



## RECENT BITCOIN HALVING

**Vancouver, BC, Canada, May 13, 2020 – Skychain Technologies Inc. (TSXV-SCT)** reports today that, following Monday's Bitcoin "halving" event (cutting the rewards for Bitcoin mining in half), Bitcoin miners face ever increasing pressure to cut costs and maximize efficiency. These market conditions are expected to support SkyChain's business model of providing efficient, low-cost operating environments for Bitcoin miners.

By far the biggest cost of bitcoin mining is electricity. According to the Bitcoin Energy Consumption Index, electricity costs consume, on average, about 70% of mining revenues with many operators facing power costs of over 90% of revenues. With bitcoin halving, operators using older, less efficient machines and those operating in jurisdictions with higher electricity costs will likely not be sustainable.

"Even with the recent runup in Bitcoin prices, halving represents a drastic market event for Bitcoin miners," said SkyChain CEO Bill Zhang. "It means that revenues for *all* miners—even those using state-of-the-art machines such as Bitmain Technology's new Antminer S19 model—are abruptly cut by 50%."

Miners effectively have three alternatives to remain viable: 1) invest in the latest technology and/or 2) move their operations to regions with cold climates and cheap electricity 3) Do a combination of both. Cold climates help the heat-generating machines operate more efficiently.

### **SkyChain in Canada, Where Power is Cheap**

SkyChain provides Blockchain infrastructure services and power solutions for Bitcoin miners. Following the halving event, the company is preparing for significant expansion in Canadian provinces with low electricity rates and cooler climates that heat-generating data mining requires. SkyChain is currently conducting due diligence on a large-scale site in Manitoba permitted for use as a crypto (or data mining) host facility.

"Many of the world's largest Bitcoin miners see Canada as an ideal jurisdiction," said Zhang. "In particular, Manitoba offers the best combination of low power costs and a cooler climate. Adding in the advantage of Canada's stable political climate, we believe our business model will generate significant long-term growth."

ON BEHALF OF THE BOARD OF DIRECTORS

**Bill Zhang**  
**President and CEO**

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Skychain Technologies is a Vancouver based company providing Blockchain Infrastructure services and power solutions. To learn more, visit [www.skychaintechnologies.com](http://www.skychaintechnologies.com).

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