

Appendix to a transaction report

Proxy Statement

**In accordance with the Companies Regulations (Voting in Writing and Position Notices),
5766 - 2005
("The Regulations")**

Part One

1. **Name of the Company**

Blockchain Mining Ltd.

2. **Type of General Assembly, date and place of convening**

Special General Assembly of the shareholders.

The General Assembly will convene on Sunday, July 2, 2017 at The General Assembly will convene on March 15, 2018 at 11:30, at the law offices of the firm Zitvar, Galor & Co. Attorneys at Law, 7 Menachem Begin Road, Ramat Gan Tel: 03-6127778 a postponed meeting, if needed, will convene on Thursday March 22, 2018, in the same place and at the same time.

3. **A list of issues on the agenda for which voting is possible by means of a proxy statement**

3.1. Approval of the exceptional private allocation

To approve the exceptional private allocation detailed in the Transaction Report to Offerees A - E'. Regular shares.

Offeree A for 11,820,797 regular shares is Emiliano Joel Grodzki,

Offeree B - for 11,210,731 regular shares is Nicolas Bonta.

Offeree C is PROSUM MANAGEMENT INC. a Canadian company which is under the control of Quimper Pierre-Luc for an amount of 8,967,895 regular shares by way of allocation of mutual options.

Offeree D, a Canadian company QUEBEC INC. 9264-2644, under the control of Mathieu Vachon, is being offered up to 8,367,245 regular shares by way of allocation of mutual options.

Offeree E is Sebastian Rodrigo Menendez and is being offered 93,333 regular shares.

It is hereby clarified that in view of the fact that Offerees C & D will be allocated mutual options, i.e., at the closing date of the transaction, they shall not be considered yet as shareholders in the company (as stated in paragraph 9 of the transaction report, upon completion of the transaction and allocation of the shares, a shareholders' agreement will enter into force among the Offerees in such a manner that the Offerees will become the Controlling Shareholders of the company) then for the purpose of caution, this allocation will also be approved in accordance with the provisions of article 328 (b) (1) of the Companies Law, in such a manner that the mutual options shall not, in any case, require the execution of a special purchase offer. The exceptional private allocation is presented for approval as a single block.

3.2. Appointment of directors

The approval of the appointment of directors, the validity of whose appointments shall be conditional upon the completion of the transaction making the subject of this transaction report, and from the date of its completion and thereafter, as follows: Text of the proposed resolution: After

each of the esteemed gentlemen detailed below declares that they have the required skills and ability to devote the adequate amount of time to fulfilling their role as company director, and details their skills as mentioned, and also declares that they are not subject to the restrictions determined in Sections 226 and 227 of the Companies Law, to appoint the directors specified in this resolution as follows:

- (1.) To appoint Mr. Nicolas Bonta as director and chairman of the board of directors.
- (2.) To appoint Mr. Emiliano Joel Grodzki as director in the company.
- (3.) To appoint Mr. Pierre-Luc Quimper as director in the company.
- (4.) To appoint Mr. Rodrigo Sebastian Menendez as director in the company.

A separate vote will be called regarding each of the candidates to serve on the Board of Directors.

The aforesaid declarations are attached as Appendix “B” to the Transaction Report.

Below are the details required by Regulation 26 of the Reporting regulations for Mr. Nicolas Bonta whose appointment is proposed:

Director’s name:	Nicolas Bonta
Passport number:	AAD779911
Date of birth:	February 16, 1975
Address for service of court documents:	The company’s offices, 7 Menachem Begin road, Ramat Gan
Citizenship:	Argentinean
Membership in a Board of Directors’ committee or committees:	No
External Director:	No
Is he an employee of the company, or of their subsidiaries or affiliates, or of a party interested in them:	He will serve as active chairman of the board of directors of the Company and of Backbone
Start date of his service on the Board of Directors:	Upon completion of the transaction
Education:	Graduate of Hospitality Management, Glion Institute of Higher Education Switzerland
Occupation in the last five years:	Businessman
Corporations in which he serves on the Board of Directors:	Backbone
To the best of the Company’s knowledge and that of their directors, is he a relative of another interested party in the Company:	No
Is he a board member that the Company sees as an accounting or financial specialist for the purpose of upholding the minimal number that the Board of Directors determined pursuant to Section 92(a)(12) of the Companies Law:	Not yet tested
Is he an independent director:	No

