



Bitfarms Announces Completion of Final US\$5M Tranche of Loan Financing

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TORONTO & BROSSARD, Quebec--(BUSINESS WIRE)-- Bitfarms Ltd. (together with its subsidiaries, “**Bitfarms**”, or the “**Company**”) (TSXV: BITF), is pleased to announce that it has drawn down the fourth and final debt financing tranche of US\$5,000,000 under its loan agreement with DC BFL SPV LLC (the “**Lender**”).

As announced in the Company’s news release dated March 17, 2019, Backbone Hosting Solutions Inc., a subsidiary of Bitfarms Ltd. entered into a loan agreement with DC BFL SPV LLC, an affiliate of Dominion Capital LLC (“**Dominion**”) and secured US\$20,000,000 in debt financing made available in four (4) US\$5,000,000 tranches tied to the satisfaction of various operational and corporate milestones. Pursuant to the terms of the loan agreement and in connection with the fourth drawdown, the Company confirmed to the Lender the exercisability of the 1.67M fourth tranche warrants to purchase common shares of the Company issued to the Lender at an exercise price of US\$0.40 per share.

For further details on the loan financing please refer to the original [news release](#).

Upon the funding of the fourth tranche and the confirmed exercisability of the fourth tranche of Lender warrants, Bitfarms has issued the Lender an aggregate of 6,666,667 warrants (“**Lender Warrants**”) to purchase 6,666,667 common shares of the Company (the “**Lender Warrant Shares**”) at an exercise price of US\$ 0.40 per share. Each warrant is exercisable at any time at the option of the Lender for a period of five years from the issue date of such warrant.

Upon the exercise of all the Lender Warrants, Dominion will have beneficial ownership and control of an aggregate of 6,666,667 common shares of Bitfarms, representing approximately 11.7% of the then outstanding common shares assuming no additional issuances or redemptions of common shares prior to such exercise. Immediately before the funding of the fourth tranche, Dominion was the beneficial owner of 5,000,001 Lender Warrants and in the event that the Lender Warrants would have been fully exercised immediately prior to issuance of the fourth tranche warrants, Dominion would have beneficially owned or controlled 8.8% of the outstanding common shares of the Company (on a partially diluted basis). Dominion is, indirectly through Lender, acquiring the Lender Warrants for investment purposes and continues to monitor the business, prospects, financial condition and potential capital requirements of Bitfarms. Depending on its evaluation of these and other factors, Dominion or Lender may from time to time in the future increase or decrease their respective ownership, control or direction over the common or other securities of Bitfarms through market transactions, private agreements, subscriptions from treasury or otherwise.

An early warning report containing additional information with respect to the foregoing matters will be filed under Bitfarms’ SEDAR profile at www.sedar.com.

About Bitfarms Ltd.

Through its ownership of Backbone Hosting Solutions Inc., the Company operates blockchain computing centres that power the global decentralized financial economy. Bitfarms provides computing power to cryptocurrency networks such as Bitcoin, earning fees from each network for securing and processing transactions. Powered by clean and competitively priced hydroelectricity, Bitfarms operates four facilities in Québec, Canada which currently generate approximately 308 petahash per second of installed computational power. Bitfarms’ strong and experienced management team is comprised of veteran industrial-scale data center operators and capital markets professionals, focused on building infrastructure for the future by developing and hosting the ecosystem growing around blockchain-based technologies.

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

<https://www.facebook.com/bitfarms/>

https://twitter.com/Bitfarms_io

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

Website: www.bitfarms.io

Cautionary Statement

This press release does not constitute an offer to sell or a solicitation of an offer to buy or sell securities or other financial instruments in any jurisdiction or any advice or recommendation with respect to such securities or other financial instruments of the Company. Investors are cautioned that, except as disclosed in the Company’s regulatory disclosures prepared in connection with transactions described herein, any information released or received with respect to the transactions described herein may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly

speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Forward-Looking Statements

This news release contains certain “forward-looking information” within the meaning of applicable securities laws that are based on expectations, estimates and projections as at the date of this news release.

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.

The information in this release and the future plans and objectives of the Company are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate the current digital currency inventory, fluctuations in digital currency prices and the resulting significant negative impact on Bitfarms’ operations, the volatility of digital currency prices, the construction and operation of blockchain infrastructure as currently planned, and no regulation or law that will prevent Bitfarms from operating its business.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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For investor inquiries:

Sonia Tercas
Director, Investor Relations
+1.647.348.9207
stercas@bitfarms.io

For media inquiries:

Bahador Zabihyan
Director, Public and Government Relations
+1.514.536.0145
bahador@bitfarms.io

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