UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November, 2021

Commission File Number: 333-258788

BITFARMS LTD.
(Exact Name of Registrant as Specified in Its Charter)

18 King Street East, Suite 902, Toronto, Ontario, Canada M5C 1C4
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

INCORPORATION BY REFERENCE

This report on Form 6-K, including the interim condensed consolidated financial statements for the three and nine months ended September 30, 2021 and management's discussion and analysis for the three and nine months ended September 30, 2021, shall be deemed to be incorporated by reference as exhibits to the Registration Statement of Bitfarms Ltd. on Form F-10 (File No. 333-258788) and to be a part thereof from the date on which this report was furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibits

Exhibit No.	Description
99.1	Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2021
99.2	Management's Discussion & Analysis for the three and nine months ended September 30, 2021
99.3	CEO Certification of Interim Filings Venture Issuer Basic Certificate dated November 12, 2021
99.4	CFO Certification of Interim Filings Venture Issuer Basic Certificate dated November 12, 2021
99.5	Press Release dated November 15, 2021

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BITFARMS LTD.

By: /s/ L. Geoffrey Morphy
Name: L. Geoffrey Morphy
Title: President

Date: November 15, 2021

Exhibit 99.1

Bitfarms

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2021 (UNAUDITED)

INDEX

- - - - - - - - - - - - - - - - - -

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of U.S. dollars)

	Note	September 30, 2021	December 31, 2020
ASSETS			
CURRENT ASSETS:			
Cash		$ 43,267	$ 5,947
Trade receivables		1,205	1,103
Other assets	3	5,071	500
Electrical component inventory		499	169
Digital assets	4	101,245	-
Embedded derivative	8	-	1,449
Assets held for sale	5b	1,261	-
TOTAL CURRENT ASSETS		152,548	9,168
NON-CURRENT ASSETS:			
Property, plant and equipment	5	88,070	35,793
Right-of-use assets	9	5,428	5,393
Long-term deposits and equipment prepayments	6	76,197	973
Intangible assets		187	377
TOTAL NON-CURRENT ASSETS		169,882	42,536
TOTAL ASSETS		$ 322,430	$ 51,704
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables and accrued liabilities	7	$ 6,615	$ 2,696
Current portion of long-term debt	8	10,433	17,171
Current portion of lease liabilities	9	3,984	3,626
Taxes payable		6,643	316
Warrant liability		-	4,668
TOTAL CURRENT LIABILITIES		27,675	28,477
NON-CURRENT LIABILITIES:			
Long-term debt	8	568	174
Lease liabilities	9	6,138	7,397
Asset retirement provision		331	209
Deferred tax liability	10a	5,902	-
TOTAL NON-CURRENT LIABILITIES		12,939	7,780
TOTAL LIABILITIES		40,614	36,257
EQUITY:			
Share capital		256,515	32,004
Contributed surplus		34,993	5,588
Accumulated deficit		(9,692)	(22,145)
TOTAL EQUITY		281,816	15,447
TOTAL LIABILITIES & EQUITY		$ 322,430	$ 51,704

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE PROFIT OR LOSS

(In thousands of U.S. dollars, except earnings per share data)

	Note	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenues	4, 15b	$ 44,774	$ 6,795	$ 109,893	$ 23,379
Cost of sales		15,306	7,827	37,758	23,250
Gross profit (loss)		29,468	(1,032)	72,135	129
General and administrative expenses	14a	10,884	1,809	24,310	5,985
Loss (gain) on disposition of digital assets	4	177	-	152	(23)
Loss (gain) on revaluation of digital assets	4	(13,893)	-	992	-
Loss (gain) on disposition of property, plant and equipment		70	557	(95)	1,264
Impairment reversal on property plant and equipment	5b	(1,860)	-	(1,860)	-
Operating income (loss)		34,090	(3,398)	48,636	(7,09)
Net financial expenses (income)	14b	(616)	1,363	23,936	3,930
Net income (loss) before income taxes		34,706	(4,761)	24,700	(11,027)
Income tax expense (recovery)	10b	10,973	-	12,247	(112)
Net income (loss) and total comprehensive income (loss)		$ 23,733	$ (4,761)	$ 12,453	$ (10,915)
Net income (loss) per share (in U.S. dollars):	14c				
Basic earnings (loss) per share		$ 0.14	$ (0.06)	$ 0.08	$ (0.13)
Basic weighted average number of shares		166,942,439	84,521,363	147,595,721	84,851,065
Diluted earnings (loss) per share		$ 0.13	$ (0.06)	$ 0.08	$ (0.13)
Diluted weighted average number of shares for the purpose of calculating diluted earnings per share		176,807,416	84,521,363	159,410,895	84,851,065

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of U.S. dollars, except for quantity of shares)

	Quantity of shares	Share capital	Contributed surplus	Accumulated deficit	Total equity
Balance as of January 1, 2021	88,939,359	$ 32,004	$ 5,588	$ (22,145)	$ 15,447
Net income	-	-	-	12,453	12,453
Share-based payment (Note 13)	-	-	12,549	-	12,549
Issuance of common shares and warrants (Note 11)	46,518,507	119,455	26,781	-	146,236
Conversion of long-term debt (Note 8)	8,474,577	5,110	(110)	-	5,000
Exercise of warrants and stock options (Note 11)	30,513,241	99,946	(9,815)	-	90,131
Balance as of September 30, 2021	174,445,684	$ 256,515	$ 34,993	$ (9,692)	$ 281,816
Balance as of January 1, 2020	83,620,630	$ 30,475	3,469	$ (5,856)	$ 28,088
Net loss				(10,915)	(10,915)
Share-based payment	600,000	192	1,606	-	1,798
Issuance of common shares and modification of warrants	1,000,000	54	-	-	54
Long-term debt conversion feature	-	-	110	-	110
Exercise of warrants	500,000	200	-	-	200
Balance as of September 30, 2020	85,720,630	$ 30,921	$ 5,185	$ (16,771)	$ 19,335

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Note	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cash flows from operating activities:			
Net income (loss)		$ 12,453	$ (10,915)
Adjustments for:			
Depreciation and amortization		14,189	8,652
Impairment reversal on property plant and equipment	5b	(1,860)	-
Net financial expenses	14b	23,936	3,930
Digital assets mined	4	(106,001)	(21,425)
Digital assets liquidated	4	3,612	21,448
Loss (gain) on disposition of digital assets	4	152	(23)
Loss on revaluation of digital assets	4	992	-
Share-based payment	13	12,549	1,798
Interest and financial expenses paid		(782)	(3,004)
Deferred taxes	10b	5,902	-
Loss (gain) on disposition of property, plant and equipment		(95)	1,276
		(47,406)	12,652
Changes in non-cash working capital components	16	4,151	2,402
Net change in cash related to operating activities		(30,802)	4,139
Cash flows from investing activities:			
Purchase of property, plant and equipment and intangible assets		(57,421)	(4,902)
Proceeds from sale of property, plant and equipment		955	718
Equipment prepayments	6	(75,015)	-
Net change in cash related to investing activities		(131,481)	(4,184)
Cash flows from financing activities:			
Issuance of common shares and warrants		149,046	-
Exercise of warrants and stock options		60,352	200
Repayment of lease liabilities		(3,342)	(621)
Repayment of long-term debt		(17,372)	(469)
Proceeds from long-term debt		10,940	80
Net change in cash related to financing activities		199,624	(810)
Exchange rate differences on currency translation		(21)	20
Net change in cash and cash equivalents		37,320	(835)
Cash at the beginning of the period		5,947	2,159
Cash at the end of the period		$ 43,267	$ 1,324

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 1: REPORTING ENTITY, BASIS OF PRESENTATION AND LIQUIDITY

a. Bitfarms was incorporated under the Canada Business Corporation Act on October 11, 2018. The interim condensed financial statements of the corporation comprise the accounts of Bitfarms Ltd. and its wholly owned subsidiaries (together referred to as the "Company" or "Bitfarms"). The activities of the Company are divided into two reportable segments: the cryptocurrency mining segment (referred to as "Backbone") and the electrical services segment (referred to as "Volta"), as described in Note 15 "Reportable segments". The Company's operations are predominantly in Canada, with construction of new facilities having commenced in Argentina and Paraguay.

   Bitfarms is primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly and negatively impact the Company's operations and its ability to maintain sufficient liquidity to meet its commitments as described in Note 6. In addition, adverse changes to the factors mentioned above may impact the recoverability of the Company's digital assets and property, plant and equipment, resulting in impairment charges being recorded.

   The common shares of the Company are listed under the trading symbol BITF on Nasdaq and on the TSX Venture Exchange.

b. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

   These interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2020. These interim condensed consolidated financial statements were approved by the Board of Directors on November 12, 2021.

c. In March 2020, the World Health Organization declared COVID-19 a pandemic. The potential impacts that COVID-19 may have on the Backbone operating segment include increases in cryptocurrency price volatility and delays in receiving future orders of mining hardware and construction materials required to achieve the Company's growth objectives. The Backbone operating segment has been, and is expected to, continue to be operating throughout the pandemic. Volta's services are considered to be essential by government authorities and have been, and are expected to continue to be, operating throughout the pandemic. No significant impact of COVID-19 has been observed on Backbone or Volta's existing operations for the nine months ended September 30, 2021; however; the Company has observed longer than usual lead times and higher price fluctuations than usual in procuring construction materials required for the Company's infrastructure buildout. It is not possible to reliably estimate the length and severity of these developments as well as their impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 1: REPORTING ENTITY, BASIS OF PRESENTATION AND LIQUIDITY (Cont.)

d. In these financial statements, the following terms shall have the following definitions:

1.	Backbone	Backbone Hosting Solutions Inc.
2.	Volta	9159-9290 Quebec Inc.
3.	BTC	Bitcoin
4.	BVVE	Blockchain Verification and Validation Equipment (including miners)
5.	CAD	Canadian Dollars

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared following the same accounting policies used in the audited annual consolidated financial statements for the year ended December 31, 2020, other than the reclassification of loss on disposal of property, plant and equipment which is now included in the calculation of operating income or loss.

The accounting policies have been applied consistently by the Company's entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

NOTE 3: OTHER ASSETS

	September 30, 2021	December 31, 2020
Sales taxes receivable	$ 1,935	$ 297
Prepaid expenses	3,136	203
	$ 5,071	$ 500

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 4: DIGITAL ASSETS

Bitcoin transactions and the corresponding values for the three and nine months ended September 30, 2021, and 2020 were as follows:

	Three months ended September 30,			
	2021		2020	
	Quantity	Value	Quantity	Value
Balance as of July 1,	1,293	$ 45,329	-	$ -
Bitcoin mined*	1,051	43,459	535	5,681
Bitcoin exchanged for cash and services	(32)	(1,259)	(479)	(5,093)
Bitcoin exchanged for long-term debt repayment	-	-	(56)	(588)
Loss on disposition of Bitcoin	-	(177)	-	-
Revaluation of digital assets	-	13,893	-	-
Balance as of September 30,	2,312	$ 101,245	-	$ -

	Nine months ended September 30,			
	2021		2020	
	Quantity	Value	Quantity	Value
Balance as of January 1,	-	$ -	-	$ -
Bitcoin mined*	2,408	106,001	2,437	21,424
Bitcoin exchanged for cash and services	(49)	(2,066)	(2,123)	(18,629)
Bitcoin exchanged for long-term debt repayment	(47)	(1,546)	(314)	(2,658)
Gain (Loss) on disposition of Bitcoin	-	(152)	-	23
Prior period accounting policy change	-	-	-	(160)
Revaluation of digital assets	-	(992)	-	-
Balance as of September 30,	2,312	$ 101,245	$ -	$ -

* Management estimates the fair value of Bitcoin mined on a daily basis as the quantity of cryptocurrency received multiplied by the price quoted on www.coinmarketcap.com ("Coinmarketcap") on the day it was received. Management considers the prices quoted on Coinmarketcap to be a level 2 input under IFRS 13 Fair Value Measurement

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

a. As at September 30, 2021, and December 31, 2020, property, plant and equipment consisted of:

	BVVE and electrical components	Mineral assets	Land and buildings	Leasehold improvements	Vehicles	Total
Cost:						
Balance as of January 1, 2021	$ 52,676	$ 9,000	$ 3,263	$ 2,707	$ 448	$ 68,094
Additions during the period	64,335	-	377	1,110	60	65,882
Dispositions during the period	(6,119)	-	-	(190)	-	(6,309)
Transfer to assets held for sale	(11,287)	-	-	-	-	(11,287)
Balance as of September 30, 2021	99,605	9,000	3,640	3,627	508	116,380
Balance as of January 1, 2020	54,127	9,000	2,721	2,415	381	68,644
Additions during the period	9,548	-	542	306	80	10,476
Dispositions during the period	(10,999)	-	-	(14)	(13)	(11,026)
Balance as of December 31, 2020	52,676	9,000	3,263	2,707	448	68,094
Accumulated Depreciation:						
Balance as of January 1, 2021	30,042	-	185	1,861	213	32,301
Depreciation	12,866	-	72	199	56	13,193
Dispositions during the period	(5,150)	-	-	(148)	-	(5,298)
Transfer to assets held for sale	(10,026)	-	-	-	-	(10,026)
Impairment reversal	(1,311)	-	-	(549)	-	(1,860)
Balance as of September 30, 2021	26,421	-	257	1,363	269	28,310
Balance as of January 1, 2020	28,976	-	101	1,641	152	30,870
Depreciation	9,762	-	84	234	68	10,148
Dispositions during the period	(8,696)	-	-	(14)	(7)	(8,717)
Balance as of December 31, 2020	30,042	-	185	1,861	213	32,301
Net book value as of						
September 30, 2021	**$ 73,184**	**$ 9,000**	**$ 3,383**	**$ 2,264**	**$ 239**	**$ 88,070**
December 31, 2020	**$ 22,634**	**$ 9,000**	**$ 3,078**	**$ 846**	**$ 235**	**$ 35,793**

b. Impairment reversal and assets held for sale

During the year-ended December 31, 2018, the Company recorded an impairment loss on its cryptocurrency mining cash generating unit (CGU) which resulted in $16,454 of impairment being allocated to BVVE and electrical components and leasehold improvements due to a significant decline in the Bitcoin market price. As of September 30, 2021, the Company assessed whether there was an indication that the impairment loss recognized in 2018 may no longer exist or may have decreased, and concluded that there were observable indications that the CGU's value had increased during the period. As a result, the Company's management estimated the recoverable amount of the CGU, using a value in use calculation based on the present value of the expected cash flows over the estimated remaining useful life of the previously impaired CGU assets of approximately 1.5 years. Based on management's calculations, an impairment reversal of $970, relating to the CGU, was recognized during the period. The increased carrying amount of the CGU assets reflects the carrying amount of the CGU assets that would have been determined, net of depreciation, had no impairment loss been recognized in 2018.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 5: PROPERTY, PLANT AND EQUIPMENT (Cont.)

