Bitfarms Announces First Delivery in Growth Expansion Plan, Adding 205 PH/s of New Computing Power

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TORONTO & BROSSARD, Québec--(BUSINESS WIRE)-- Bitfarms Ltd. (“**Bitfarms**”, or the “ **Company**”) (TSXV: BITF), is pleased to announce that it has taken delivery of ~4,100 new generation miners which will be installed in Phase 1 of the Company’s new Sherbrooke computing centre. Installation has commenced, and once fully operational, the new mining hardware is expected to add approximately 205 petahash per second (“**PH/s**”) of new Bitcoin-focused computing power.

The T3 miners are manufactured by Innosilicon Technology Ltd., and each computer produces an average of 50 terahash (“**TH**”) per second of computing capacity while consuming approximately 3.1 kWh of energy, or 62 joules per TH. The T3 miners will consume, in aggregate, 12.7 megawatts of green surplus energy at Bitfarms’ fully-funded 30-megawatt (“ **MW**”) Phase 1 & 2 operational expansion in Sherbrooke. The Company expects to have all new T3 miners operational within the next 2-3 days, resulting in a significant increase to Bitfarms’ computing power which will now total ~525 PH/s.

Expansion Highlights:

- 64% increase in computational capacity to ~525 PH/s, up from 320 PH/s outlined in the Company’s second quarter 2019 financial results, reported August 29th, 2019;
- 149% increase to computational capacity year-to-date;
- Aggregate installed capacity growing to approximately 41.7 MW, up from 28.7 MW;
- Overall operational efficiency improving to ~12.6 petahash per megawatt, making Bitfarms’ one of the most efficient publicly traded Canadian cryptocurrency miners in terms of computing power relative to electricity consumption;
- T3 hardware purchase represents ~40% of the US$11.1M in hardware purchases and deposits disclosed in the Company’s Q2 2019 financial reporting; and
- T3 mining hardware purchased from Chinese manufacturer Innosilicon is not subject to recent tariffs imposed on Chinese goods entering the United States, giving the Company a competitive advantage over its US based peers.

This delivery of ~4,100 T3 miners is the first of several batches of new generation SHA-256 miner deliveries which will be installed in the Company’s new Sherbrooke computing centre. Previously an abandoned hockey stick factory, the facility has been transformed into a modern state-of-the-art computing centre, repurposing the former manufacturing facilities. Subsequent hardware deliveries for Phase 2 at Sherbrooke, and further optimization of current facilities are scheduled throughout the third and fourth quarters of 2019. As previously disclosed, the Company has secured a total of 98MW of energy within the municipality of Sherbrooke which will be the focus of its expansion plans following Phase 1 & 2 completion.

“We are very pleased to share this update with our stakeholders”, commented Wes Fulford, Chief Executive Officer. “This initial shipment of new generation miners is yet another significant milestone for the Company. Our operations team has done an excellent job to complete the infrastructure development on time, and under budget. Once online, we will have successfully delivered the first phase of our Sherbrooke operational expansion which has been enabled by our US$20M credit facility announced last March. We look forward to bringing Phase 2 online in early Q4”.

“We are tremendously proud of our operational growth this year. In partnership with Hydro-Sherbrooke, Bitfarms has commenced operations at its 5th modern data centre, utilizing surplus hydroelectricity to power blockchain infrastructure facilitating the Bitcoin network. We remain confident in our view that the province of Québec is a leader in supporting this vital and burgeoning industry”, added Pierre-Luc Quimper, President and Founder.

About Bitfarms Ltd.

The Company owns and operates 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 5 computing centres in Québec, Canada. Bitfarms’ experienced management team includes industrial-scale data centre operators and capital markets professionals, focused on building infrastructure for the future by developing and hosting the ecosystem growing around blockchain-based technologies.

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) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. The information in this release about 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 in digital currency prices and the resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment of cryptocurrency in the Provinces of Canada.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The forward-looking statements contained in this press release are made as of the date of this press release. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

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