

December 6, 2017

For the attention of:
The Securities Authority
22 Kanfei Nesharim St.
Jerusalem

For the attention of:
Tel Aviv Stock Exchange Ltd.
2 Achuzat Bayit St.
Tel Aviv

Dear Sir(s)/ Madam,

Re: **Ad hoc reporting**

Following the Ad hoc Reports dated October 18, 2017 (reference: 2017-01-091435), December 3, 2017 (reference: 2017-01-112746), the Company is pleased to announce the following:

1. Today, early in the morning, the company signed an agreement with BACKBONE HOSTING SOLUTIONS INC. a private company registered in Canada (hereinafter: "Backbone"). The Company will acquire 75% of the shares of Backbone from the Backbone shareholders against an allotment of shares in the Company which, after the allotment, will constitute approximately 75% of the issued share capital of the Company (hereinafter: "**the Agreement**").
2. The agreement will be brought to the Board of Directors for discussion tomorrow.
3. If and to the extent that the Agreement is approved by the Company's Board of Directors, the Company shall give further notice thereof.
4. The closing of the transaction requires, in addition to the approval of the Board of Directors as mentioned above, the approval of the General Assembly of the Company and the approval of the Tel Aviv Stock Exchange for registration of the shares for trading.
5. Insofar as the Agreement is approved by the Board of Directors as mentioned above, the Company shall convene a General Assembly, in accordance with the provisions of the Companies Law 5759-1999 and the Securities Law 5728-1968, as well as the Regulations thereunder.
6. **The information detailed on this matter regarding the need for approval by the General Assembly and the rest of the terms are forward-looking, since there is no certainty that the transaction for the purchase of shares of Backbone will be approved by the Company's Board of Directors and/ or General Assembly.**

Sincerely,

**Roy Sabag, CEO and Chairman of the Board
Natural Resources Holdings Ltd**