



HIGHER TRANSACTION FEES HELP MINERS OFFSET BITCOIN HALVING

Vancouver, BC, Canada, May 26, 2020 – Skychain Technologies Inc. (TSXV-SCT) reports that, with the May 12 Bitcoin “halving” event (cutting the rewards for Bitcoin mining in half), the average Bitcoin Average Transaction Fee* rose 243% to nearly \$6.60 between May 11 and May 21. On the day of the halving, fees averaged below \$2. Transaction costs had already been rising two weeks prior to the event, spiking 400%. As of May 25, costs had eased back to \$3.54 per transaction—still an increase of 240% over fees charged in late April.

“The higher fees are a crucial boon to Bitcoin miners and good for SkyChain,” said SkyChain President Bill Zhang. “The May 12 halving event effectively cut mining revenues in half. The offsetting transaction fees mean more miners will remain viable despite the halving of Bitcoin rewards. A healthier industry supports SkyChain’s business model and makes it more viable.”

SkyChain provides Blockchain infrastructure services and power solutions for Bitcoin miners. Following the halving event, the SkyChain 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.

Power Issues in China Mean More Miners Looking at Canada

Another emerging market catalyst is a shortfall of hydroelectric supply in Sichuan Province, China, one of the world’s key regions for Bitcoin mining and one of the world’s top consumers of electricity for Bitcoin mining. According to Bitcoin.com, a late rainy season in Sichuan has led to surging demand for power at a time when hydroelectric supplies are low. As a result, fears have emerged that local officials may crack down on Bitcoin miners who are accused of exploiting the region’s cheap power. This situation is forcing some of the world’s biggest Bitcoin miners to seek new locations with stable and cheap power.

“We have seen more inquiries from China as a result of the fears in Sichuan,” said Zhang. “Miners in China see Canada, and particularly Manitoba, as an ideal location.”

*The Bitcoin Average Transaction Fee measures the average fee in USD when a Bitcoin transaction is processed by a miner and confirmed. Average Bitcoin transaction fees can spike during periods of congestion on the network, as they did during the 2017 crypto boom where they reached nearly US\$60.

ON BEHALF OF THE BOARD OF DIRECTORS

Bill Zhang
President and CEO



SkyChain Technologies, Inc.
S c a l a b l e H o s t i n g M a d e S i m p l e

Skychain Technologies is a Vancouver based company providing Blockchain Infrastructure services and power solutions. To learn more, visit www.skychaintechnologies.com.

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