Mining assets outside of Quebec and Antminer S9 miners were not included in the CGU for the purposes of the impairment reversal calculation. The Company has ceased using the Antminer S9 miners, and has plans to dispose of them within the next 12 months. Management has determined that the Antminer S9 miners meet the criteria to be classified as held for sale, and determined that the carrying amount, including the impairment recognized in 2018, was less than the estimated fair value less costs to sell. As a result, the Company recognized an impairment reversal of $890 relating to the impaired Antminer S9 miners held for sale, reflecting the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in 2018. The total impairment reversal recognized during the period, relating to the CGU assets and the assets held for sale totaled $1,860. The key assumptions used in the value in use calculation are as follows:

Revenues – Two optimistic and two pessimistic and one status quo scenario, each with estimated future bitcoin price and network difficulty, were used to project revenues from cryptocurrency mining. Management assigned probabilities to each scenario to calculate weighted average expected outcomes. The weighted average daily revenue per Terahash used in the value in use calculation was $0.22/Terahash.

Discount rate – the discount rate reflects management's assumptions regarding the unit's specific risk. The discount rate used was estimated at 18.3%, with some of the risk already being implicitly reflected through management's allocation of probabilities to the various scenarios included in the revenue calculation.

Energy prices – management estimated that energy prices would remain constant for the duration of the forecasted years at $0.04 per kilowatt hour, in Quebec.

Terminal value – management estimated the terminal value of the miners included in the CGU for the purposes of the impairment reversal to be the daily revenue per Terahash in effect at the end of the value in use calculation multiplied by the ending hashrate, multiplied by 180 days.

c. Further details of the quantity and models of BVVE held by the Company are as follows:

	MicroBT Whatsminer (BTC)*	**Bitmain S19j Pro**	**Innosilicon T3 & T2T (BTC)****	**Canaan Avalon A10 (BTC)**	**Other Bitmain Antminers (BTC)*****	**Total**
Quantity as of January 1, 2021	8,394	-	6,446	1,024	11,244	27,108
Additions during the period	9,744	2,123	-	-	-	11,867
Dispositions during the period	(116)	-	-	-	(3,070)	(3,186)
Quantity as of September 30, 2021	18,022	2,123	6,446	1,024	8,174	35,789

* Includes 4,338 M20S, 1,765 M30S, 245 M31S and 11,674 M31S+ miners
** Includes 5,082 T3 and 1,364 T2T miners
*** Includes 1,334 Antminer T15 and 396 Antminer S15, and 6,444 Antminer S9 miners that were classified as assets held for sale as described in Note 5b.

Included in the BVVE and electrical equipment listed above are right-of-use assets consisting of 3,000 Whatsminer M31S+ with a net book value of approximately $6,057 as described in Note 9.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 5: PROPERTY, PLANT AND EQUIPMENT (Cont.)

During the three months ended September 30, 2021, 116 M31S miners with a carrying value of $780 suffered fire damage and could not be repaired. The miners were derecognized as a loss on disposal of property, plant and equipment.

NOTE 6: LONG-TERM DEPOSITS, EQUIPMENT PREPAYMENTS AND COMMITMENTS

	September 30, 2021	December 31, 2020
Security deposits for rent, energy and insurance	$ 1,151	$ 942
Equipment prepayments	75,046	31
	$ 76,197	$ 973

The Company has deposits on BVVE in the amount of $75,046, mainly for outstanding orders placed consisting of 5,100 Antminer and 48,000 Whatsminer miners with expected delivery in late 2021 and 2022. The Company is exposed to counterparty risk through the significant deposits it places with suppliers of mining hardware to secure orders and delivery dates. The risk of a supplier failing to meet its contractual obligations may result in late deliveries or long-term deposits and equipment prepayments that are not realized. The Company attempts to mitigate this risk procuring mining hardware from the larger more established suppliers and with whom the company has existing relationships and knowledge of their reputation in the market. The Company's remaining payment obligation in connections with the 48,000-unit purchase agreement described above are outline below:

	September 30, 2021
Three months ending December 31, 2021	$ 33,700
Three months ending March 31, 2022	41,400
Three months ending June 30, 2022	41,400
Three months ending September 30, 2022	26,400
Three months ending December 31, 2022	12,600
	$ 155,500

The Company will require additional sources of financing to meet the payment obligations included in the table above. If the Company were unable to obtain such financing, or the Bitcoin price and network difficulty were adversely impacted, then the Company may have difficulty meeting its payment obligations. If the Company were unable to meet its payment obligations, there could result in the loss of equipment prepayments and deposits paid by the Company under the purchase agreement and remedial legal measures taken against the Company which may include damages and forced continuance of the contractual arrangement. Under these circumstances, the Company's growth plans and ongoing operations could be adversely impacted.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 6: LONG-TERM DEPOSITS, EQUIPMENT PREPAYMENTS AND COMMITMENTS (Cont.)

In addition to the commitments described above, in May 2021 the Company entered into loan agreements, “loans #3 and #4”, to acquire a total of 700 Whatsminer miners as described in Note 8b. The loan terms are 18 months, beginning in October and November 2021 with total monthly repayments averaging $206. The Company also entered into two ten-year lease agreements for future facilities in Quebec, with monthly payments totaling $64 ($81,500 CAD) and one lease agreement for a future facility in Argentina, with payments of $100 to be made annually for a period of 8 years. One of the Quebec lease agreements is subject to rent increases upon the completion of certain phases in future years. The leases are expected to commence in the fourth quarter of 2021 and the first quarter of 2022.

NOTE 7: TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2021	December 31, 2020
Trade accounts payable and accrued liabilities	$ 6,367	$ 2,059
Government remittances	248	637
	$ 6,615	$ 2,696

NOTE 8: LONG-TERM DEBT

	September 30, 2021	December 31, 2020
Dominion Capital loan	$ -	$ 17,092
Equipment financing	10,864	-
Volta note payable	137	253
Total long-term debt	11,001	17,345
Less current portion of long-term debt	(10,433)	(17,171)
Non-current portion of long-term debt	$ 568	$ 174

a) Dominion Capital loan

On March 15, 2019, the Group entered into a secured debt financing facility for up to $20,000 with Dominion Capital LLC (the Lender). The debt facility was structured into four separate loan tranches of $5,000 per tranche. Each loan tranche bore interest at 10% per annum and the term of each loan tranche was 24 months with a balloon payment for any remaining outstanding balance at the end of the term. A monthly payment equivalent to 10% of the value of cryptocurrencies mined by Backbone during the month was required in repayment of the total loan tranches drawn. The loan contained a “make-whole” clause which stipulated that the 10% interest rate was calculated on the initial principal balance of the loan tranche and did not decrease as the principal balance was repaid.

NOTE 8: LONG-TERM DEBT (Cont.)

The 10% interest rate was calculated over the 24-month term of each loan tranche regardless of whether the loan tranche was repaid prior to its maturity. Any unpaid interest at the time of the loan tranche's early repayment was included in the balloon payment. The loan features resulted in a loan liability measured at amortized cost, a warrant component recorded as equity, a warrant component recorded as a liability measured at fair value through profit or loss, and an embedded derivative measured at fair value through profit or loss described below.

In September 2020, the Company entered into an agreement with Dominion Capital to amend the maturity date of tranche #2 from April 2021 to November 2021. The 10% make-whole clause described below remained in effect for the 6 month extension of the second loan tranche. In addition, a conversion feature was added to tranche #3, maturing in June 2021, providing Dominion Capital with the option to convert all or a portion of the loan tranche into shares at a price of $0.59 USD per share. The conversion feature was exercisable by Dominion Capital at any time until the loan's maturity date in June 2021. In January 2021, Dominion Capital exercised their option to convert $5,000 of debt into 8,474,577 Common Shares. In February 2021, the Company repaid the remaining debt obligation in its entirety.

Loan liability

The loan liability was initially measured as the residual amount of the proceeds received, net of transaction costs and the fair value of the warrant issuance. The loan was then measured at amortized cost using the effective interest method. Management used significant judgement and estimates when determining the effective interest rate. Payment amounts were determined as 10% of the cryptocurrency mined by Backbone. In order to calculate the effective interest rate, management estimated Backbone's future cryptocurrency mining revenues in order to estimate the timing and amount of future loan repayments. Upon inception of each loan tranche, the effective interest rates were determined to be 26.93%, 30.16%, 37.10 % and 38.02% for the first, second, third and fourth tranches, respectively. Included in financial expenses for the three and nine months ended September 30, 2021 are nil and $472 (three and nine months ended September 30 2020 $1,459 and $3,946, respectively) of interest expense related to the loan.

Warrant issuance

Bitfarms Ltd. also issued 1,666,667 Lender warrants, which vested upon issuance, to acquire 1,666,667 shares of Bitfarms Ltd. for each loan tranche drawn with an exercise price of $0.40 USD per share and an expiration date of five years. As a result, an aggregate of 6,666,668 Lender warrants to acquire 6,666,668 shares have been issued, of which 1,250,000 were exercised as of December 31, 2020. The remaining 5,416,668 warrants were exercised in January and February 2021 resulting in the issuance of 5,251,223 common shares for proceeds of approximately $1,500, see Note 11. The warrant exercises described above include the cashless exercise of 1,666,667 warrants resulting in the issuance of 1,501,222 common shares. In addition to the loan modifications described above, a cashless exercise feature was authorized for the warrants issued in connection with Tranche #2 and Tranche #3, which resulted in these warrants being reclassified from equity to a warrant liability measured at fair value through profit or loss.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 8: LONG-TERM DEBT (Cont.)

The Black Scholes model and the inputs described in Note 11 were used in determining the values of the warrants prior to their derecognition which resulted in a non-cash loss on revaluation of warrants for the nine months ended of $2,466 included in net financial expenses (nine months ended September 30, 2020 - $nil)

Embedded derivative

The value of the "make-whole" clause described above would vary based on management's projections of the timing of the loan repayment, which are based on Backbone's cryptocurrency mining revenues. This interest feature has been accounted for as an embedded derivative that is measured at fair value through profit or loss. The early repayment of the loan resulted in the company recording a loss on embedded derivative for the nine months ended September 30, 2021, of $2,641 included in net financial expenses (nine months ended September 30, 2020 gain of $506 and $626, respectively). See Note 14b.

b) Equipment financing

In April and May 2021, the Company entered into four loan agreements for the acquisition of 2,465 Whatsminer miners "Foundry Loans #1, #2, #3 and #4". Foundry loans #3 and #4, with a combined loan amount of $3,287, commenced in October and November 2021, concurrent with the delivery of the remaining 700 Whatsminers miners described above with an 18 month loan term.

In May 2021, the Company modified the terms of three lease agreements with its lender, Blockfills, for 4,000 Whatsminer miners to convert them to loan agreements. The key terms, such as interest rates, term and payment schedule remain unchanged. A total of $3,904 was reclassified from lease liabilities to long-term debt as a result of the modification. The right-of-use assets related to the three leases were classified in property, plant and equipment and as a result no reclassification was made. Details of the equipment financing and the balance of the loans and the net book value (NBV) of their related collateral, as of September 30, 2021, are as follows:

	Maturity date	Rate	Monthly repayment	Long-term debt balance	NBV of Collateral	Collateral*
Blockfills loan #1	August 2022	22.2%	$ 92	$ 880	$ 1,141	1,000
Blockfills loan #2	September 2022	17.8%	134	1,411	1,925	2,000
Blockfills loan #3	October 2022	18.6%	67	744	1,443	1,000
Foundry loan #1	September 2022	18.6%	561	6,143	8,783	1,465
Foundry loan #2	March 2023	16.5%	104	1,686	1,912	300
Total			$ 958	$ 10,864	$ 15,204	5,765

* Represents the quantity of Whatsminers received in connection with the equipment financing and pledged as collateral for the related loan.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 9: LEASES

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and their activity during the nine month period ended September 30, 2021:

	Leased premises	Vehicles	Other equipment	Total ROU assets	Lease liabilities
As at January 1, 2021	$ 5,129	$ 180	$ 84	$ 5,393	$ 11,023
Additions and extensions to ROU assets	1,365	120	-	1,485	1,485
Additions to property, plant and equipment	-	-	-	-	7,786
Depreciation	(710)	(70)	(21)	(801)	-
Lease termination	(646)	(3)	-	(649)	(800)
Lease liabilities converted to long-term debt	-	-	-	-	(3,904)
Payments	-	-	-	-	(4,523)
Issuance of warrants	-	-	-	-	(2,160)
Interest	-	-	-	-	1,181
Foreign exchange	-	-	-	-	34
As at September 30, 2021	$ 5,138	$ 227	$ 63	$ 5,428	$ 10,122
Less current portion of lease liabilities					(3,984)
Non-current portion of lease liabilities					$ 6,138

During the nine months ended September 30, 2021, the Company modified the terms of three two-year lease agreements for mining hardware, with a balance of $3,904 at the time of conversion, in June 2021, resulting in the lease liabilities being reclassified to long-term debt as described in Note 8b. No changes were made to the payment terms, interest rate or security interest of the former lessor.

The Company maintains one lease agreement for mining hardware, consisting of 3,000 Whatsminer M31S+, with a net book value of approximately $6,057, classified as property, plant and equipment under BVVE and electrical equipment as described in Note 5.

The Company issued 468,013 warrants to the former lessor with an exercise price of $0.40 USD and expiring in May 2023 with a total cost of $2,160, which was added to the cost of the leased assets which were recorded as an addition to property, plant and equipment and will be amortized over the useful life of the corresponding assets.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 9: LEASES (Cont.)