Hereunder are the details required by Regulation 26 of the Reporting regulations for Mr. Emiliano Joel Grodzki whose appointment is proposed:

Director's name:	Emiliano Joel Grodzki
Passport number:	AAD618528
Date of birth:	: November 15, 1976
Address for service of court documents:	The company's offices, 7 Menachem Begin Road, Ramat Gan
Citizenship:	Argentinean
Membership in a Board of Directors' committee or committees:	No
External Director:	No
Is he an employee of the company, or of their subsidiaries or affiliates, or of a party interested in them:	He will serve as CEO of the Company and of Backbone
Start date of his service on the Board of Directors:	Upon completion of the transaction
Education:	High school
Occupation in the last five years:	Businessman
Corporations in which he serves on the Board of Directors:	Backbone
To the best of the Company's knowledge and that of their directors, is he a relative of another party with interest in the Company:	No
Is he a board member that the Company sees as an accounting or financial specialist for the purpose of upholding the minimal number that the Board of Directors determined pursuant to Section 92(a)(12) of the Companies Law:	Not yet tested
Is he an independent director:	No

Below are the details required by Regulation 26 of the Reporting regulations for Mr. Pierre- Luc Quimper, whose appointment is proposed:

Director's name:	Pierre-Luc Quimper
Passport number:	GB959974
Date of birth:	September 12, 1983
Address for service of court documents:	The company's offices, 7 Menachem Begin Road, Ramat Gan
Citizenship:	Canadian
Membership in a Board of Directors' committee or committees:	No
External Director:	No
Is he an employee of the company, or of their subsidiaries or affiliates, or of a party interested in them:	He will serve as a director and will be in charge of the activity of the Company and of- Backbone
Start date of his service on the Board of Directors:	Upon completion of the transaction
Education:	High school
Occupation in the last five years:	Businessman
Corporations in which he serves on the Board of Directors:	Backbone, Nworks Management Corp, Hashrate-Biz Corp.
To the best of the Company's knowledge and that of their directors, is he a relative of another party with interest in the Company:	No

Is he a board member that the Company sees as an accounting or financial specialist for the purpose of upholding the minimal number that the Board of Directors determined pursuant to Section 92(a)(12) of the Companies Law: Not yet tested

Is he an independent director: No

Hereunder are the details required by Regulation 26 of the Reporting regulations for Mr. Pierre-Luc Quimper, whose appointment is proposed:

Director's name: Rodrigo Sebastian Menendez
Passport number: AAD286441
Date of birth: May 10, 1979
Address for service of court documents: The company's offices, 7 Menachem Begin Road, Ramat Gan
Citizenship: Argentinean
Membership in a Board of Directors' committee or committees: No
External Director: No
Is he an employee of the company, or of their subsidiaries or affiliates, or of a party interested in them: Will serve as a General Counsel
Start date of his service on the Board of Directors: Upon completion of the transaction
Education: First degree in law from Universidad de Belgrano and second degree in economic law and finance from Universidad Catolica Argentina.
Occupation in the last five years: Attorney at Law
Corporations in which he serves on the Board of Directors: Mar Energia S.A.
To the best of the Company's knowledge and that of their directors, is he a relative of another party with interest in the Company: No
Is he a board member that the Company sees as an accounting or finances specialist for the purpose of upholding the minimal number that the Board of Directors determined pursuant to Section 92(a)(12) of the Companies Law: Not yet tested
Is he an independent director: No

3.3. Approval of tenure terms and employment

The approval of the employment terms of Offerees A and B and of the individuals of the Offerees C and D who are directors and/or officers in Backbone will go into effect upon the completion of the transaction, in accordance with the following details:

Nicolas Bonita will serve as the chairman of the board of the company and of Backbone. Emiliano Joel Grodzki will be the Chief Operations Officer and serve as director and will be in charge of the activity, besides Backbone Pierre-Luc Quimper will serve as director in the company and Mathieu Vachon will be in charge of software engineering. Each of the aforementioned directors will be entitled to a salary in an annual cost of \$ 200,000, for a full-time position.

