exchange for 23,124,861 common shares of the Company, and the right to acquire 17,335,090 common shares of the Company, all of which have been issued to founding shareholders and principals of Bitfarms (the "Transaction").

"The transaction confirms our role as a leader in blockchain technology. We are fully prepared to pursue our expansion in Canada, where we have secured access to more than 135 megawatts of clean, sustainable hydroelectricity," said Emiliano J. Grodzki, Chief Strategy Officer.

For the last four months, the Transaction has been reviewed by the Israel Securities Authority (ISA) and the Tel Aviv Stock Exchange (TASE).

"ISA and TASE took the time to regulate this emerging industry. They have shown themselves to be a world-class destination for blockchain companies. We would like to thank them warmly," said Emiliano J. Grodzki.

With clean hydroelectricity, cold weather, competitive electricity rates and innovative universities, Quebec is becoming a global hub for blockchain technology and Bitfarms is leading the way. Bitfarms is determined to work with Quebec decision makers, hydroelectricity providers and local communities in order to continue its growth in the province. For the last six months, Hydro-Québec, the province's main electricity producer, has worked relentlessly in order to establish the basis for a successful and sustainable blockchain industry.

"Hydro-Québec wants to attract the best blockchain companies in the province, and the government of Québec has publicly shown support for blockchain technology on numerous occasions," said Wes Fulford, Chief Executive Officer.

"Hydro-Québec provides a power supply that is clean, reliable and sustainable at a very competitive price," said Emiliano J. Grodzki.

"Our development pipeline is stronger than ever, and the completion of the Transaction is a major achievement for our team. During the last 56 days of 2017, our operations produced over \$200,000 in daily revenue when you include cryptocurrencies in inventory. We have since grown our installed capacity, and each day we are seeing more and more opportunities for growth and integration," said Wes Fulford.

About Blockchain Mining Ltd.

Blockchain Mining Ltd. (TASE:BLCM) (OTC:BITFY) through its Transaction with Backbone Hosting Solutions Inc. (Bitfarms) owns and operates blockchain farms that power the global decentralized financial economy. Bitfarms provides computing power to cryptocurrency networks such as bitcoin, bitcoin cash, ethereum, litecoin, and dash earning fees from each network for securing and processing transactions, 24 hours a day, seven days a week. Since 2013, predecessors to Bitfarms have constructed 4 farms in Quebec, Canada, which have 27.5 MW of installed capacity and over 200 Ph/s of installed hash-power. Bitfarms construction pipeline includes an additional 5 farms with a total of 167.5 MW of power capacity, including current operations.

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Cautionary Statement

Investors are cautioned that, except as disclosed in the Company's regulatory disclosures prepared in connection with the transaction, any information released or received with respect to the transactions described herein may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. The Tel Aviv Stock Exchange has neither approved nor disapproved the contents of this press release.

Forward-Looking Statements

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. The information in this release about the business combination, and the future plans and objectives of the Company, are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the intentions, plans and future actions of the Company following the business combination, the previously announced financing of the Company, the listing of the Common Shares on stock exchanges, the potential benefits of the business combination, as well as Bitfarm's ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate the current digital currency inventory, fluctuations in digital currency prices and the resulting significant negative impact on the Company's operations, the volatility of digital currency prices, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment of cryptocurrency in the Provinces of Canada.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or

“intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to uncertainties associated with the business combination; risks relating to certain directors and officers of the Company possibly having interests in the business combination that are different from other shareholders; the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors which could impact future results of the business of Bitfarm include but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the Province of Quebec, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; and there will be no regulation or law that will prevent Bitfarm from operating its business. The Company has also assumed that no significant events occur outside of the Bitfarm's normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Source: Backbone Hosting Solutions Inc.