The inputs used to value the grant using the Black-Scholes model were as follows:

Grant date	**May 11, 2021**
Dividend yield (%)	-
Expected share price volatility (%)	139%
Risk-free interest rate (%)	0.05%
Expected life of warrants (years)	1.00
Share price (CAD)	6.04
Exercise price (USD)	0.40 USD
Fair value of warrants (USD)	4.62 USD
Quantity of warrants granted	468,013

* All warrants issued are for the purchase of one common share in the Company

NOTE 10: INCOME TAXES

a. Deferred taxes

Deferred taxes are computed at a tax rate of 26.5%, based on tax rates expected to apply at the time of realization. Deferred taxes relate primarily to the timing differences on recognition of expenses relating to the depreciation of fixed assets and loss carryforwards. The Company's deferred tax liability as of September 30, 2021 was $5,902

b. Taxes included in profit or loss:

	Nine months ended September 30,	
	2021	**2020**
Current tax expense		
Current year	$ 7,038	$ -
Prior year	(693)	(112)
Deferred tax expense		
Current year	5,725	-
Prior year	177	-
	$ 12,247	$ (112)

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 10: INCOME TAXES (Cont.)

c. Effective tax rate for the nine months ended September 30:

	2021
Income tax expense at statutory rate of 26.5%	$ 6,546
Increase in taxes resulting from:	
Foreign rate differential	126
Prior year	(516)
Non-deductible expenses and other	9,746
Deferred tax asset previously not recognized	(3,655)
	$ 12,247

NOTE 11: SHARE CAPITAL

	Authorized	Issued and outstanding at	
	September 30, 2021	September 30, 2021	December 31, 2020
		Number of shares	
Common shares of no par value	Unlimited	174,445,684	88,939,359

Dominion Capital

As described in Note 8, in January 2021, Dominion Capital exercised their option to convert $5,000 of debt into 8,474,577 Common Shares.

In January and February 2021, Dominion Capital exercised all of their remaining outstanding warrants resulting in the issuance of 5,251,223 common shares for proceeds of approximately $1,500. The warrant exercises described above include the cashless exercise of 1,666,667 warrants resulting in the issuance of 1,501,222 common shares.

In addition to the loan modifications described in Note 8, a cashless exercise feature was authorized for the warrants issued in connection with Tranche #2 and Tranche #3, which resulted in these warrants being reclassified from equity to a warrant liability measured at fair value through profit or loss. The derecognition of warrants containing the authorized cashless exercise feature resulted in a non-cash loss on revaluation of warrants of $2,466 included in net financial expenses for the nine months ended September 30, 2021 (nine months ended September 30, 2020 - $nil).

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 11: SHARE CAPITAL (Cont.)

The Black Scholes model and the inputs below were used in determining the values of the warrants relating to Tranche #2 and Tranche #3, prior to their derecognition:

	Remeasurement on settlement of warrant liability		
Grant date	**January 7, 2021**	**January 25, 2021**	**February 11, 2021**
Dividend yield (%)	-	-	-
Expected share price volatility (%)	131%	138%	136%
Risk-free interest rate (%)	0.25%	0.25%	0.25%
Expected life of stock options (years)	0.92	0.42	0.71
Share price (CAD)	3.00	3.25	4.40
Exercise price (CAD)	0.51	0.39	0.51
Fair value of warrants (USD)	2.00	2.25	3.08
Quantity of warrants exercised	250,000	1,666,667	916,667

Private placements

In January, February and May 2021, the Company completed four private placements for total gross proceeds of $155,000,000 CAD in exchange for 40,187,121 Common Shares and 36,649,385 warrants to purchase Common Shares:

Closing Date	**January 7, 2021**	**January 14, 2021**	**February 10, 2021**	**May 20, 2021**
Gross proceeds (CAD)	20,000,000	20,000,000	40,000,000	75,000,000
Common shares issued	8,888,889	5,586,593	11,560,695	14,150,944
Warrants issued*	8,888,889	5,586,593	11,560,695	10,613,208
Warrant strike price	2.75 CAD	3.10 USD	3.01 USD	4.87 USD
Warrant life (years)	3	3.5	3.5	3
Commission paid	8%	8%	8%	8%
Broker warrants issued*	711,111	446,927	924,586	1,132,076
Broker warrant strike price	2.81 CAD	3.53 USD	3.39 USD	5.49 USD
Broker warrant life (years)	3	3.5	3.5	3.0

* All warrants issued are for the purchase of one common share in the Company

In February 2021, 8,888,889 warrants and 615,111 of the 711,111 broker warrants related to the private placement that closed on January 7, 2021, were exercised resulting in the issuance of 9,504,000 common shares for proceeds of approximately $20,611 (26,172,000 CAD).

In March 2021, 5,027,933 warrants related to the private placement closed on January 14, 2021 were exercised resulting in the issuance of 5,027,933 common shares for proceeds of approximately $15,587. In addition, 800,000 of the 924,586 broker warrants issued in connection with the private placement on February 10, 2021 were exercised resulting in the issuance of 800,000 common shares for proceeds of $2,712.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 11: SHARE CAPITAL (Cont.)

In August 2021, 5,404,625 warrants related to the private placement closed on February 7, 2021, were exercised resulting in the issuance of 5,404,625 common shares for proceeds of approximately $16,268.

In total, 20,736,558 warrants relating to the private placements have been exercised resulting in the issuance of 20,736,558 common shares for proceeds of $55,178.

The warrants issued in connection with the private placement closed on January 7, 2021 had a strike price denominated in Canadian dollars, which is different from the Company's functional currency of the U.S. dollar. As a result, fluctuations in the Canadian to U.S. dollar exchange rate could result in the Company receiving a variable amount of cash in its functional currency in exchange for the exercise of warrants and issuance of shares. The possibility of variation in the settlement price in the Company's functional currency results in the warrants being classified as a liability that is measured at fair value through profit or loss. This accounting treatment does not apply to the broker warrants issued in Canadian dollars as warrants issued in exchange for goods or services are generally accounted for as equity with no remeasurement required.

The Black Scholes model and the inputs below were used in determining the values of the warrants prior to their derecognition which resulted in a non-cash loss on revaluation of warrants of $17,058 included in net financial expenses.

	Initial recognition	**Remeasurement on settlement of warrant liability**		
Grant date	**January 7, 2021**	**February 16, 2021**	**February 22, 2021**	**February 26, 2021**
Dividend yield (%)	-	-	-	-
Expected share price volatility (%)	132%	137%	141%	141%
Risk-free interest rate (%)	0.25%	0.25%	0.25%	0.25%
Expected life of stock options (years)	0.5	0.38	0.38	0.38
Share price (CAD)	2.50	4.67	6.55	5.45
Exercise price (CAD)	2.75	2.75	2.75	2.75
Fair value of warrants (USD)	0.65	1.88	3.24	2.44
Quantity of warrants exercised	8,888,889	888,889	5,000,000	3,000,000

Employee Stock Options

During the nine month period ended September 30, 2021, employees, directors and former employees exercised stock options to acquire 4,525,460 common shares resulting in proceeds of approximately $3,534 being paid to the Company.

An additional 1,771 common shares were issued during the nine month period ended September 30, 2021.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 11: SHARE CAPITAL (Cont.)

At-The-Market Equity Program

Bitfarms commenced an at-the-market equity program on August 16, 2021, by means of a prospectus supplement dated August 16, 2021, to the Company's short form base shelf prospectus dated August 12, 2021, and U.S. registration statement on Form-F-10, which includes the base shelf prospectus. The Company may, at its discretion and from time-to-time sell common shares of the Company as would result in the Company receiving aggregate proceeds of up to $500,000. During the three and nine months ended September 30, 2021, the Company issued 6,329,615 common shares in exchange for gross proceeds of $36,424, at an average share price of approximately $5.75 USD. The Company received net proceeds of $35,208 after paying commissions of $1,093 to the Company's agent and $123 in other transaction costs.

NOTE 12: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a. Balances with related parties:

	September 30, 2021	December 31, 2020
Trade payables:		
Directors' remuneration (included in accrued liabilities)	$ -	$ 31
Lease liabilities:		
Companies controlled by directors	$ 1,442	$ 1,695

Amounts due to related parties, other than lease liabilities, are unsecured, non-interest bearing and payable on demand.

b. Transactions with related parties during the three and nine month period ended September 30, 2021:

1. The Company made rent payments totaling approximately $116 and $353 for the three and nine month period ended September 30, 2021, respectively, ($111 and $328 for the three and nine month periods ended September 30, 2020, respectively) to companies controlled by certain directors. The rent payments were classified as interest included in financial expenses and principal repayment of lease liabilities.

2. The Company entered into consulting agreements with two directors. The consulting fees totaled approximately $200 and $469 for the three and nine month periods ended September 30, 2021, respectively, ($88 and $288 for the three and nine month periods ended September 30, 2020, respectively).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 12: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont.)

The transactions described above were incurred in the normal course of operations. These transactions are included in consolidated statements of loss and comprehensive loss as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
General and administrative expenses	$ 200	$ 88	$ 469	$ 288
Net financial expenses	30	35	96	108
	$ 230	$ 123	$ 565	$ 396

In addition to the transactions listed above, the Company adopted an incentive plan to reward certain directors and members of senior management with a total of 50 Bitcoins, payable in December 2021, contingent on continued employment with the Company, or payable upon termination without cause. An amount of $1,136 was accrued as of September 30, 2021, in connection with this incentive plan.

NOTE 13: SHARE BASED PAYMENT

The expense recognized in the financial statements for employee services received is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Equity-settled share-based payment plans	5,787	534	12,549	1,798

The share-based payment transactions entered into between the Company and its employees and service providers during the nine month period ended September 30, 2021 are described below. During the nine month period ended September 30, 2021, the Board of Directors approved stock option grants to purchase 7,785,000 common shares in accordance with the stock option plan adopted on June 20, 2019 and May 18, 2021. All options issued to employees become exercisable when they vest and can be exercised for a period of 5 years from the date of the grant. In addition, the Board of Directors approved the grant of 200,000 Restricted Stock Units (RSUs) to certain members of senior management which vest ratably, on an annual basis, over a three-year period. The value of the RSUs on the grant date was $4.05 per unit.

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 13: SHARE BASED PAYMENT (Cont.)

The inputs used to value the option grants using the Black-Scholes model are as follows:

Grant date	March, 2021	June 2, 2021	June 29, 2021
Dividend yield (%)	-	-	-
Expected share price volatility (%)	135%	139%	139%
Risk-free interest rate (%)	0.25%	0.30%	0.47%
Expected life of stock options (years)	3	3	3
Share price (CAD)	6.39	5.45	5.01
Exercise price (CAD)	6.39	5.45	5.01
Fair value of options (USD)	3.80	3.44	3.16
Vesting period (years)	2	1.5	1.5
Quantity of options granted	65,000	364,050	7,355,950

Details of the outstanding stock options as of September 30, 2021, are as follows:

	September 30, 2021	
	Number of Options	Weighted Average Exercise Price ($CAD)
Outstanding, January 1	8,100,221	0.72
Granted	7,785,000	5.04
Exercised	(4,525,460)	0.96
Forfeited	(251,225)	3.41
Expired	(3,678)	0.99
Outstanding, September 30, 2021	11,104,858	3.83
Exercisable, September 30, 2021	3,805,008	3.41

The weighted average contractual life of the stock options as at September 30, 2021 was 4.3 years.

NOTE 14: ADDITIONAL DETAILS TO THE STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE PROFIT OR LOSS

a) Additional details to the components of general and administrative expenses are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and share based payment	**7,550**	**$ 1,067**	$ 16,345	$ 3,693
Professional services	1,690	409	4,703	1,236
Advertising and promotion	7	6	87	29
Insurance and other	1,396	187	2,681	606
Travel, motor vehicle and meals	128	50	236	162
Hosting and telecommunications	113	90	258	259
	$ 10,884	$ 1,809	$ 24,310	$ 5,985

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 14: ADDITIONAL DETAILS TO THE STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE PROFIT OR LOSS (Cont.)

b) Additional details to the components of net financial expenses (income) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Loss on revaluation of warrants	-	$ -	$ 19,524	$ -
Loss (gain) on embedded derivative	-	(506)	2,641	(626)
Gain on disposition of marketable securities	(2,274)	-	(2,274)	-
Loss (gain) on currency exchange	552	129	446	(16)
Interest on long-term debt	541	1,451	1,402	4,011
Interest on lease liabilities	247	112	1,181	337
Warrant issuance costs	-	114	668	114
Other financial expenses	318	63	348	110
	$ (616)	$ 1,363	$ 23,936	$ 3,930

* During the three months ended September 30, 2021 the Company funded its expansion in Argentina through the acquisition of marketable securities and in-kind contribution of these securities to a subsidiary in Argentina that it controls. The subsequent disposition of these marketable securities in exchange for Argentine Pesos gives rise to a gain as the amount received in Pesos exceeds the amount of Pesos the Company would have received from a direct foreign currency exchange.

c) Earnings per share:

For the three and nine months ended September 30, 2020, potentially dilutive securities have not been included in the calculation of diluted earnings (loss) per share because their effect is antidilutive. The additional potentially dilutive securities that would have been included in the calculation for diluted earnings per share had their effect not been anti-dilutive, for the three and nine months ended September 30, 2020, would have been approximately 965,000 and 385,000, respectively.

NOTE 15: REPORTABLE SEGMENTS

a. General:

The reporting segments are identified on the basis of information that is reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Company is organized into operating segments based on the products and services of its business units and has reportable segments as follows:

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 15: REPORTABLE SEGMENTS (Cont.)

Backbone Backbone operates server farms that support the validation and verification of transactions on the blockchain, earning cryptocurrency for providing these services.

Volta Volta provides electrician services to both commercial and residential customers in Quebec.

