

Blockchain Mining LTD

March 11, 2018

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 Report regarding a transaction to purchase shares of Backbone Hosting Solutions Inc.: the Company is pleased to announce that Backbone has informed them of the following:

1. **The setting up of a mining farm in Sherbrooke, Quebec**

- 1.1 Backbone has already started to build a mining farm for cryptocurrency in the city of Sherbrooke, Quebec. The scope of investing in the mining farm, the construction of which will be executed in a number of steps lasting about 2 years, is estimated to be at approximately \$250 million.
- 1.2 According to Backbone estimates, the completion of the entire mining farm as planned will increase Backbone's computing powers up to 4 times and the staff involved in Quebec is estimated to reach 300 workers.
- 1.3 To complete the project, Backbone signed an agreement with Hydro-Sherbrooke, the entity that provides electricity to the city of Sherbrooke, to supply hydroelectric energy to the mining farm at an overall power of 98 megawatts.

The information provided here is forward-looking, as there is no assurance that the purchase of Backbone shares will be approved by the General Assembly of the Company. Furthermore, there is no assurance that Backbone will complete said mining farm, as it depends on the ability of Backbone to raise funds to complete the project.

2. **Appointment of the CEO of Backbone**

- 2.1. Backbone appointed Mr. Wes Fulford to the position of CEO as of March 7, 2018; he is one of the founders of Backbone, who served until now as CEO and will start working as Chief Strategy Officer at Backbone.
- 2.2. As the Company was informed, Mr. Fulford served for the past 12 years as an investment banker and was employed by the largest financial institutions in the US and Canada. Prior to his engagement with Backbone, Mr. Fulford was in charge of the banking investments division of Fintech/Cryptocurrency at Desjardin, one of the best-known and respected financial institutions in Canada.

- 2.3. With purchasing Backbone shares, Mr. Fulford will be appointed CEO of the Company.

Sincerely,

Roy Sabag, CEO
Blockchain Mining LTD