

# Blockchain Mining LTD

March 4, 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 the transaction to purchase shares by Backbone Hosting Solutions Inc. (hereinafter: "**Backbone**"), the Company is pleased to announce that Backbone has notified them of the fact that on March 1, 2018, Backbone contracted two investment banks, GMP Securities and Power One Capital Markets (hereinafter: "**the Investment banks**"), which will operate on the basis of their best efforts to raise for Backbone by way of private placement up to CAD 50 million, by issuing convertible bonds.

The structure of the offering by the Investment banks includes bonds for a period of 24 months. The bonds will bear interest at a rate of 8%, and if the Company acquires shares from Backbone, the transaction will be completed. If the Company's shares are listed on the secondary Toronto Stock Exchange as well on the TSX Venture Exchange, the debentures will be convertible into shares of the Company.

Backbone will pay to the Investment banks 6% of the funds actually raised and will give them the option to purchase shares of Backbone

The proceeds from fundraising will be used by Backbone to further develop and expand a mining farm in the province of Quebec in Canada.

**The above information is forward-looking, as there is no certainty that the transaction for the purchase of shares of Backbone will be approved by the General Assembly of the Board of Directors of the Company, and there is no certainty that Backbone will be successful in raising the funds specified above.**

Sincerely,

**Roy Sabag, CEO**  
**Blockchain Mining LTD**