The segment results reported to the CODM include items that are allocated directly to the segments and items that can be allocated on a reasonable basis. Items that were not allocated, mainly corporate expenses, are managed on a group basis.

b. Reportable segments:

	Three months ended September 30, 2021		
	Backbone	Volta	Total
Revenues	$ 43,459	$ 1,315	$ 44,774
Cost of sales	14,189	1,075	15,264
Gross profit	29,270	240	29,510
General and administrative expenses	10,309	138	10,447
Loss on disposition of digital assets	177	-	177
Loss on disposition of property, plant and equipment	70	-	70
Impairment reversal on property plant and equipment	(1,860)	-	(1,860)
Gain on revaluation of digital assets	(13,893)	-	(13,893)
Net financial expenses	1,606	39	1,645
Segment income before income tax	$ 32,861	$ 63	$ 32,924
Unallocated corporate income*			$ 1,782
Income before income tax			$ 34,706

* Unallocated corporate income relates primarily to financial income on disposition of marketable securities, net of start-up costs, for the Company's projects in Argentina and Paraguay.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 15: REPORTABLE SEGMENTS (Cont)

	Three months ended September 30, 2020		
	Backbone	**Volta**	**Total**
Revenues**	$ 6,065	730	$ 6,795
Cost of sales	7,366	461	7,827
Gross profit (loss)	(1,301)	269	(1,032)
General and administrative expenses	1,702	107	1,809
Loss on disposition of property, plant and equipment	554	3	557
Net financial expenses	1,351	12	1,363
Segment profit (loss) before income tax	$ (4,908)	$ 147	$ (4,761)

** Included in Backbone revenues for the three months ended September 30, 2021, are hosting revenues of $nil (three months ended September 30, 2020 - $344)

	Nine months ended September, 2021		
	Backbone	**Volta**	**Total**
Revenues*	$ 106,674	$ 3,219	$ 109,893
Cost of sales	34,933	2,783	37,716
Gross profit	71,741	436	72,177
General and administrative expenses	23,428	445	23,873
Loss on disposition of digital assets	152	-	152
Gain on disposition of property, plant and equipment	(93)	(2)	(95)
Impairment reversal on property plant and equipment	(1,860)	-	(1,860)
Loss on revaluation of digital assets	992	-	992
Net financial expenses	26,146	51	26,197
Segment income (loss) before income tax	$ 22,976	$ (58)	$ 22,918
Unallocated corporate income**			$ 1,782
Income before income tax			$ 24,700

* Included in Backbone revenues for the nine months ended September 30, 2021, are hosting revenues of $673 (nine months ended September 30, 2020 - $344)

** Unallocated corporate income relates primarily to financial income on currency exchange, net of start-up costs for the Company's projects in Argentina and Paraguay.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

NOTE 15: REPORTABLE SEGMENTS (Cont)

	Nine months ended September 30, 2020		
	Backbone	**Volta**	**Total**
Revenues	$ 21,678	1,701	$ 23,379
Cost of sales	21,932	1,318	23,250
Gross profit (loss)	(254)	383	129
General and administrative expenses	5,564	335	5,899
Gain on disposition of digital assets	(23)	-	(23)
Loss on disposition of property, plant and equipment	1,261	2	1,263
Net financial expenses	3,902	28	3,930
Segment profit (loss)	$ (10,958)	$ 18	$ (10,940)
Unallocated corporate expenses			87
Loss before income tax			$ (11,027)

NOTE 16: ADDITIONAL DETAILS TO THE STATEMENT OF CASH FLOWS

	Nine months ended September 30,	
	2021	**2020**
<u>Changes in working capital components:</u>		
Decrease (increase) in trade receivables, net	$ (102)	$ 209
Decrease (increase) in other current assets	(4,571)	506
Increase in electrical component inventory	(330)	(75)
Decrease (increase) in long-term deposits	(209)	85
Increase in trade payables and accrued liabilities	3,036	468
Increase in taxes payable	6,327	1,209
	$ 4,151	$ 2,402
<u>Significant non-cash transactions:</u>		
Addition of right-of-use assets, property, plant and equipment and related lease liabilities	$ 9,271	$ 1,769
Purchase of property, plant and equipment financed by short-term credit	$ 1,229	$ 154
Extinguishment of warrant liability and long-term debt through share issuance	$ 24,322	$ -

NOTE 17: SUBSEQUENT EVENTS

Washington Acquisition

On November 9, 2021, the Company acquired a cryptocurrency mining facility in Washington state, comprising land, buildings, electrical infrastructure, and 24 megawatt power purchase agreements with a local hydro- electric utility producer. The consideration transferred was $26,676, including $23,000 of cash consideration and 414,475 Common shares with a value of $3,676 on the closing date. The seller entered into a consulting agreement with the Company in the amount of $2,000 for services relating to the operation of the facility. The Company also entered into a one-year lease agreement with the seller for a separate facility with monthly payments of $100.

The primary reason for the acquisition was to expand the Company's energy portfolio with existing infrastructure to accommodate the Company's expected delivery schedule of mining equipment.

The accounting for this acquisition has not been finalized and certain disclosures have not been included due to the timing of the acquisition.

At-The-Market Equity Program

During the period from October 1, 2021, to November 12, 2021, the Company issued 12,365,225 common shares in exchange for gross proceeds of $74,887 at an average share price of approximately 6.06 USD. The Company received net proceeds of $72,596 after paying commissions of $2,291 to the Company's agent. See Note 11 for further details to the Company's at-the-market equity program.

Exhibit 99.2

Management's Discussion & Analysis

For the three and nine months ended September 30, 2021

Contents

Introduction

The following Management's Discussion and Analysis ("MD&A") for Bitfarms Ltd. (together with its subsidiaries, the "Company" or "Bitfarms"), dated November 12, 2021, should be read in conjunction with the Company's third quarter 2021 unaudited interim period condensed consolidated financial statements and its accompanying notes, and the 2020 audited annual consolidated financial statements and its accompanying notes. In addition, the following MD&A should be read in conjunction with the Company's "Caution Regarding Forward-Looking Statements" section of this MD&A.

The Company's third quarter 2021 unaudited interim period condensed consolidated financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), including IAS 34. The Company's third quarter 2021 unaudited interim period condensed consolidated financial statements and this MD&A are reported in US dollars, except where otherwise noted.

The Company utilizes a number of non-IFRS measures in assessing operating performance. Non-IFRS financial performance measures exclude the impact of certain items and are used internally when analyzing operating performance. Please refer to the "Caution Regarding Non-IFRS Financial Performance Measures" section of this MD&A for more information. This MD&A contains various terms related to the Company's business and industry which are defined in the Glossary of Terms section of this MD&A.

Company Overview

The Company operates through two operating corporate subsidiaries and reportable segments: Backbone Hosting Solutions Inc. ("Backbone") and 9159-9290 Quebec Inc. (Volta Electrique, "Volta").

Backbone owns and operates server farms, comprised of computers (referred to as a "Miners") designed for the purpose of validating transactions, primarily on the Bitcoin Blockchain. The Miners operate 24 hours a day and revenue is earned from Block Rewards and transaction fees issued in the form of cryptocurrencies by the Bitcoin network to a Mining Pool from which the Company receives cryptocurrencies in return for contributing its hashrate which the Mining Pool uses to validate transactions (referred to as "Mining"). Backbone accumulates its cryptocurrencies mined or exchanges them for U.S. dollars, as needed, through reputable and established cryptocurrency trading platforms. Volta assists Bitfarms in building and maintaining its server farms and provides electrician services to both commercial and residential customers in Quebec.

Bitfarms operates five server farm facilities in Québec, Canada, with electrical infrastructure capacity of 82 MW for Mining Bitcoin. The Company has contracts securing an aggregate of 160 MW of hydro-electric green energy in Quebec. The Company also has contracts securing 10 MW of hydro-electric green energy in Paraguay and 210 MW of natural gas-powered energy in Argentina, and has commenced construction of mining facilities in both jurisdictions. On November 9, 2021, the Company completed the acquisition of a Mining facility comprising 24 MW of hydro-electric power purchase agreements in Washington state, as described in the recent and subsequent events section of this MD&A. In addition, Bitfarms owns proprietary software that is used to control, manage, report and secure Mining operations. The software scans and reports the location, computing power and temperature of all Miners to allow the Company to monitor performance and ensure Miners are operating at maximum capacity and up-time.

Consolidated Results of Operations

(U.S.$ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**
Revenues	**44,774**	6,795	37,979	559%	**109,893**	23,379	86,514	370%
Cost of sales	**15,306**	7,827	7,479	96%	**37,758**	23,250	14,508	62%
Gross profit (loss)	**29,468**	(1,032)	30,500	*nm*	**72,135**	129	72,006	*nm*
Gross margin	**66%**	(15)%	-	-	**66%**	1%	-	-
General and administrative expenses	**10,884**	1,809	9,075	502%	**24,310**	5,985	18,325	306%
Loss (gain) on disposition of digital assets	**177**	-	177	100%	**152**	(23)	175	761%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Loss (gain) on disposition of PP&E	**70**	557	(487)	(87)%	**(95)**	1,264	(1,359)	(108)%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Operating income (loss)	**34,090**	(3,398)	37,488	*nm*	**48,636**	(7,097)	55,733	785%
Operating margin	**76%**	(50)%	-	-	**44%**	(30)%	-	-
Net financial expenses (income)	**(616)**	1,363	(1,979)	(145)%	**23,936**	3,930	20,006	509%
Net income (loss) before income taxes	**34,706**	(4,761)	39,467	829%	**24,700**	(11,027)	35,727	*324%*
Income tax expense (recovery)	**10,973**	-	10,973	100%	**12,247**	(112)	12,359	*nm*
Net income (loss)	**23,733**	(4,761)	28,494	598%	**12,453**	(10,915)	23,368	214%
Basic earnings (loss) per share	**0.14**	(0.06)	-	-	**0.08**	(0.13)	-	-
Diluted earnings (loss) per share	**0.13**	(0.06)	-	-	**0.08**	(0.13)	-	-
Gross mining profit (1)	**35,448**	1,593	33,855	*nm*	**85,782**	8,322	77,460	931%
Gross mining margin (1)	**82%**	26%	-	-	**80%**	38%	-	-
EBITDA (1)	**41,755**	(274)	42,029	*nm*	**41,472**	1,973	39,499	*nm*
EBITDA margin (1)	**93%**	(4)%	-	-	**38%**	8%	-	-
Adjusted EBITDA (1)	**31,859**	365	31,494	*nm*	**75,387**	4,463	70,924	*nm*
Adjusted EBITDA margin (1)	**71%**	5%	-	-	**69%**	19%	-	-

nm: not meaningful

Third Quarter 2021 Financial Results and Operational Highlights:

- Revenues of $44.8 million; gross profit of $29.5 million (66% gross margin), operating income of $34.1 million (76% operating margin), and net income of $23.7 million;
- Gross mining profit[1] of $35.4 million (82% gross mining margin);
- Adjusted EBITDA of $31.9 million (71% Adjusted EBITDA margin)
- EBITDA of $41.8 million (93% EBITDA margin);
- Mined 1,051 Bitcoin with an average cost of approximately $6,900 per Bitcoin[2] and held 2,312 Bitcoin valued at approximately $101.2 million as of September 30, 2021;
- Constructed a new 17 MW facility in Cowansville for a net increase of 13 MW of infrastructure;
- Entered engineering, procurement and construction contracts and commenced construction of a 210 MW facility in Argentina with contracted power rates of 2.2 cents per kilowatt hour;
- Raised $35.2M of net proceeds through the Company's at-the-market equity program, used mainly to meet payment commitments on orders of 55,000 miners, with expected deliveries in 2021 and 2022.

1 Gross mining profit, Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

2 Represents the direct cost of Bitcoin based on the total electricity costs and hosting costs related to the Mining of Bitcoin, excluding electricity consumed by hosting clients, divided by the total number of Bitcoin mined.

Revenues

Revenues were $44.8 million for the three month period ended September 30, 2021 ("Q3 2021") compared to $6.8 million for the same three month period in 2020 ("Q3 2020").

(U.S. $ in thousands except where indicated)	**Note**	**Bitcoin**	**(USD)**	**% Change**
Revenues, including Volta during the three-month period ended September 30, 2020		535	6,795	-
Impact of increase in average Bitfarms' Bitcoin hashrate combined with the decrease in network difficulty during Q3 2021 compared to Q3 2020	1	516	5,476	81%
Impact of difference in average Bitcoin price in Q3 2021 compared to Q3 2020	2		32,256	475%
Other mining variance and change in Volta and hosting revenues			247	4%
Revenues for three months ended September 30, 2021		1,051	44,774	560%

<u>Notes</u>

1 Calculated as the difference in Bitcoin mined in Q3 2021 compared to Q3 2020 multiplied by Q3 2020 average Bitcoin price

2 Calculated as the difference in average Bitcoin price in Q3 2021 compared to Q3 2020 multiplied by Bitcoin mined in Q3 2021

The most significant factors impacting the increase in Bitfarms' revenues in Q3 2021, compared to Q3 2020, are presented in the table above. Revenues increased mostly due to the increase in average Bitcoin price and the increase in Bitfarms' hashrate combined with the decrease in network difficulty.

Revenues were $109.9 million for the nine month period ended September 30, 2021 ("YTD Q3 2021") compared to $23.4 million for the same nine month period in 2020 ("YTD Q3 2020").

(U.S. $ in thousands except where indicated)	**Note**	**Bitcoin**	**(USD)**	**% Change**
Revenues, including Volta during the nine-month period ended September 30, 2020		2,437	23,379	-
Impact of increase in average Bitfarms' Bitcoin hashrate in excess of increase in network difficulty during YTD Q3 2021 compared to YTD Q3 2020, adjusted for Bitcoin Halving Event on May 11, 2020	1	818	7,153	31%
Impact of Bitcoin Halving Event on Bitfarms' quantity of coins mined during YTD Q3	2	(847)	(37,286)	(159)%
Impact of difference in average Bitcoin price in YTD Q3 2021 compared to YTD Q3	3		114,825	491%
Other mining variance and change in Volta and hosting revenues			1,822	8%
Revenues for nine months ended September 30, 2021		2,408	109,893	370%

<u>Notes</u>

1 Calculated as the difference in theoretical Bitcoin mined in YTD Q3 2021 assuming the Bitcoin Halving Event did not occur, compared to YTD Q3 2020 multiplied by YTD Q3 2020 average Bitcoin price

2 Calculated as the theoretical Bitcoin mined based on Bitfarms' actual hashrate from May 11, 2020 to September 30, 2021 assuming the Bitcoin Halving Event did not occur, compared to actual coins mined during the same period multiplied by the YTD Q3 2021 average Bitcoin price

3 Calculated as the difference in average Bitcoin price in YTD Q3 2021 compared to YTD Q3 2020 multiplied by Bitcoins mined in YTD Q3 2021 plus the reduction in Bitcoin mined as a result of the Bitcoin Halving event

The most significant factors impacting the increase in Bitfarms' revenues in YTD Q3 2021, compared to YTD Q3 2020, are presented in the table above. Revenues increased mostly due to the increase in average Bitcoin price and in Bitfarms' hashrate in excess of network difficulty, partially negated by the Bitcoin Halving Event.

