



Blockchain Mining Continues Operational Expansion

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MONTREAL, May 14, 2018 (GLOBE NEWSWIRE) -- Blockchain Mining Ltd. ("BLCM" or the "Company") (TASE:BLCM) (OTC:BITFY) through its ownership of Backbone Hosting Solutions Inc. (operating as "Bitfarms"), one of the largest blockchain technology companies in the world, is pleased to announce the following recent developments and operational achievements.

Operational highlights in recent weeks:

- Completion of transaction with Bitfarms and first month of trading as a combined entity;
- Acquisition of two industrial real estate properties which is the first major milestone associated with Bitfarms' 98MW power contract and new computing centres within the municipality of Sherbrooke, Quebec. The total purchase price of these properties was CAD\$4.75M and this was funded with balance sheet cash;
- Staff electricians and technicians are finalizing the installation of our custom made electrical transformers at Magog, Bitfarms' fifth computing centre in Quebec. The infrastructure buildout is nearing completion and the new facility will have up to 10MW of capacity available;
- Acquisition and installation of 973 new ASIC miners adding 13.1 PH/s to current portfolio;
- Completion of platform testing associated with 100% owned and developed public mining pool. Direct pool ownership and administration will allow Bitfarms to increase profit margins on daily coin rewards and to grow transaction fees; and
- Bitfarms has completed construction of a brand-new centralized repair lab in Saint-Jean-sur-Richelieu, Quebec. Our team of technicians have been trained directly by leading hardware manufacturers and will enable us to minimize hardware downtime.

"As an industry leader, Bitfarms continues to defend and grow its market share which is being funded organically through cashflow from current operations. Recent price stability in our cryptocurrencies of focus is encouraging, and we are excited to announce the continued expansion, development and vertical integration of Bitfarms," said Wes Fulford, Chief Executive Officer of Bitfarms.

Bitfarms continues its expansion in Quebec, with the use of clean hydroelectricity. "Quebec is a global hub for blockchain technology, with a reliable grid, innovative universities and supportive policymakers," said Pierre-Luc Quimper, President and Director at Bitfarms.

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 Québec, 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

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 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 Québec, 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.