

## Atlas Blockchain Closes \$10.1MM Total Financing for Proposed Acquisition of Israeli Cannabis Operation

### --Company prepares to service growing European demand for quality high grade products

VANCOUVER, BC, -- (GLOBE NEWSWIRE – May 21, 2019) -- Atlas Blockchain Group Inc. (CSE: AKE) (XFRA: A49) (OTCPINK: ATLEF) (the “**Company**” or “**Atlas**”) is pleased to announce that it has closed a second tranche of its recently announced private placement, raising total gross proceeds of \$10.1MM for the entire offering.

Darryl Jones, President of Isracann says, “We are extremely pleased to announce the successful close of our CAD\$10.1 million financing efforts. The proceeds are a welcome addition to our already healthy cash position. Our strong balance sheet will propel our efforts to complete Isracann’s proposed Phase I facility of 230,000 square feet of cultivation area and we can look beyond the immediate plans in order to execute additional strategic goals. With the recently announced regulatory changes allowing product export from Israel, we look forward to rapidly building an enterprise aimed at both the domestic and underserved European consumer markets.”

The Company completed its final tranche of a non-brokered offering of subscription receipts of the Company (the “**Subscription Receipts**”) at \$0.17 per Subscription Receipt for gross proceeds of \$4.9 million (the “**Offering**”).

The Offering consists of subscription receipts of the Company (the “**Subscription Receipts**”) at \$0.17 per Subscription Receipt (the “**Offering**”). Each Subscription Receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration, one unit in the capital of the Company (each, a “**Unit**”). Each Unit will be comprised of one common share of Atlas (each, a “**Atlas Share**”) (pre-consolidation basis) and one Atlas Share purchase warrant (each, a “**Warrant**”) (pre-consolidation basis). Each Warrant will entitle the holder thereof to acquire one Atlas Share at \$0.34 per Atlas Share for two years following the date of issuance. The Company received aggregate gross proceeds of approximately \$10.1MM including gross proceeds from the first tranche closed on January 11, 2019.

The financing efforts are concurrent to a share exchange agreement to acquire all the issued and outstanding common shares of Isracann Biosciences Inc. in exchange for common shares of the Company. The acquisition of Isracann Biosciences Inc. is an arm’s length transaction and is expected to constitute a fundamental change under the policies of the Canadian Securities Exchange (the “**CSE**”). Upon the successful conclusion of the transaction, the resulting issuer has applied for and anticipates trading under the ticker symbol “**IPOT**”.

Isracann is operationally located in Israel and aims to embark on an industrial-scale cannabis farming enterprise targeting both domestic and international commercial opportunities. The venture holds rights to prime agricultural land with preexisting production permits equivalent to Canadian ACMPR cultivation licensing, where it anticipates building 230,000 square feet of cultivation area. Israel has been a leader in cannabis research for over 50 years and further enjoys extremely favorable climatic conditions, both of which strategically factor into premium product development opportunities. Proximally located to Europe’s

undersupplied markets ideally situates Isracann with potential access to a consumer base, which based on population alone, is larger than the size of the USA and Canada combined.

All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

The Company will pay eligible finders a cash commission in the aggregate of \$137,822.59 on the Offering upon satisfaction of certain escrow release conditions. In addition, 760,033 non-transferable broker's warrants will also be issued to eligible finders to purchase an aggregate of 760,033 common shares of the Company.

The aggregate net proceeds from the Offering will be used to complete the acquisition of Isracann Biosciences Inc. and to provide general working capital.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. None of the securities to be issued pursuant to the Offering have been or will be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued pursuant to the Offering are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and applicable exemptions under state securities laws. In addition, the securities to be issued pursuant to the Offering under an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined under Rule 144(a)(3) of the U.S. Securities Act and will contain the appropriate restrictive legend as required under the U.S. Securities Act. Any public offering of securities of Atlas to be made in the United States must be made by means of a prospectus containing detailed information about Atlas and management, as well as financial statements.

#### **About Isracann Biosciences Inc.**

Isracann is an Israeli-based cannabis company focused on becoming a premier cannabis producer offering low-cost production targeting undersupplied, major European marketplaces. Based in Israel's agricultural sector, Isracann will leverage its development within the most experienced country in the world with respect to cannabis research. The Company has secured agreements with three (3) licensed Israeli companies for medicinal marijuana cultivation. For more information visit: [www.isracann.com](http://www.isracann.com).

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

*"Charlie Kiser"*

Charlie Kiser  
Chief Executive Officer

***The CSE does not accept responsibility for the adequacy or accuracy of this release.***

*All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ, materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission, the Alberta Securities Commission, and the Alberta Securities Commission.*

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