Cost of Sales

Bitfarms' cost of sales for Q3 2021 was $15.3 million compared to $7.8 million in Q3 2020. Cost of sales includes energy and infrastructure expenses, depreciation and amortization, electrician salaries and purchases of electrical components. The increase in cost of sales was mainly due to the increase in energy and infrastructure expenses and depreciation and amortization expense. Energy and infrastructure expenses increased by $3.5 million, or 79%, partially due to the Company adding new Miners, which increased electricity utilization to an average of 64 MW during the quarter, compared to 50 MW for the same period in 2020, resulting in an increase in electricity costs of $1.4 million. The remaining difference resulted mainly from the Company entering into certain hosting agreements where a third party operated the Company's equipment which added $1.6 million to energy and infrastructure costs in Q3 2021 compared to Q3 2020. The Company also invested additional resources to repair existing Mining hardware and upgrade existing facilities, which added $0.6 million to energy and infrastructure expenses in Q3 2021 compared to the same quarter in the prior year. Depreciation and amortization expense increased by $3.3 million as the Company added new Miners and electrical infrastructure. Volta's cost of sales increased by $0.6 million as a result of an increase in sales.

Bitfarms' cost of sales for the nine months ended September 30, 2021, was $37.8 million compared to $23.3 million for the same period in 2020. The increase in cost of sales was mainly due to the increase in energy and infrastructure expenses and depreciation and amortization expense. Energy and infrastructure increased by $7.5 million, or 56%, partially due to the Company adding new Miners, which increased electrical utilization to an average of 62 MW during the period, compared to 50 MW for the same period in 2020 resulting in an increase in electricity costs of $3.8 million. The remaining difference in YTD 2021 compared to YTD 2020 resulted from the Company entering into certain hosting agreements where a third party operated the Company's equipment, which added $3.0 million, and from investing additional resources to repair existing Mining hardware and upgrade existing facilities, which added $0.9 million to energy and infrastructure expenses. Depreciation and amortization expense increased by $5.5 million as the Company added new Miners and electrical infrastructure. Volta's cost of sales increased by $1.5 million as a result of an increase in sales.

General & Administrative Expenses

Bitfarms' general and administrative expenses were $10.9 million in Q3 2021, compared to $1.8 million in Q3 2020. The increase of $9.1 million, or 502%, in general and administrative expense was mainly due to a non-cash $5.3 million increase in share based payment expense in connection with the Company's grant of stock options for 7,785,000 common shares and 200,000 restricted share units in the first half of 2021. Other factors contributing to the increase in general and administrative expenses in Q3 2021 compared to Q3 2020 were a $1.3 million increase in professional and other fees, mainly in connection with engineering feasibility studies performed for the Argentina Expansion, legal fees in connection with the Company's ongoing compliance as a result of its Nasdaq listing and at-the-market-offering, and increased public and investor relations activities. The company also incurred a $1.2 million increase in salaries expense as a result of hiring additional employees and implementing incentive plans, as well as no longer qualifying for the Canada Emergency Wage Subsidy (CEWS). The Company's insurance expense has also increased by $0.7 million as a result of an appreciation in the insurable value of the Company's assets, increased industry-specific insurance premiums, as well as greater corporate liability in connection with the Company's Nasdaq listing.

For the nine months ended September 30, 2021, Bitfarms' general and administrative and other expenses were $24.3 million, compared to $6.0 million for the same period in 2020. The increase of $18.3 million, or 306%, in general and administrative expense was mainly due to a $10.8 million increase in non-cash share based payment expense in connection with the Company's grant of stock options to purchase 7,785,000 common shares and 200,000 restricted share units in the first half of 2021. Other factors contributing to the increase in general and administrative expenses in YTD Q3 2021 compared to YTD Q3 2020 were a $3.9 million increase in professional and other fees, mainly in connection with the Company's Nasdaq listing, engineering and feasibility studies performed for the Argentina expansion and increased public and investor relations efforts. The Company also incurred a $1.9 million increase in salaries expense as a result of hiring additional employees and implementing incentive plans, as well as no longer qualifying for the CEWS. The Company's insurance expense has also increased by $0.9 million as a result of an appreciation in the insurable value of the Company's assets, increased industry-specific insurance premiums, as well as greater corporate liability in connection with the Company's Nasdaq listing on June 21, 2021.

Net financial income and expenses

Bitfarms' net financial income for Q3 2021 was $0.6 million compared to net financial expenses of $1.4 million in Q3 2020. The $2.0 million change was primarily related to a decrease of $0.9 million in interest on long-term debt, mainly due to repayment of the Dominion loan in Q1 2021, partially offset by new long-term debt related to equipment financing. The increase in net financial income was further increased by a $2.3 million increase gain on disposition of marketable securities, mainly related to the funding of the Argentina Expansion. The Company has funded its expansion in Argentina through the acquisition of marketable securities and in-kind contribution of these securities to a company in Argentina that it controls. The subsequent disposition of these marketable securities in exchange for Argentine Pesos gives rise to a gain as the amount received in Pesos exceeds the amount of Pesos the Company would have received from a direct foreign currency exchange. The decrease in financial expenses and increase in financial income described above were offset by a $0.4 million loss on currency exchange and a $0.5 million gain on embedded derivative relating to the Dominion loan in Q3 2020 that was repaid in early 2021, and an increase of $0.3 million on interest on lease liabilities, warrant issuance costs and other financial expenses.

Bitfarms' net financial expenses for the nine months ended September 30, 2021, were $23.9 million compared to $3.9 million for the nine months ended September 30, 2020. The $20.0 million increase in net financial expenses was mainly due to a non-cash $19.5 million loss recorded on revaluation of warrants in Q1 2021. The warrants were issued in connection with the private placement that closed on January 7, 2021, and had a strike price denominated in Canadian dollars, whereas the Company's functional currency is the U.S. dollar. Fluctuations in the Canadian to U.S. dollar exchange rate could result in the Company receiving a variable amount of cash in its functional currency in exchange for the exercise of the warrants. The possibility of variation in the settlement price in the Company's functional currency, required under IFRS, that the warrants be classified as a liability that is measured at fair value through profit or loss. The appreciation in the Company's share price in Q1 2021 resulted in a higher value being attributed to the warrant liability and the common shares issued in settlement of the liability, resulting in the non-cash loss described above. These expenses are considered non-recurring as all warrants that were classified at fair value through profit or loss have been exercised as of Q1 2021. In addition, there was a $2.6 million loss on revaluation of an embedded derivative recorded in Q1 2021 due to the early retirement of the Dominion Capital loan, compared to a $0.6 million gain on revaluation of the same embedded derivative in YTD Q3 2020, resulting in a net increase in financial expenses of $3.2 million. The embedded derivative was derecognized in Q1 2021 when the Company retired the loan with Dominion Capital. Interest on long-term debt for YTD Q3 2021 decreased by $2.6 million compared to YTD Q3 2020 as a result of the repayment of the Dominion loan, but was offset by a $0.8 million increase in interest on lease liabilities, mainly related to equipment financed through lease agreements, a $0.6 million increase in warrant issuance costs in connection with the private placement described above and a $0.4 million loss on currency exchange. Net financial expenses were further reduced by a $2.3 million gain on disposition of marketable securities related to the funding of the Argentina Expansion, as described above.

Impairment reversal on property, plant and equipment

During the year-ended December 31, 2018, the Company recorded an impairment loss on its cryptocurrency mining cash generating unit (CGU) which resulted in $16.5 million of impairment being allocated to Mining hardware, electrical components and leasehold improvements due to a significant decline in the Bitcoin market price.

As of September 30, 2021, the Company assessed whether there was an indication that the impairment loss recognized in 2018 may no longer exist or may have decreased, and concluded that there were observable indications that the CGU's value had increased during the period. As a result, the Company's management estimated the recoverable amount of the CGU, using a value in use calculation based on the present value of the expected cash flows over the estimated remaining useful life of the previously impaired CGU assets of approximately 1.5 years. Based on management's calculations, an impairment reversal of $1.0 million, relating to the CGU, was recognized during the period. The increased carrying amount of the CGU assets reflects the carrying amount of the CGU assets that would have been determined, net of depreciation, had no impairment loss been recognized in 2018.

The Company's Antminer S9 miners were excluded from the CGU's value-in-use calculation as they have been disconnected and reclassified as assets held for sale. The Company's management determined that the carrying amount, including the impairment recognized in 2018, was less than the estimated fair value less costs to sell. As a result, the Company recognized an impairment reversal of $0.9 million relating to the impaired Antminer S9 miners held for sale, reflecting the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in 2018.

The total impairment reversal recognized during the period, relating to the CGU assets and the assets held for sale totaled $1.9 million. For further details on the key assumptions used in the value-in-use calculation, please refer to Note 5 of the Company's third quarter 2021 unaudited interim period condensed consolidated financial statements.

Reconciliation of Non-IFRS measures

Reconciliation of Consolidated Net Income (loss) to EBITDA and Adjusted EBITDA

(U.S.$ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Net income (loss) before tax	**34,706**	(4,761)	39,467	829%	**24,700**	(11,027)	35,727	324%
Interest expense	**788**	1,563	(775)	(50)%	**2,583**	4,348	(1,765)	(41)%
Depreciation expense	**6,261**	2,924	3,337	114%	**14,189**	8,652	5,537	64%
EBITDA	**41,755**	(274)	42,029	*nm*	**41,472**	1,973	39,499	*nm*
Share based payment	**5,787**	534	5,253	984%	**12,549**	1,798	10,751	598%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Financial expenses and other	**70**	105	(35)	(33)%	**22,234**	692	21,542	*nm*
Adjusted EBITDA	**31,859**	365	31,494	*nm*	**75,387**	4,463	70,924	*nm*

Calculation of Gross Mining Profit & Gross Mining Margin for the Cryptocurrency Mining Segment

(U.S. $ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Revenues	**43,459**	6,065	37,394	617%	**106,674**	21,678	84,996	392%
Cost of sales	**14,189**	7,366	6,823	93%	**34,933**	21,932	13,001	59%
Gross profit (loss)	**29,270**	(1,301)	30,571	*nm*	**71,741**	(254)	71,995	*nm*
Depreciation and amortization	**6,178**	2,894	3,284	113%	**14,041**	8,576	5,465	64%
Gross mining profit	**35,448**	1,593	33,855	*nm*	**85,782**	8,322	77,460	931%
Gross mining margin	**82%**	26%	-	-	**80%**	38%	-	-

"Gross mining profit" is defined as Gross profit excluding depreciation and amortization and other minor items included in cost of sales for the Backbone segment of the Company. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenues for the Backbone segment of the Company.

Reportable Segments

Backbone

(U.S. $ in thousands except where indicated) For the periods ended as indicated	Three months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Nine months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Revenues	**43,459**	6,065	37,394	617%	**106,674**	21,678	84,996	392%
Cost of sales	**14,189**	7,366	6,823	93%	**34,933**	21,932	13,001	59%
Gross profit (loss)	**29,270**	(1,301)	30,571	*nm*	**71,741**	(254)	71,995	*nm*
Gross margin	**67%**	(21)%	-	-	**67%**	(1)%	-	-
General and administrative expenses	**10,309**	1,702	8,607	506%	**23,428**	5,564	17,864	321%
Loss (gain) on disposition of digital assets	**177**	-	177	100%	**152**	(23)	175	761%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Loss (gain) on disposition of PP&E	**70**	554	(484)	(87)%	**(93)**	1,261	(1,354)	(107)%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Operating income (loss)	**34,467**	(3,557)	38,024	*nm*	**49,122**	(7,056)	56,178	796%
Operating margin	**79%**	(59)%	-	-	**46%**	(33)%	-	-
Net financial expenses	**1,606**	1,351	255	19%	**26,146**	3,902	22,244	570%
Net income (loss) before tax	**32,861**	(4,908)	37,769	770%	**22,976**	(10,958)	33,934	310%
EBITDA (1)	**39,819**	(459)	40,278	*nm*	**39,587**	1,951	37,636	*nm*
EBITDA margin (1)	**92%**	(8)%	-	-	**37%**	9%	-	-
Adjusted EBITDA (1)	**29,923**	180	29,743	*nm*	**73,504**	4,440	69,064	*nm*
Adjusted EBITDA margin (1)	**69%**	3%	-	-	**69%**	20%	-	-

(1) EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

Reconciliation of Non-IFRS Performance Measures for Backbone

(U.S.$ in thousands except where indicated) For the periods ended as indicated	Three months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Nine months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Net income (loss) before tax	**32,861**	(4,908)	37,769	770%	**22,976**	(10,958)	33,934	310%
Interest expense	**780**	1,555	(775)	(50)%	**2,570**	4,333	(1,763)	(41)%
Depreciation expense	**6,178**	2,894	3,284	113%	**14,041**	8,576	5,465	64%
EBITDA	**39,819**	(459)	40,278	*nm*	**39,587**	1,951	37,636	*nm*
Share based payment	**5,787**	534	5,253	984%	**12,549**	1,798	10,751	598%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Financial expenses and other	**70**	105	(35)	(33)%	**22,236**	691	21,545	*nm*
Adjusted EBITDA	**29,923**	180	29,743	*nm*	**73,504**	4,440	69,064	*nm*

Volta

(U.S. $ in thousands except where indicated) For the periods ended as indicated	Three months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Nine months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Revenues	**1,315**	730	585	80%	**3,219**	1,701	1,518	89%
Cost of sales	**1,075**	461	614	133%	**2,783**	1,318	1,465	111%
Gross profit	**240**	269	(29)	(11)%	**436**	383	53	14%
Gross margin	**18%**	37%	-	-	**14%**	23%	-	-
General and administrative expenses	**138**	107	31	29%	**445**	335	110	33%
Loss (gain) on disposition of assets	-	3	(3)	(100)%	**(2)**	2	(4)	(200)%
Operating income (loss)	**102**	159	(57)	(36)%	**(7)**	46	(53)	(115)%
Operating margin	**8%**	22%	-	-	**0%**	3%	-	-
Net financial expenses	**39**	12	27	225%	**51**	28	23	82%
Net income (loss) before tax	**63**	147	(84)	(57)%	**(58)**	18	(76)	(422)%
EBITDA (1)	**99**	185	(86)	(46)%	**48**	110	(62)	(56)%
EBITDA margin (1)	**8%**	25%	-	-	**1%**	6%	-	-
Adjusted EBITDA (1)	**99**	185	(86)	(46)%	**46**	110	(64)	(58)%
Adjusted EBITDA margin (1)	**8%**	25%	-	-	**1%**	6%	-	-

(1) EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS performance measures; please refer to the Non- IFRS Financial Performance Measures section of this MD&A.

