

November 19, 2018



# Riot Blockchain Releases 3rd Quarter Results

***Company Generates \$2.4 Million in Revenue for the Quarter on the Production of 319 Bitcoins and 1,182 Litecoin***

**CASTLE ROCK, CO / ACCESSWIRE / November 19, 2018** /Riot Blockchain, Inc. (NASDAQ: RIOT) ("the Company") announced the filing of its unaudited results for the third quarter on Form 10-Q for the period ending September 30, 2018. The entire document can be viewed on the Company's website or at SEC.gov.

## **Highlights from the quarter as of September 30, 2018 include:**

- Generated approximately \$2.3 million in revenue on the production of 319 Bitcoins (including BCash as converted) and 1,182 Litecoins for the quarter
- Positive gross margin maintained despite a decline in the average price of Bitcoin quarter over quarter
- Cash, cash equivalents, digital currencies, and prepaid contracts/expenses of \$6.9 million
- No long-term debt
- Net loss of approximately \$6.2 million. This net loss was largely attributable to Selling, General and Administrative expenses of \$6.0 million, which includes legal fees associated with the increased level of regulatory matters, litigation, and general corporate activities relative to last year.
- 14,197,763 weighted average number of common shares outstanding

## **Business update and highlights:**

- Riot has received written notification from the SEC that the SEC has terminated its examination under Section 8(e) of certain of the Company's registration statements, which the Company had previously announced earlier this year. The previously disclosed separate SEC investigation associated with the subpoena received April 9, 2018 is still ongoing, and the Company has been cooperating with the SEC in that investigation.
- Riot's fully owned hashing power is around 94 Petahash, which ranks the company among the largest publicly listed miners of Bitcoin
- Riot maintains ownership of approximately 12.9% of goNumerical Ltd (dba "Coinsquare"). Coinsquare is a leading cryptocurrency exchange in Canada. The most recent public valuation of Coinsquare on a 100% basis was at approximately C\$430 million (US\$326M)
- Riot is actively investigating the launch of a cryptocurrency exchange in select states in the U.S. and continues to sign partners with the goal to launch in 2019
- The Company continues the development of its own private Bitcoin Mining Pool.

Mining pools are groups of miners that work as a team and contribute their hashing power to solving computations that secure the blockchain

- Riot continues to receive and evaluate various opportunities including those related to the acquisition of additional capital

## **About Riot Blockchain**

Riot Blockchain is focused on building, operating, and supporting blockchain technologies. Its primary operations consist of cryptocurrency mining, targeted development of exchange and mining pool platforms, along with other investments within the sector. For more information, visit <http://www.RiotBlockchain.com/>.

## **Investor Notice**

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Form 10-K for the fiscal year ended December 31, 2017 filed with the Securities and Exchange Commission (the "SEC") on April 17, 2018, amendments thereto, and in periodic reports we file with the SEC in the future. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us.

Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. See "Safe Harbor" below.

## **Safe Harbor**

The information provided in this press release may include forward-looking statements relating to future events or the future financial performance of the Company. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipates," "plans," "expects," "intends," "will," "potential," "hope" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release relating to the Company may be found in the Company's periodic filings with the Securities and Exchange Commission, including the factors described in the sections entitled "Risk Factors," copies of which may be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov). The Company does not undertake any obligation to update forward-looking statements contained in this press release.

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