



The9 Limited brings lawsuit against SkyChain

Vancouver, BC, Canada, September 20, 2022 – SkyChain Technologies Inc. (TSXV-SCT) (OTCQB-SKTCF) (the “Company”) advises that pursuant to a civil claim made by The9 Limited (“The9”) in connection with the Company’s incomplete project in Birtle, Manitoba, the Company was declared in default of its debenture with The 9. The9 filed in British Columbia Supreme Court on September 15, 2022 for summary judgement to force repayment through the available creditor remedies. A decision of the court is expected on September 20, 2022.

On July 21, 2021, the Company and The9 completed a financing transaction (the “**Transaction**”) whereby The9 invested \$4 million with the Company through the acquisition of \$2 million of equity securities and \$2 million in convertible debentures (the “**Debentures**”) (see the Company’s news release dated July 27, 2021). The purpose of the transaction was to finance development of a cryptocurrency hosting facility at the Company’s Birtle site (the “**Birtle Project**”).

On November 29, 2021, the Company was notified that its Birtle Project had been issued a “stop work” order by the City of Birtle due to various technical concerns about the Company’s project. Although the Company worked diligently and incurred substantial cost attempting to resolve these technical concerns, the Company was unable to get the City of Birtle to permit the project.

Under the terms and conditions of the Transaction, the Company was contractually obligated to obtain certain approvals and permits for the Birtle Project prior to June 30, 2021, and to complete the project by December 7, 2021. The Company failed to meet both of these target dates and dismissed its CEO with cause in February 2022. On May 6, 2022 the Company announced it would be uneconomic for the Company to proceed with the Birtle Project.

The9 has filed a lawsuit against the Company and its wholly-owned subsidiary Miningsky Technologies (Manitoba) Ltd. (“**MTMI**”) claiming a breach of the conditions attached to the Debentures and demanded the Company repay The9 for the full amount of the Debentures plus accrued interest thereon.

The Company also announces the resignation of Donald Gordon as Interim CEO and as a Director of the Company and its Subsidiaries Miningsky Technologies Inc. and Miningsky Technologies (Manitoba) Ltd.

About Skychain Technologies Inc.

Skychain Technologies Inc. is a Vancouver based company providing crypto/data centre and NFT and valued added services. To learn more, visit skychaintechnologiesinc.com

ON BEHALF OF THE BOARD OF DIRECTORS

Chairperson of the Board

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