Reconciliation of Non-IFRS Performance Measures for Volta

(U.S.$ in thousands except where indicated) For the periods ended as indicated	Three months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change	Nine months ended Sep. 30 2021	Sep. 30 2020	$ Change	% Change
Net income (loss) before tax	**63**	147	(84)	(57)%	**(58)**	18	(76)	(422)%
Interest expense	**3**	9	(6)	(67)%	**8**	15	(7)	(47)%
Depreciation expense	**33**	29	4	14%	**98**	77	21	27%
EBITDA	**99**	185	(86)	(46)%	**48**	110	(62)	(56)%
Financial expenses (income) and other	-	-	-	0%	**(2)**	-	(2)	(100)%
Adjusted EBITDA	**99**	185	(86)	(46)%	**46**	110	(64)	(58)%

Selected Quarterly Information

(U.S. $ in thousands except where indicated)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020*	Q1 2020	Q4 2019
Revenues	44,774	36,687	28,432	11,324	6,795	7,372	9,212	10,536
EBITDA (1)	41,755	2,746	(3,029)	(500)	(274)	416	1,833	2,299
Adjusted EBITDA (1)	31,859	23,827	19,701	3,556	365	1,318	2,780	2,986
Net income (loss)	23,733	(3,675)	(7,605)	(5,374)	(4,761)	(3,730)	(2,424)	1,125
Basic net earnings (loss) per share	0.14	(0.02)	(0.06)	(0.06)	(0.06)	(0.04)	(0.03)	0.02

* The Bitcoin Halving Event occurred on May 11, 2020, during Q2 2020.

(1) EBITDA and Adjusted EBITDA are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A and the Company's corresponding quarterly MD&As available on Sedar, for reconciliations of the Non-IFRS performance measures and related periods presented above.

The Company is generally not subject to seasonality. Factors that may impact revenues and profitability include Bitcoin price, network difficulty, foreign currency fluctuations, contractual limited provisions allowing for energy curtailment by Hydro Quebec during the winter months, and the Company's hashrate.

Liquidity and Capital Resources

Cash Flows

(U.S. $ in thousands except where indicated)	Nine month ended			
For the periods ended as indicated	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**
Cash, beginning of the period	**5,947**	2,159	3,788	175%
Cash flows from (used in):				
Operating activities	**(30,802)**	4,139	(34,941)	(844)%
Investing activities	**(131,481)**	(4,184)	(127,297)	*nm*
Financing activities	**199,624**	(810)	200,434	*nm*
Exchange rate differences on currency translation	**(21)**	20	(41)	(205)%
Cash, end of the period	**43,267**	1,324	41,943	*nm*

Cash Flows used in Operating Activities

Cash flows used in operating activities decreased by $34.9 million during the nine months ended September 30, 2021, compared to nine months ended September 30, 2020. The decrease in net cash flows from operating activities was primarily driven by the initiation of a Bitcoin retention program which led to 2,312 Bitcoin being held in custody at the end of the period rather than being converted into fiat currency during the nine months.

Cash Flows used in Investing Activities

Cash flows used in investing activities increased by $127.3 million during the nine months ended September 30, 2021, compared to nine months ended September 30, 2020. This was primarily due to $75.0 million in advanced payments made on new Mining hardware, mostly related to securing the delivery of 5,100 Bitmain Miners and 48,000 MicroBT Miners for delivery in 2021 and 2022, respectively, and $56.4 million of net additions to property, plant and equipment in YTD Q3 2021 for Miners and infrastructure buildout, compared to $4.2 million of net additions in YTD Q3 2020.

Cash Flows from Financing Activities

Cash flows from financing activities increased by $200.4 million during the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020. This was primarily due to $114.5 million of total net proceeds received from four private placements to U.S. institutional investors, $60.4 million of proceeds from the exercise of warrants and stock options, $35.2 million of net proceeds from the Company's at-the-market equity program offset by $0.6 million of capitalized transaction costs, and $10.9 million of proceeds from new long-term debt. These proceeds were partially offset by approximately $17.4 million of payments to retire the Dominion Capital loan and service new debt obligations, and lease liability repayments of approximately $3.3 million. In YTD Q3 2020, $0.2 million was raised from the exercise of warrants and long-term debt and lease repayments were $0.5 million and $0.6 million, respectively.

Working Capital

As at September 30, 2021, Bitfarms had a positive working capital of $124.9 million compared to a working capital deficit of $19.3 million as at December 31, 2020. The improvement in working capital was primarily due to $209.4 million raised in total from the four private placements, the at-the-market equity program and the exercise of warrants and stock options, and the accumulation of 2,312 Bitcoin with a fair value approximating $101.2 million as of September 30, 2021. The proceeds were used primarily to acquire property, plant and equipment and make deposits to secure orders of Mining hardware and electrical distribution equipment and to repay the Dominion Capital loan.

Capital Resources

Bitfarms' capital management objective is to provide the financial resources that will enable the Company to maximize the return to its shareholders while optimizing its cost of capital. In order to achieve this objective, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risks to which the Company is exposed. The Company's strategy for achieving this objective is to maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk, to preserve its ability to meet financial obligations as they come due, and to ensure the Company has sufficient financial resources to fund its organic and acquisitive growth.

The Company anticipates that its existing financial resources will be sufficient to complete all previously announced acquisitions of Mining hardware with deliveries scheduled in 2021 including its Mining hardware acquisitions required to reach its target of 3.0 Exahash in the first quarter of 2022. In order to achieve these business objectives, the Company may liquidate or borrow against the Bitcoin that have been accumulated as of the date hereof as well as Bitcoin generated from ongoing operations, which may or may not be possible on commercially attractive terms. The Company presently anticipates that additional financing will be required to complete the required remaining payments on its order of 48,000 Miners scheduled for delivery in 2022 and to complete construction of the South American and Sherbrooke expansions which are necessary for the Company to meet its broader objective of generating 8.0 Exahash of computing power by the end of 2022. The Company also anticipates that additional financing will be required to purchase the miners required to utilize its maximum capacity.

Bitfarms may manage its capital structure by issuing equity, obtaining loan financing, adjusting capital spending, or disposing of assets.

Bitcoin Retention Program

In early January 2021, the Company implemented a Bitcoin retention program pursuant to which the Company has added approximately 2,312 Bitcoin to its balance sheet during the nine months ended September 30, 2021, valued at approximately $101.2 million as of September 30, 2021.

Expansions

The Company has described its expansion plans below under the sections "Cowansville Expansion", "Sherbrooke Expansion", "Argentina Expansion" and "Paraguay Expansion".

The estimated costs and timelines to achieve these expansion plans may change based on, among other factors, the prevailing price of Bitcoin, network difficulty, supply of cryptocurrency mining equipment, supply of electrical and other supporting infrastructure equipment, construction materials, currency exchange rates, the impact of COVID-19 on the supply chains described above and the Company’s ability to fund the initiatives.

Cowansville Expansion

The Company completed construction of Phase 2 at its Mining facility in Cowansville, Quebec, in Q3 2021, at a cost of approximately $3.1 million. The Phase 2 expansion replaces the original 4 MW site that was operational in 2017, with an entirely new 17 MW facility capable of accommodating approximately 4,500 new generation miners producing 450 PH/s. The buildout also includes a new repair lab and operations command center.

Sherbrooke Expansion

Bitfarms completed Phases 1 and 2 of the Sherbrooke Expansion at the Sherwood property in 2019, representing 30 MW of electrical infrastructure. In response to complaints concerning noise at the Sherwood property and indications from Sherbrooke municipal officials that they were reviewing applicable regulations, the Company met with community residents and city officials on several occasions during 2020 and 2021. The Company constructed a sound barrier wall at a cost of approximately $0.3 million in 2020 and invested $0.7 million to install quieter exhaust structures and fans as well as other sound mitigating measures, including real-time sound monitoring equipment and feedback channels for residents to communicate directly with the Company.

In September 2021, the Company reached an agreement with the City of Sherbrooke to gradually retire Phases 1 and 2 of the Sherbrooke Expansion. Under the agreement, the Company will reduce its consumption at the Sherwood property to 18 MW at the earlier of the completion of 66 MW of new electrical infrastructure elsewhere in the City of Sherbrooke, or May 31, 2022. The Company will entirely relocate its operations from Phases 1 and 2 of the Sherbrooke Expansion at the earlier of the completion of 80 MW of new electrical infrastructure in the City of Sherbrooke, or February 28, 2023. In addition, the Company has the option to sell the building currently housing Phases 1 and 2 of the Sherbrooke Expansion to the City of Sherbrooke for approximately $2.4 million ($3.0 million CAD). The agreement also permits the Company to sell the building to a third party.

The Company entered into lease agreements for two new facilities in Sherbrooke: “Leger” and “The Bunker”. These facilities will include similar sound mitigating mechanisms as were successfully installed in the Sherwood facility. Construction in Leger is expected to be completed in one phase in Q1 2022 with 30 MW of capacity available which can accommodate up to 8,000 new generation miners producing approximately 800 PH/s. The Bunker, representing 48 MW of capacity, is expected to be completed in three phases during 2022, and capable of accommodating 13,000 new generation miners producing approximately 1.3EH/s. Construction of the Bunker is expected to occur in three separate phases:

- Phase one, representing 18 MW to be constructed in a pre-existing building, is scheduled to begin internal infrastructure work in Q4 2021 and be operational in the first half of 2022.

- Phase two, representing 18 MW, is in a portion of the building still under construction, with internal infrastructure work scheduled to begin in Q1 2022 and to be operational in mid-2022.

- Phase three, representing 12 MW, is in a portion of the building scheduled to be constructed and operational in the second quarter of 2022.

The capital cost for the construction of the infrastructure for Leger and The Bunker is approximately $17- $19 million. The Company has commenced preliminary steps, including placing orders and deposits on longer lead-time infrastructure, such as transformers, exhaust components and other materials required for the 78MW of infrastructure build-out. In addition, the new Mining hardware required to fill the new infrastructure expansion is estimated to cost from $80 million to $90 million, based on recent hardware pricing. The Company anticipates that these costs will be shared between the Leger facility and The Bunker. The Company is in the process of visiting and identifying a third site to construct the remaining 18 MW of electrical capacity available under the Company's energy contracts with Hydro Sherbrooke.

Argentina Expansion

In April 2021, the Company entered into an eight-year power purchase agreement for up to 210 MW with a private Argentinian power producer, with an effective electricity cost of $0.022 per kilowatt-hour for the first four years. In July 2021, the Company entered into an eight-year lease agreement, comprising annual payments of approximately $0.1 million, with the power producer to lease land within the power producer's property for the mining facility's construction. In September 2021, the Company entered into a contract with Proyectos y Obras Americanas S.A. ("PROA"), to provide engineering, procurement, and construction services for the Argentina facility. PROA specializes in utility-grade electrical infrastructure and civil construction with relevant expertise in the design and construction of electrical interconnections, high voltage electrical lines, and transformers needed for operations of the size of the planned Argentina facility. The Company has also engaged Dreicon S.A. as an independent engineering firm to oversee construction, quality control and project milestones for the Company's projected buildout schedule. As of September 30, 2021, the Company has placed deposits of $3.5 million with suppliers for construction costs and incurred $0.3 million of expenditures relating to design and feasibility studies. The costs of developing the facility are currently estimated to range from $45-$55 million, net of any expected gains on disposition of marketable securities in connection with the Company's mechanism for funding the Argentina Expansion, as described in the Net financing income and expenses section of this MD&A, with expected completion in 2022. The facility is expected to be capable of accommodating over 55,000 new generation Miners, capable of producing approximately 5.5 EH/s. The Company plans to deploy a significant portion of its order of 48,000 MicroBT miners at this facility, with deliveries scheduled to arrive in 2022. The Company's commitments in connection with its order of 48,000 MicroBT Miners are outlined in the Commitments and Liquidity Risk section of this MD&A.

Paraguay Expansion

During the three months ended September 30, 2021, the Company entered into a 10 MW power purchase agreement with a power producer in Paraguay with an effective electricity cost of $0.036 per kilowatt hour and renewable on an annual basis. The Company also entered into a five-year lease agreement with the same counterparty, consisting of monthly payments of $20,000, beginning August 1, 2021, to lease land where the facility will be constructed and, separately, entered into a construction contract to develop the facility. The construction of the facility is expected to cost approximately $1.5 million and be completed and operational in December 2021. The facility is expected to accommodate up to 3,000 of the Company's older generation Miners, capable of producing approximately 150 PH/s.

Share Capital

As of the date of this MD&A, the Company has 187,225,417 common shares outstanding, 3,805,008 vested and 7,299,850 unvested stock options, 20,232,060 warrants outstanding and 200,000 restricted stock units. There are no preferred shares outstanding.

At-The-Market Equity Program

Bitfarms commenced an at-the-market equity program on August 16, 2021, by means of a prospectus supplement dated August 16, 2021, to the Company's short form base shelf prospectus dated August 12, 2021, and U.S. registration statement on Form-F-10, which includes the base shelf prospectus. The Company may, at its discretion and from time-to-time sell common shares of the Company as would result in the Company receiving aggregate proceeds of up to $500 million. During the three and nine months ended September 30, 2021, the Company issued 6,329,615 common shares in exchange for gross proceeds of $36.4 million at an average share price of approximately $5.75. The Company received net proceeds of $35.2 million after paying commissions of $1.1 million to the Company's agent, in addition to
$0.1 million of other transaction fees..

Off-Balance Sheet Arrangements

At November 12 2021, the Company does not have any off-balance sheet arrangements.

Financial Instruments & Risks

The Company's financial assets include cash, trade receivables, and other assets. The Company's financial liabilities include trade payables and accrued liabilities, lease liabilities and long-term debt.

