



SKYCHAIN SIGNS LOI TO PURCHASE 20 MW CRYPTO HOSTING FACILITY IN QUEBEC

Vancouver, BC, Canada, August 27, 2020 – Skychain Technologies Inc. (TSXV-SCT) reports that the Company has signed a Letter of Intent (LOI) to acquire an existing -20 Mw cryptomining hosting facility in Sherbrooke, Quebec. Built in 2018, the modern facility covers 40,000 square feet and offers significant expansion capacity along with potential electricity cost reductions of approximately 20% compared to the electricity costs in BC. SkyChain is currently relocating 4 Mw of client mining equipment to this facility in addition to previously locating 4 Mw in early 2020 (as reported in SkyChain’s news release of July 28, 2020).

“The Sherbrooke facility fits ideally within our long-term growth strategy,” said SkyChain President and CEO Bill Zhang. “It provides the low-cost, efficient capacity we need for expansion and a state-of-the-art infrastructure. Based on inquiries from international crypto miners, we expect to operate the facility at its maximum capacity within the next two quarters.”

Under terms of the LOI between SkyChain and 1151203 B.C. Ltd (the “Vendor”), SkyChain would purchase the entire facility for CDN\$5 million. The Vendor has constructed the mining facility to international specifications. The LOI gives SkyChain three months to conduct its Due Diligence. Payment terms will be established upon completion of the Due Diligence. The proposed transaction will be subject to all necessary regulatory approvals.

Due mostly to clean, efficient hydropower, Quebec offers the second-lowest electricity costs in Canada (behind Manitoba) and some of the lowest in the world. Both Quebec and Manitoba are attracting a growing number of cryptocurrency miners looking to reduce operating costs through cheaper electricity. Power costs constitute the largest portion of operating expenses for crypto hosting facilities.

Zhang noted that Sherbrooke would constitute SkyChain’s second major expansion for 2020. “As announced in July, the development of our new site in Birtle, Manitoba is progressing well. We’re finalizing procurement of the substation equipment, and we’re working with a major electrical engineering firm in Winnipeg and with Manitoba Hydro International to oversee project development.”

About Skychain Technologies

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

ON BEHALF OF THE BOARD OF DIRECTORS

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