



Bitfarms Corporate Update

06.25.19

TORONTO & BROSSARD, Quebec--(BUSINESS WIRE)-- Bitfarms Ltd. ("Bitfarms", or the "Company") is pleased to provide a corporate update announcing the closing of the arrangement, filing of a final prospectus and the drawdown of a third debt financing tranche.

As outlined in the Company's non-offering long-form prospectus dated June 12, 2019, the ordinary shares of Bitfarms Ltd., an Israel entity ("Bitfarms Israel"), have ceased trading on the Tel Aviv Stock Exchange and were exchanged for shares of the Company on a 1:1 basis (the "Arrangement"). The Arrangement was approved by shareholders of Bitfarms Israel on April 8, 2019 and approved by the District Court of Law (Israel) on May 23, 2019. Following receipt of conditional listing approval from the Toronto Venture Stock Exchange and clearance from the Ontario Securities Commission ("OSC") to file the prospectus, an Immediate Report for Bitfarms Israel was filed on the Maya on June 12, 2019 to announce the delisting of shares and the undertaking of the Arrangement.

Bitfarms filed a final prospectus with the OSC which was made available to the public on June 13, 2019 through Canada's System for Electronic Document Analysis and Retrieval ("SEDAR"). The final prospectus is a "non-offering" filing and no securities were offered pursuant to the prospectus. The prospectus is available on SEDAR and the Company's website.

"This is a significant milestone for Bitfarms," commented Wes Fulford, Chief Executive Officer of Bitfarms. "We are proud to be the first cryptocurrency miner to file a full prospectus with the OSC."

The Company is also pleased to announce that it has successfully completed the drawdown of its third US\$5,000,000 debt financing tranche. As announced in the Company's news release dated March 17, 2019, Bitfarms secured US\$20,000,000 in debt financing made available in four (4) US\$5,000,000 tranches tied to the ongoing satisfaction of various operational and corporate milestones. Pursuant to the terms of the loan financing agreement and in connection with the third drawdown, the Company issued 1.67M common share purchase warrants to its 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](#).

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 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 about the terms and conditions of the Loan Financing and the future plans and objectives of the Company, are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the intentions, plans and future actions of the Company following the Bitfarms Loan Financing, the listing of the Common Shares of the Company on stock exchanges, the potential benefits of the Loan Financing and the Arrangement, the likelihood of future drawdowns under the Loan Financing which are based on expansion milestones and ongoing satisfaction of debt covenants, receipt of applicable shareholder approvals , 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.

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Source: Bitfarms Ltd.