The Company's financial instruments expose it primarily to credit, liquidity, foreign currency, concentration and custody of digital assets risks. Refer to the Financial Instruments & Risk section of the Company's MD&A for the year ended December 31, 2020, for a description of these risks and how they are managed, as well as Note 18, Financial Instruments, to the Company's consolidated financial statements for the year ended December 31, 2020, and Note 4, Digital Assets, to the Company's consolidated financial statements for the period ended September 30, 2021, for a description of how fair values are determined.

During the nine months ended September 30, 2021, there were no material changes to the risks related to financial instruments and no changes in the financial instrument classifications, compared to year-end 2020, other than the derecognition of the Dominion Capital loan and those described below. Furthermore, the methodology used to determine the fair value of financial instruments has not changed during the nine months ended September 30, 2021.

Custody of digital assets

Backbone's digital assets, currently Bitcoin, are mined to multi-signature wallets that Backbone controls. Backbone transfers Bitcoin from its multi-signature wallets to external third-party custodians on a regular basis, specifically Gemini Trust Company, LLC ("Gemini Custody") and Coinbase Custody Trust Company, LLC ("Coinbase Custody", and together with Gemini Custody, the "Custodians"). Both Gemini Custody and Coinbase Custody are U.S. based fiduciary and qualified custodians under New York Banking Law and are licensed by the State of New York to custody digital assets. Currently, both Custodians do not use sub- custodians and only provide custodial services. Gemini Custody is a New York State-chartered limited purpose trust company that is authorized under Article III § 96 of the New York Banking Law to provide certain custodial services, and it is a "Qualified Custodian" as defined by the New York Codes, Rules and Regulations Title 23, Part 200.2(n). Coinbase Custody is a fiduciary of § 100 of the New York Banking Law and is licensed to custody its clients' digital assets in trust on their behalf. Coinbase Custody is a qualified custodian for purposes of § 206 (4) -2(d)(6) of the Advisers Act.

In early January 2021, the Company implemented a Bitcoin retention program, pursuant to which the Company has added approximately 2,780 Bitcoin valued at $178.4 million to its balance sheet as of the date hereof. As of the date of this MD&A, 99% of the Company's Bitcoin are held in custody.

Gemini Custody maintains an insurance policy of $200 million for its cold storage. In May 2021, Gemini Custody announced in excess of $30 billion in cryptocurrencies under custody. As a result, if Gemini Custody were to experience a loss of cryptocurrency assets in excess of $200 million, it is likely that a portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. Coinbase Custody maintains an insurance policy of $320 million for hot, warm and cold storage and in June 2021, announced in excess of $180 billion in assets on their platform, of which more than 50% are under custody. As a result, if Coinbase Custody were to experience a loss of cryptocurrency assets in excess of $320 million, it is likely that a portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. On October 1, 2021, Coinbase announced that there was a security breach of at least 6,000 accounts on its platform between March and May 2021. The Company is unaware of any security breaches involving Gemini Custody or Coinbase Custody which have resulted in the Company's crypto assets being lost or stolen. Regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that the Company's cryptocurrency assets will not be defalcated through hacking or other forms of theft.

Counterparty Risk

Counterparty risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations, including those associated with long-term deposits and equipment prepayments. The Company is exposed to counterparty risk primarily through its significant deposits it places with suppliers of cryptocurrency Mining hardware to secure orders and delivery dates. The risk of a supplier failing to meet its contractual obligations may result in late deliveries or long-term deposits and equipment prepayments that are not realized. The Company attempts to mitigate this risk procuring mining hardware from the larger more established suppliers and with whom the company has existing relationships and knowledge of their reputation in the market.

Commitments and Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay its financial obligations when they become due. The Company's policy is to monitor its cash balances and planned cash flows generated from operations and financing activities to ensure, as far as possible, that it maintains sufficient liquidity to meet its projected financial obligations.

The Company has entered into agreements with Mining hardware manufacturers that require significant deposits in advance of receiving the revenue generating equipment. The Company may manage its capital structure by issuing equity, obtaining loan financing, adjusting capital spending, or disposing of assets in order to maintain sufficient liquidity to meet its contractual obligations with Mining hardware manufacturers.

The Company has deposits on Mining hardware and electrical components in the amount of $75.0 million. These deposits are mainly for orders placed on 5,100 Antminer and 48,000 Whatsminer miners with expected delivery in late 2021 and 2022, respectively. The table below outlines the Company's remaining payment obligations in connection with the 48,000-unit purchase agreements described above, presented in thousands of U.S. dollars:

		September 30, 2021
Three months ending December 31, 2021	$	33,700
Three months ending March 31, 2022		41,400
Three months ending June 30, 2022		41,400
Three months ending September 30, 2022		26,400
Three months ending December 31, 2022		12,600
	$	155,500

The Company will require additional sources of financing to meet the payment obligations included in the table above. While the Company believes it has sufficient liquidity, based on current Bitcoin prices, to meet these and other ongoing payment obligations it anticipates securing additional sources of financing. If the Company were unable to obtain such financing, or if the Bitcoin price and network difficulty adversely impacted the Company's liquidity, then the Company may have difficulty meeting its payment obligations. If the Company were unable to meet its payment obligations, there could result in the loss of equipment prepayments and deposits paid by the Company under the purchase agreement and remedial legal measures taken against the Company which may include damages and forced continuance of the contractual arrangement. Under these circumstances, the Company's growth plans and ongoing operations could be adversely impacted.

In addition to the commitments described above, in May 2021 the Company entered into two loan agreements that had not commenced as of September 30, 2021, to acquire a total of 700 Whatsminer miners with expected deliveries in October and November 2021. The loan terms are 18 months, beginning in October and November 2021, at an effective interest rate of 18.6% with total monthly repayments averaging $0.2 million. The loans are secured by the 700 Whatsminer miners described above.

Lease liabilities includes financial obligations with contractual maturities, inclusive of interest, presented in thousands of U.S. dollars as of September 30, 2021, are as follows:

	September 30, 2021
2021	1,207
2022	4,825
2023	1,883
2024	1,151
2025 and thereafter	3,292
	$ 12,358

Long-term debt, includes financial obligations with contractual maturities, inclusive of interest, presented in thousands of U.S. dollars as of September 30, 2021, are as follows:

	September 30, 2021
2021	3,120
2022	8,697
2023 and thereafter	271
	$ 12,088

Risk Factors

The Company is subject to a number of risks and uncertainties and is affected by several factors which could have a material adverse effect on the Company's business, financial condition, operating results, and/or future prospects. These risks should be considered when evaluating an investment in the Company and may, among other things, cause a decline in the price of the Corporation's shares.

The risks and uncertainties which Management considers as the most material to the Corporation's business are described in the section entitled, Other Risks, of the Company's MD&A for the year-ended December 31, 2020 dated March 24, 2021. Other than the disclosure above, these risks and uncertainties have not materially changed, other than the risk described below, and are hereby incorporated by reference.

Hazards associated with high-voltage electricity transmission and industrial operations may result in suspension of our operations or the imposition of civil or criminal penalties

The operations of the Company are subject to typical hazards associated with high-voltage electricity transmission and the supply of utilities to the facilities of the Company at an industrial scale, including explosions, fires, inclement weather, natural disasters, flooding, mechanical failure, unscheduled downtime, equipment interruptions, remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases and other environmental risks. The hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties.

Related Party Transactions

During the three and nine month period ended September 30, 2021, the Company had the following transactions with related parties:

1. Bitfarms made rent payments totaling approximately $0.1 million and $0.4 million for the three and nine month periods ended September 30, 2021, respectively, (three and nine months ended September 30, 2020 - $0.1 million and $0.3 million, respectively) to companies controlled by certain directors.

2. Bitfarms entered into consulting agreements with two of the directors. The consulting fees charged by directors totaled approximately $0.2 million and $0.5 million for the three and nine month periods ended September 30, 2021, respectively (three and nine months ended September 30, 2020 - $0.1 million and $0.3 million, respectively).

The transactions listed above were incurred in the normal course of operations.

Recent and Subsequent Events

Washington Acquisition

On November 9, 2021, the Company acquired a cryptocurrency mining facility in Washington state, comprising land, buildings, electrical infrastructure, and 24 MW power purchase agreements with a local hydro-electric utility producer. The consideration transferred was $26.7 million, including $23.0 million of cash consideration and 414,475 Common shares with a value of $3.7 million on the closing date. The seller entered into a consulting agreement with the Company in the amount of $2.0 million for services relating to the operation of the facility. The Company also entered into a one-year lease agreement with the seller for a separate facility with monthly payments of $0.1 million.

The primary reason for the acquisition was to expand the Company's energy portfolio with existing infrastructure to accommodate the Company's expected delivery schedule of mining equipment.

The accounting for this acquisition has not been finalized and certain disclosures have not been included due to the timing of the acquisition.

At-The-Market Equity Program

During the period from October 1, 2021 to November 12, 2021, the Company issued 12,365,225 common shares in exchange for gross proceeds of $74.9 million at an average share price of approximately $6.06 USD. The Company received net proceeds of $72.6 million after paying commissions of $2.3 million to the Company's agent.

Significant Accounting Policies

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting," as issued by the International Accounting Standards Board and are based on the same accounting policies as those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2020.

Please refer Note 2, Significant accounting policies, and Note 3, Change in accounting policy, to the Company's 2020 audited consolidated financial statements for more information about the significant accounting principles. Also refer to Note 4, Significant accounting judgements and estimates, of the Company's 2020 audited consolidated financial statements for more information about significant accounting judgments and estimates used to prepare the unaudited interim condensed consolidated financial statements.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives, future liquidity, and planned capital investments. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include:

- Bitcoin Halving event;
- COVID 19 pandemic;
- Counterparty risk;
- the availability of financing opportunities and risks associated with economic conditions, including Bitcoin price and Bitcoin network difficulty;
- the speculative and competitive nature of the technology sector;
- dependency in continued growth in blockchain and cryptocurrency usage;
- limited operating history and share price fluctuations;
- cybersecurity threats and hacking;
- controlling shareholder risk;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- economic dependence on regulated terms of service and electricity rates
- permits and licenses;
- server failures;
- global financial conditions;
- tax consequences;
- environmental regulations and liability;
- erroneous transactions and human error;
- facility developments;
- non-availability of insurance;
- loss of key employees;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;

- political and regulatory risk; and
- other factors beyond the Company's control.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian Securities Authorities, including the Company's annual MD&A dated March 24, 2021. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Caution Regarding Non-IFRS Financial Performance Measures

This MD&A makes reference to certain measures that are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-IFRS measures including "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross mining profit," and "Gross mining margin" as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective.

EBITDA and EBITDA margin are common measures used to assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets. Adjusted EBITDA and Adjusted EBITDA margin are measures used to assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses. Gross mining profit and Gross mining margin are measures used to assess profitability after power costs in cryptocurrency production, the largest variable expense in Mining. Management uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets.

"EBITDA" is defined as net income (loss) before: (i) interest expense; (ii) income tax expense; and (iii) depreciation and amortization. "EBITDA margin" is defined as the percentage obtained when dividing EBITDA by Revenues. "Adjusted EBITDA" is defined as EBITDA adjusted to exclude: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; (iv) revaluation gains or losses on digital assets and (v) other non-cash expenses. "Adjusted EBITDA margin" is defined as the percentage obtained when dividing Adjusted EBITDA by Revenues. "Gross mining profit" is defined as Revenues minus energy and infrastructure expenses for the Backbone segment of the Company. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenues for the Backbone segment of the Company.

These measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Reconciliations from IFRS measures to non-IFRS measures are included throughout this MD&A.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures.

Glossary of Terms

ASIC: ASIC stands for Application Specific Integrated Circuit and refers primarily to specific computer devices designed to solve the SHA-256 algorithm, as well as other machines used in the Mining of Litecoin which use the Scrypt algorithm.

Bitcoin: Bitcoin is a decentralized digital currency that is not controlled by any centralized authority (e.g. a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. Bitcoin is created when the Bitcoin network issues Block Rewards through the Mining process.

Block Reward: A Bitcoin block reward refers to the new bitcoin that are awarded by the Blockchain network to eligible cryptocurrency miners for each block they successfully mine. The current block reward is 6.25 Bitcoin per block.

Blockchain: A Blockchain is a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete.

Exahash: One quintillion (1,000,000,000,000,000,000) hashes per second or one million Terahash

Hash: A hash is a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.

Hashrate: Hashrate refers to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency.

Megawatt: A megawatt is 1,000 kilowatts of electricity and, in the industry of cryptocurrency Mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.

Miners: ASICs used by the Company to perform Mining.

Mining: Mining refers to the process of using specialized computer hardware, and in the case of the Company, ASICs, to perform mathematical calculations to confirm transactions and increase security for the Bitcoin Blockchain. As a reward for their services, Bitcoin Miners collect transaction fees for the transactions they confirm, along with newly created Bitcoin as Block Rewards.

Mining Pool: A Mining pool is a group of cryptocurrency miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the Bitcoin Blockchain. Mining pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block.

Network Difficulty: Network difficulty is a unitless measure of how difficult it is to find a hash below a given target. The Bitcoin network protocol automatically adjusts Network Difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin Mining to solve the previous 2,016 blocks such that the average time to solve each block is ten minutes.

Network Hashrate: Network Hashrate refers to the total global Hashrate (and related computing power) used in Mining for a given cryptocurrency.

Petahash: One quadrillion (1,000,000,000,000,000) hashes per second or one thousand Terahash

SHA-256: SHA stands for Secure Hash Algorithm. The SHA-256 algorithm was designed by the US National Security Agency and is the cryptographic hash function used within the Bitcoin network to validate transactions on the Bitcoin Blockchain

Terahash: One trillion (1,000,000,000,000) hashes per second.

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
INTERIM CERTIFICATE

I, Emiliano Grodzki, Chief Executive Officer of Bitfarms Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Bitfarms Ltd. (the "issuer") for the interim period ended September 30, 2021.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings:

a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

   i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

   ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design: N/A***

5.3 ***Limitation on scope of design: N/A***

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

DATED the 15th day of November, 2021.

/s/ Emiliano Grodzki
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
INTERIM CERTIFICATE

I, Jeffrey Lucas, Chief Financial Officer of Bitfarms Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Bitfarms Ltd. (the “issuer”) for the interim period ended September 30, 2021.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings:

a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

   i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

   ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1 ***Control framework:*** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design: N/A***

5.3 ***Limitation on scope of design: N/A***

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

DATED the 15th day of November 2021.

