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**ATLAS BLOCKCHAIN TO ACQUIRE ISRACANN BIOSCIENCES INC. AND
COMPLETE CONCURRENT FINANCING FOR UP TO \$15 MILLION**

VANCOUVER, BC, -- (GLOBENEWSWIRE – October 11, 2018) -- Atlas Blockchain Group Inc. (CSE: AKE) (XFRA: A49) (OTCPINK: ATLEF) (the “Company” or “Atlas”) is pleased to announce that it has entered into a non-binding letter of intent dated October 8, 2018 (the “**Letter Agreement**”) between the Company and Isracann Biosciences Inc. (“**Isracann**”), a private British Columbia company.

Operationally located in Israel, Isracann aims to embark on an industrial-scale cannabis farming enterprise targeting both domestic and international commercial opportunities. With three (3) agreements in-place, the venture holds rights to over 580,000 square feet of prime agricultural land with preexisting production permits equivalent to Canadian ACMPR cultivation licensing. 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.

The Letter Agreement contemplates a proposed business combination transaction (the “**Acquisition**”) pursuant to which the Company will acquire all the issued and outstanding common shares of Isracann (“**Isracann Shares**”) in exchange for common shares of the Company (“**Atlas Shares**”). The Acquisition is an arm’s length transaction and is expected to constitute a fundamental change under the policies of the Canadian Securities Exchange (the “**CSE**”).

Details of the Acquisition

Pursuant to the terms of the Letter Agreement, shareholders of Isracann will receive one Atlas Share for each Isracann Share held at the closing of the Acquisition (the “**Closing**”). It is currently anticipated that 43,480,000 Atlas Shares will be issued *pro rata* at a deemed price of \$0.50 per Atlas Share to the shareholders of Isracann.

In addition, each common share purchase warrant issued and outstanding entitling holders to acquire Isracann Shares (the “**Isracann Warrants**”) will be exchanged for one common share purchase warrant of the Company on financially identical terms (the “**Replacement Warrants**”). It is currently expected that an aggregate of 28,000,000 Replacement Warrants will be issued to the holders of Isracann Warrants.

The Letter Agreement sets out certain terms and conditions pursuant to which the Acquisition will be completed. The Acquisition remains subject to certain closing conditions including, without limitation, the (a) completion of customary due diligence, (b) negotiation and execution of a definitive agreement (the “**Definitive Agreement**”), (c) completion of a concurrent equity financing to raise aggregate minimum gross proceeds of \$5,000,000 and up to \$15,000,000 (the “**Concurrent Offering**”), (d) the receipt of all required regulatory and third party approvals and, if applicable, the approval of the shareholders of the Company and Isracann, respectively. There can be no guarantees that the Acquisition will be completed as contemplated or at all.

The Company anticipates that certain of the Atlas Shares issued pursuant to the Acquisition may be subject to escrow requirements and hold periods required by CSE policies and applicable securities laws.

Prior to Closing, the Company will consolidate its issued and outstanding share capital on a three (3) old Atlas Share for one (1) new Atlas Share basis. The Atlas Shares to be issued in connection with the Acquisition, the Concurrent Offering and otherwise detailed in this press release will be issued on a post-consolidated basis.

Concurrent Financing

Prior to the Closing, Atlas and/or Isracann will complete a brokered and/or non-brokered offering of securities for gross proceeds of up to \$15,000,000. Terms, including pricing, will be determined in the context of the market and will be announced by separate press release in due course.

Closing of the Concurrent Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the CSE.

All securities issued in connection with the Concurrent Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws. A finder's fee may be paid in connection with the Concurrent Offering to eligible arm's length finders in accordance with CSE policies. The aggregate net proceeds from the Concurrent Offering will be used to complete the Acquisition 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 Acquisition or the Concurrent 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 Acquisition and the Concurrent 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 Acquisition and the Concurrent 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.

Bridge Loan

In connection with the Acquisition, Atlas will advance \$3,000,000 to Isracann to fund Isracann's working capital requirements to completion of the Acquisition (the "**Bridge Loan**"). The Bridge Loan will carry interest at a rate of 10% per annum, payable annually in arrears, and will be secured by a general security agreement over all of the assets of Isracann. Assuming completion of the Acquisition, the Bridge Loan will be forgiven on Closing.

Completion of the Acquisition of Isracann Biosciences Inc. is subject to a number of conditions, including but not limited to, shareholder consent and approval of the Canadian Securities Exchange as required.

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 producers for medicinal marijuana cultivation.

Disclosure and Caution

Further details about the proposed Acquisition and the Concurrent Offering will be provided in a comprehensive press release issued upon the entering into of the Definitive Agreement and in the disclosure document to be prepared and filed in respect of the Acquisition. Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon.

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.