Below is a table breakdown on the annual position and employment terms of each of the directors and/or the aforementioned position holders, pursuant to the sixth supplement of the Securities Regulations (Periodic and Ad hoc reports) 5730 - 1970, as of the time of completing the transaction (in terms of cost to the company in thousands of USD):

Details of the compensations receivers				Compensations for services					Other compensations		
Name	Position	Scope of the position	Rate of holding in the corporate capital	Wages	Grant	Payment based on shares	Administrative Fees	Commission	Interest	Lease payments	Total
Nicolas Bonta	Chairman of the board	100%	20.6%	200%	-	-	-	-	-	-	200%
Emiliano Joel Grodzki	CEO	100%	19.54%	200%	-	-	-	-	-	-	200%
Pierre-Luc Quimper	C.O.O	100%	15.63%	200%	-	-	-	-	-	-	200%
Mathieu Vachon	software engineering	100%	14.58%	200%	-	-	-	-	-	-	200%

4. **The place and times that the full text of the proposed resolutions may be reviewed**

The ad hoc report published by the Company regarding the convening of the meeting and the full text of the proposed resolutions may be reviewed, in advance, at the Company's law firms, Zitvar, Galor & Co., 7 Menachem Begin Road, Ramat Gan, Sunday - Thursday, during regular business hours. These documents may also be reviewed on the website (distribution site) of the Securities Authority, whose URL is: www.magna.isa.gov.il.

5. **The majority required for passing resolutions at the general assembly on matters on the agenda**

The required majority for approval of the exceptional private proposal and also to approve the appointment of the directors and their terms of tenure is a regular majority of the present shareholders that are eligible to participate in the voting. The majority required to approve the tenure terms of Mr. Emiliano Joel Grodzki, who is expected to serve as the CEO of the company, is the majority of votes of those participating in the voting, provided that one of these will occur:

A. In counting the majority votes of the general assembly will be included the majority of the votes of those that do not have control of the company or have personal interest in approving the wage terms, and that participate in the voting. In counting the total votes of the aforementioned shareholders, the abstentions will not be considered. Provision 276 of the Companies Law will apply to whoever has a personal interest, with the required adjustments.

B. The total opposing votes from among the shareholders mentioned in subparagraph(a) will not exceed the rate of two percent (2%) of the overall rights to vote in the Company.

6. With regard to voting on matters which are on the agenda and are detailed in Section 3 above, it shall be noted as follows:

Part B of this Proxy Statement is assigned a place to mark the existence or absence of a linkage, as required by the provisions of the Companies Law, 5759-1999 (hereinafter: "**the Companies Law**") and to describe the nature of the relevant linkage. It should be clarified that if a person did not mark the existence or absence of such linkage, or did not describe the nature of the linkage, their vote shall not be counted in the quorum.

7. The Proxy Statement shall be valid only if the following documents have been attached thereto and it has been communicated to the Company (including by registered mail) as follows:

Unregistered shareholder: (i.e., a person to whom shares are registered with a stock exchange member and those shares are included among the shares registered in the registry of shareholders in the name of the records company) - is required to provide the Company with verification of ownership, including through the electronic voting system, up to 4 hours before the date of the assembly.

A shareholder who is not registered may vote through an electronic voting system.

Registered Shareholder: (I.e. a shareholder registered in the Company's shareholders registry) - is required to provide a photocopy of an identity card, passport or certificate of incorporation.

A proxy statement that has not been submitted in accordance with this section shall be deemed invalid.

8. **The date of closing the electronic voting system**

The Proxy Statement will be submitted to the Company by the time the electronic voting system is closed at 05:30 on (March 15, 2018 or an earlier date as determined by the Securities Authority in accordance with the provisions of the regulations.)

9. **The address of the Company for delivering the Proxy Statements and position notices**

Blockchain Mining Ltd., c/o Zitvar, Galor & Co. Attorneys at Law, 7 Menachem Begin Road, Ramat Gan.

10. **The last date for the submission of the position notices to the Company**

The last date for the submission of the position notices (as per their meaning in article 88 of the Companies Law) is 10 days prior to the convening of the assembly, namely until March 5, 2018.