/s/ Jeffrey Lucas
Chief Financial Officer

Exhibit 99.5

Bitfarms Reports Record Q3 2021 Revenues, Up 22% from Q2 2021 and 559% from Q3 2020

- Grew Revenues to $44.8 Million, Up from $6.8 Million in Q3 2020 –
- Achieved Record Profitability with Net Income of $23.7 Million, Up from a Net Loss of $4.8 Million in Q3 2020 –

This news release constitutes a "designated news release" for the purposes of the Company's prospectus supplement dated August 16, 2021 to its short form base shelf prospectus dated August 12, 2021.

Toronto, Ontario and Brossard, Québec (November 15, 2021) - Bitfarms Ltd. (NASDAQ: BITF // TSXV: BITF), a global Bitcoin self-mining company, reported its financial results for the quarter ended September 30, 2021. All financial references are in US dollars. During Q3 2021, Bitfarms mined 1,051 Bitcoin (BTC), up 38% from 759 BTC in Q2 2021, and reduced the average cost of BTC production* to $6,900/BTC, down 23% from $9,000/BTC in Q2 2021.

"Strong growth in production with lower costs of production and favorable Bitcoin market conditions contributed to record quarterly revenues and record profitability in the third quarter of 2021," said Emiliano Grodzki, Bitfarms Founder and Chief Executive Officer. "In fact, we delivered positive earnings from ongoing operations, even while continuing to invest heavily in growth and to scale the business.

"Bitfarms is building a truly global enterprise by focusing on strategic opportunities to cost effectively leverage our expertise and gain market share. As of today, we have increased our hashrate to over 2 Exahash per second (EH/s) and expanded our production capacity to 106 Megawatts (MW) in Canada and the U.S., with an additional 298 MW in development underway in Canada, Paraguay and Argentina. We are confident we will create additional shareholder value as we continue our efforts to achieve our computational goals of 3 EH/s by March 31, 2022, and 8 EH/s by December 31, 2022," added Grodzki.

Q3 2021 Financial Highlights

- Increased total revenues to a record $44.8 million, up 22% from Q2 2021.
- Achieved record net income of $23.7 million, or $0.13 per fully diluted share, compared to a net loss of $3.7 million, or $0.02 per basic share, in Q2 2021.
- Increased gross mining margin** to 82%, up from 79% in Q2 2021.
- Reported EBITDA** of $41.8 million and EBITDA margin** of 93%, up from $2.8 million and 7% in Q2 2021.
- Improved Adjusted EBITDA** to $31.9 million and Adjusted EBITDA margin** to 71%, up from $23.8 million and 65% in Q2 2021.
- Ended the third quarter with total liquidity of $144.5 million comprised of $43.3 million in cash and 2,312 BTC valued at approximately $101.2 million based upon a Bitcoin price of approximately $43,800 as reported by Coinmarketcap.com at September 30, 2021.

**Represents the direct cost of Bitcoin based on the total electricity costs and hosting costs related to the Mining of Bitcoin, excluding electricity consumed by hosting clients, divided by the total number of Bitcoin mined.*

***Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures and should be read in conjunction with, and should not be viewed as alternatives to or replacements of, measures of operating results and liquidity presented in accordance with IFRS and refer readers to reconciliations of Non-IFRS measures included in the Company's MD&A.*

Recent Operating Highlights

- Purchased a 24 MW facility in Washington State, U.S., in November 2021 and entered a memorandum of understanding to co-develop up to an additional 75 MW

- Reached an agreement in September 2021 with the City of Sherbrooke, Québec, to fully develop 96 MW on an expedited basis.
  - Installed latest noise reduction technology and farm designs to significantly reduce sound levels at Sherbrooke and at other farm locations.
- Expanded the farm in Cowansville, Québec, from 4 MW to 17 MW in October 2021.
- Commenced construction of:
  - 210 MW facility in Argentina;
  - 10 MW facility in Paraguay; and
  - 78 MW on two new farms in Sherbrooke, Québec.
- Achieved by November 12, 2021, as compared to September 30, 2021:
  - 2.0 EH/s hashrate, up from 1.5 EH/s;
  - 106 MW in production on 6 farms, up from 69 MW on 5 farms; and
  - 298 MW under construction on 4 farms, up from 267 MW on 3 farms.
  - 2,780 BTC held and valued at approximately $178.4 million at a market price of $64,200/BTC as of November 12, 2021 as quoted on Coinmarketcap.com.

At-the-Market (ATM) Program Update

During the third quarter, under the ATM program initiated on August 16, 2021, through September 30, 2021, the Company issued 6.3 million common shares in exchange for net proceeds of $35.2 million at an average share price of approximately $5.75 USD. Subsequent to quarter end, from October 1, 2021 through November 12, 2021, an additional 12.4 million common shares were issued under the ATM in exchange for net proceeds of $72.6 million at an average share price of approximately $6.06 USD. As of November 12, 2021, a total of $111.3 million, including commissions, has been raised under the ATM.

“The ATM program has been an important source of capital for Bitfarms, providing flexibility to pursue our business plan and fund strategic growth opportunities,” said Jeffrey Lucas, CFO of Bitfarms. “We have used the ATM judiciously to support our recent acquisition in Washington state, initiate construction in Paraguay and Argentina, fund miner deliveries in the third and fourth quarters for Quebec and Washington, and make payment commitments on 48,000 miners scheduled for delivery in 2022. While the ATM will continue to have a role in our overall financing strategy, it is expected to be part of a broader range of financing options including non-dilutive sources of capital that leverage the Company’s growing base of BTC and mining equipment,” added Lucas.

Financial Results for the Quarter ended September 30, 2021

In Q3 2021, the Company generated record revenues of $44.8 million, up $38.0 million, or 559%, compared to Q3 2020.

In Q3 2021, Bitfarms generated record quarterly mining revenues of $43.5 million, up 617% from $6.1 million in Q3 2020. Q3 2021 gross mining profit and gross mining margin were $35.4 million and 82%, compared to $1.6 million and 26% in Q3 2020, respectively. The increases were primarily attributable to increases in the Company’s hashrate, macro events in China, and higher average Bitcoin prices in Q3 2021 when compared to Q3 2020.

Average cost of production per Bitcoin decreased to $6,900 in Q3 2021, compared to $7,500 in Q3 2020.

Operating income improved to $34.1 million, compared to a loss of $3.4 million in Q3 2020. During Q3 2021, the Company recorded a gain of $13.9 million on the revaluation of Bitcoin holdings as of September 30, 2021 and $1.9 million on the reversal of impairment charges on earlier generation miners and existing infrastructure. Net income improved to $23.7 million in Q3 2021, compared to a net loss of $4.8 million, which includes $0.6 million loss on the disposition of miners in Q3 2020. EBITDA and EBITDA margin increased to $41.8 million and 93%, up from an EBITDA loss of $0.3 million and -4%, in Q3 2020, respectively. Q3 2021 Adjusted EBITDA was $31.9 million, resulting in an Adjusted EBITDA margin of 71%, compared to $365,000 and 5% in Q3 2020, respectively.

At September 30, 2021, the Company held $43.3 million in cash and $101.2 million in Bitcoin for total liquidity of $144.5 million. During Q3 2021, the Company issued 6.3 million common shares under its ATM program for gross proceeds of $36.5 million, or $35.2 million net of commissions, at an average share price of $5.75 USD. In August 2021, 5.4 million warrants were exercised, resulting in proceeds of $16.3 million.

Conference Call

Management will host a conference call and live webcast with accompanying presentation today, Monday, November 15, 2021, at 5:30 p.m. ET to review the financial results. Following management's formal remarks there will be a question-and-answer session where management will address pre-submitted questions.

The live webcast and presentation can found here. The presentation can also be downloaded from the investors section of the website www.bitfarms.com. Registered participants received their dial in number upon registration and can dial directly into the call without delay. Those without internet access or unable to pre-register may dial in by calling: 1-866-777-2509 (domestic), 1-412-317-5413 (international). All callers should dial in approximately 10 minutes prior to the scheduled start time and ask to be joined into the Bitfarms call.

A webcast replay of the call will be available here commencing approximately one hour after the end of the call through November 14, 2022. A telephonic replay of the call will be available through November 22, 2021 and may be accessed by calling 1-877-344-7529 (domestic) or 1-412-317-0088 (international) or Canada (toll free) 855-669-9658 and using access code 10161109.

About Bitfarms Ltd.

Founded in 2017, Bitfarms is a global Bitcoin self-mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V. On June 21, 2021, Bitfarms started trading on the Nasdaq Stock Market.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each Canadian facility is over 99% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play Bitcoin mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: www.bitfarms.com

https://www.facebook.com/bitfarms/
https://twitter.com/Bitfarms_io
https://www.instagram.com/bitfarms/
https://www.linkedin.com/company/bitfarms/

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. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), Nasdaq, or any other securities exchange or regulatory authority accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release and are covered by safe harbors under Canadian and U.S. securities laws. The information in this release regarding expectations in respect to its expansion plans (including computational goals), anticipated mining capacity and receipt of new miners, and about other 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, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.

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 assumptions and estimates of management of the Company at the time they were 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: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing including the Company's ability to utilize the Company's at-the-market offering (the "ATM Program") and the prices at which the Company may sell Common Shares in the ATM Program as well as capital market conditions in general; 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; dilution in relation to the ATM Program and from other equity issuances; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms 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; an increase in network difficulty 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 applicable jurisdictions, 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; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on www.SEDAR.com including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, 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 any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts

Investor Relations:

LHA Investor Relations
David Barnard
+1 415-433-3777
Investors@bitfarms.com

US Media:

YAP Global
Mia Grodsky, Account Executive
mia@yapglobal.com

Québec Media:

Ryan Affaires publiques
Valérie Pomerleau, Public Affairs and Communications
valerie@ryanap.com

Bitfarms Ltd. Consolidated Results of Operations (Unaudited)

(U.S.$ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**
Revenues	**44,774**	6,795	37,979	559%	**109,893**	23,379	86,514	370%
Cost of sales	**15,306**	7,827	7,479	96%	**37,758**	23,250	14,508	62%
Gross profit (loss)	**29,468**	(1,032)	30,500	*nm*	**72,135**	129	72,006	*nm*
Gross margin	**66%**	(15)%	-	-	**66%**	1%	-	-
General and administrative expenses	**10,884**	1,809	9,075	502%	**24,310**	5,985	18,325	306%
Loss (gain) on disposition of digital assets	**177**	-	177	100%	**152**	(23)	175	761%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Loss (gain) on disposition of PP&E	**70**	557	(487)	(87)%	**(95)**	1,264	(1,359)	(108)%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Operating income (loss)	**34,090**	(3,398)	37,488	*nm*	**48,636**	(7,097)	55,733	785%
Operating margin	**76%**	(50)%	-	-	**44%**	(30)%	-	-
Net financial expenses (income)	**(616)**	1,363	(1,979)	(145)%	**23,936**	3,930	20,006	509%
Net income (loss) before income taxes	**34,706**	(4,761)	39,467	829%	**24,700**	(11,027)	35,727	324%
Income tax expense (recovery)	**10,973**	-	10,973	100%	**12,247**	(112)	12,359	*nm*
Net income (loss)	**23,733**	(4,761)	28,494	598%	**12,453**	(10,915)	23,368	214%
Basic earnings (loss) per share	**0.14**	(0.06)	-	-	**0.08**	(0.13)	-	-
Diluted earnings (loss) per share	**0.13**	(0.06)	-	-	**0.08**	(0.13)	-	-
Gross mining profit (1)	**35,448**	1,593	33,855	*nm*	**85,782**	8,322	77,460	931%
Gross mining margin (1)	**82%**	26%	-	-	**80%**	38%	-	-
EBITDA (1)	**41,755**	(274)	42,029	*nm*	**41,472**	1,973	39,499	*nm*
EBITDA margin (1)	**93%**	(4)%	-	-	**38%**	8%	-	-
Adjusted EBITDA (1)	**31,859**	365	31,494	*nm*	**75,387**	4,463	70,924	*nm*
Adjusted EBITDA margin (1)	**71%**	5%	-	-	**69%**	19%	-	-

1 Gross mining profit, Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

Reconciliation of Consolidated Net Income (loss) to EBITDA and Adjusted EBITDA

(U.S.$ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**
Net income (loss) before tax	**34,706**	(4,761)	39,467	829%	**24,700**	(11,027)	35,727	324%
Interest expense	**788**	1,563	(775)	(50)%	**2,583**	4,348	(1,765)	(41)%
Depreciation expense	**6,261**	2,924	3,337	114%	**14,189**	8,652	5,537	64%
EBITDA	**41,755**	(274)	42,029	*nm*	**41,472**	1,973	39,499	*nm*
Share based payment	**5,787**	534	5,253	984%	**12,549**	1,798	10,751	598%
Loss (gain) on revaluation of digital assets	**(13,893)**	-	(13,893)	(100)%	**992**	-	992	100%
Impairment reversal on property plant and equipment	**(1,860)**	-	(1,860)	(100)%	**(1,860)**	-	(1,860)	(100)%
Financial expenses and other	**70**	105	(35)	(33)%	**22,234**	692	21,542	*nm*
Adjusted EBITDA	**31,859**	365	31,494	*nm*	**75,387**	4,463	70,924	*nm*

Calculation of Gross Mining Profit & Gross Mining Margin for the Cryptocurrency Mining Segment

(U.S. $ in thousands except where indicated)	Three months ended				Nine months ended			
For the periods ended as indicated	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**	**Sep. 30 2021**	**Sep. 30 2020**	**$ Change**	**% Change**
Revenues	**43,459**	6,065	37,394	617%	**106,674**	21,678	84,996	392%
Cost of sales	**14,189**	7,366	6,823	93%	**34,933**	21,932	13,001	59%
Gross profit (loss)	**29,270**	(1,301)	30,571	*nm*	**71,741**	(254)	71,995	*nm*
Depreciation and amortization	**6,178**	2,894	3,284	113%	**14,041**	8,576	5,465	64%
Gross mining profit	**35,448**	1,593	33,855	*nm*	**85,782**	8,322	77,460	931%
Gross mining margin	**82%**	26%	-	-	**80%**	38%	-	-

"Gross mining profit" is defined as Gross profit excluding depreciation and amortization and other minor items included in cost of sales for the Backbone segment of the Company. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenues for the Backbone segment of the Company.