11. **The address of the distribution site of the Israel Securities Authority and the website of the Stock Exchange where the Proxy Statements and position notices are located**

11.1. Securities Authority distribution website
www.magna.isa.co.il<http://www.magna.isa.gov.il/>

11.2. The website of the Tel Aviv Stock Exchange Ltd.
<http://maya.tase.co.il><http://maya.tase.co.il/>

12. An unregistered shareholder is entitled to receive confirmation of ownership at the member's branch of the Stock Exchange or by mail, if they so request. A request in this matter shall be made in advance to a particular securities account. An unregistered shareholder may instruct that their certificate of ownership be transferred to the Company through the electronic voting system.

13. A stock exchange member shall send, free of charge, by e-mail, a link to the text of the Proxy Statement and position notices on the distribution site of the Securities Authority to any shareholder that is not registered in the registry of shareholders and whose shares are registered with that member of the stock exchange, unless they informed that they are not interested in such communication or that they wish to receive Proxy Statements by registered mail against payment; The shareholder's notice regarding the Proxy Statements shall also apply to the receipt of position notices.

14. One or more shareholders holding, on the determining date, shares at a rate constituting five percent or more of the total voting rights in the Company, and whoever holds such percentage out of the total voting rights, which is not held by the Controlling Shareholder of the Company as defined in section 268 of the Companies Law, is entitled to review the Proxy Statements as detailed in Regulation 10 of the Regulations.

The number of shares constituting 5% of the total voting rights in the Company:
830,746 Regular shares.

The number of shares constituting 5% of the total voting rights in the Company, which are not held by the Controlling Shareholder: 378,949 Regular shares.

15. Request to include a topic on the agenda of the meeting

An application by a shareholder under Section 66 (b) of the Companies Law to include a topic on the agenda of a general assembly shall be communicated to the Company up to seven days after the call to convene the meeting.

16. Changes to the Proxy Statement

- 16.1. After the publication of the Proxy Statement, there may be changes to the agenda, including the addition of a subject to the agenda, position statements may be published, and the updated agenda and position notices published in the Company's reports on the distribution website may be reviewed.

- 16.2. The last date on which the Company will issue an amended Proxy Statement, to the extent it is required, as aforesaid, is in accordance with the provisions of Section 4 (b) of the Regulations.

17. A shareholder shall indicate the manner in which they vote on the issues on the agenda in the second part of their Proxy Statement.

Proxy Statement, Part 2

Name of the Company: Blockchain Mining Ltd.

The address of the Company (for serving and delivery of Proxy Statements): C/O the law offices of Zitvar, Galor & Co. Attorneys at Law, 7 Menachem Begin Road, Ramat Gan.

Company number: 520041526

Date of assembly: March 15, 2018

Assembly type: Special General Assembly

The Determining Date: January 22, 2018

(To this point, to be completed by the Company).

Details of the shareholder Name of shareholder _____

“ID number”: _____

If the shareholder does not have an Israeli identity card

Passport number: _____

Country where issued: _____

Valid until: _____

If the shareholder is a corporation -

Corporation number: _____

Country of incorporation: _____

The manner of voting

The topic number on the agenda	The manner of voting ¹			Regarding the approval of a transaction under section 272(C) of the Companies Law - are you a Controlling Shareholder or do you have a personal interest in the resolution ²	
	For	Against	Abstained	Yes*	No
3.1 Approval of the exceptional private allocation				Not Relevant	
3.2 Appointment of directors.					
3.2.1 Nicolas Bonta					
3.2.2 Emiliano J. Grodzki					
3.2.3 Pierre-Luc Quimper					
3.2.4 Rodrigo S. Menendez					
3.3 Approval of employment terms					
3.3.1 Nicolas Bonta, Pierre-Luc Quimper, Mathieu Vachon					
Emiliano J. Grodzki 3.3.2					

Date: _____

Signature _____

* Details

----- A shareholder who has indicated that they are a Controlling Shareholder or someone acting on their behalf shall describe the nature of the connection:

Shareholders who hold shares through a stock exchange member pursuant to Section 177 (1) of the Companies Law - this Proxy Statement is valid only with the confirmation of ownership except in cases where the vote is via the Internet.

For shareholders who are registered in the Company's registry of shareholders - the Proxy Statement is valid together with a photocopy of the identity card / passport / certificate of incorporation.

¹ Non-marking shall be considered as abstaining from voting on that topic.

² A shareholder who does not fill this column or who signs "for" and does not specify, his vote shall not be counted