



For Immediate Release

Nov 29, 2018

**HyperBlock Inc. Launches Insured Crypto Custodial Product;
Posts Q3 Revenue of USD\$5.0M**

*Secures Contract to Provide Insured Crypto Custodial Services for First Institutional Client
Consolidating 100% of Crypto Mining at US Datacenter with Average Current Pricing of USD 3.3 cents*

*** financials are reported in USD unless otherwise specified*

HyperBlock Inc. (CSE: HYPR) — one of North America's largest publicly traded diversified crypto asset enterprises — today reported Q3 revenue of approximately \$5.0M and announced it has signed an agreement with a Caribbean-based bank to secure crypto assets through HyperVault, its proprietary, insured crypto custodial service.

HyperBlock Launches Insured Crypto Custodial Service; Secures First Client

HyperBlock confirmed it has received a written commitment for insurance coverage from an A+ rated insurer, for its newly-launched, proprietary crypto custodial service, HyperVault. HyperBlock also announced it has signed a three-year agreement with a private Caribbean-based investment bank to provide insured custodial services. The contract terms include a minimum of \$10M in assets under management to start — with a maximum balance of USD\$400M in crypto assets under management.

“Although it's been a challenging road that required focus and significant investment, HyperVault is a potential game changer for HyperBlock,” explains HyperBlock CEO Sean Walsh.

HyperBlock Advantage:

- HyperBlock signed a three-year institutional client contract to initially secure a minimum of \$10 Million — with a maximum balance of USD\$400M in crypto assets under management — through HyperVault, its newly-launched proprietary crypto custodial storage service.
- Project Northwest datacenter generated \$1.4M of gross profit during Q3
- Reported fair value of mining equipment of \$7.5M — with flexibility to sell and/or lease
- Stake in Coinsquare Canada Ltd. valued at approximately \$3.8M
- Reported cash and crypto on-hand of \$5.0M
- Previously-announced long-term Project Northwest power agreement with average current pricing of 3.3 cents
- \$2.65M of 5-year debt for project financing has been committed by one of the company's banking partners to allow HyperBlock to triple its US power capacity — from 20MW to 60MW — at its Project Northwest datacenter. The substation expansion is underway.

HyperBlock Moving 100% of Servers to US Datacenter

“During Q3, HyperBlock began to aggressively reorganize our team and reduce datacenter and other operating costs inherited with the CryptoGlobal amalgamation. We took these steps in anticipation of ongoing market challenges, and our goal is to consolidate 100% of our mining operations into our Project Northwest datacenter,” explains Walsh who confirms the company plans to exit its Eastern Canada datacenters.

The company estimates the datacenter consolidation at Project Northwest will be complete in Q1 2019. Walsh says that by moving out of its Eastern Canada datacenters, HyperBlock expects to potentially save approximately \$250,000 in monthly operating costs, due to an average current power pricing at Project Northwest of 3.3 cents.

HyperBlock has received a commitment of \$2.65M in project financing from one of its banking partners to help fund a major expansion which will allow the company to triple its operating capacity — from 20MW to 60MW — at its Project Northwest datacenter. The financing terms to complete electrical infrastructure upgrades on the property carries a 5-year repayment term at an attractive interest rate of prime + 2.99%. Work is underway on-site and the company will provide further market updates as expansion milestones are achieved.

Financial Highlights

Revenue

- The company generated USD\$5.0M in revenue during the three months ended September 30, 2018 — an increase of 317% from the prior quarter, as a result of the closing of the CryptoGlobal and Project Spokane acquisitions on July 10, 2018.

Liquidity

- Total cash and digital assets balance as of September 30, 2018 was \$5.0M. Overall cash remained relatively unchanged compared to the previous quarter.

Market Conditions

- For the three months ended September 30, 2018, the company had a total comprehensive loss of \$34.5M or \$0.15 per share due to impairment charges to goodwill and mining equipment due to the weakening of cryptocurrency prices.
- Loss before other items (excluding one-time expenses) equaled \$4.1M or \$0.02 per share, which is expected to improve as the company moves 100% of its mining operations to its Project Northwest datacenter.

In compliance with securities regulations, the company provided the operating and financial results update for the three month period ended September 30, 2018, including detailed financial statements under the company’s issuer profile on SEDAR at www.sedar.com

About HyperBlock Inc

HyperBlock is one of North America's largest publicly traded diversified crypto-asset enterprises. The company operates one of North America's largest and most efficient cryptocurrency datacenters and provides five complimentary product offerings focused on helping people and businesses **create, safeguard, manage and grow** crypto-assets. HyperBlock profit centers include Mining-as-a-Service (MAAS), self-mining, server hosting, server hardware sales and a proprietary custodial vault product. Learn more at www.hyperblock.co

Exchange Rate

The significant exchange rates that have been applied includes the following:

	Average Rate	Sept 30, 2018 Spot Rate
1 USD	1.3067	1.3118

Cautionary Note Regarding Forward Looking Information and Future-Orientated Financial Information

These forward-looking statements are based on assumptions and estimates of management, which management considers reasonable, based on information available on the date hereof. Such assumptions may be incorrect. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: that market prices will be consistent with expectations, the continued availability of capital and financing, general economic, market and business conditions will be consistent with expectations, fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in the prices of cryptocurrencies mined by the company; historical prices of cryptocurrencies and the ability of the company to mine cryptocurrencies consistent with historical prices; the ability to retain personnel to execute the company's business plans and strategies; availability of power supply at prices favorable to the business and operations of the company, or at all; higher operating costs; the presence of laws and regulations that may impose restrictions on the ability of the company to operate its business, including securities laws applicable to the company; the speculative nature of cryptocurrency mining and blockchain operations; changes in project parameters as plans continue to be evaluated; competition in the company's operating markets; and those factors described under the heading "Risks Factors" in the company's listing statement dated July 10, 2018 available on the company's issuer profile on SEDAR. There may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements and information. There can be no assurance that forward-looking information, or the material factors or assumptions used to develop such forward-looking information, will prove to be accurate.

The company does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law. All forward-looking information contained in this news release is expressly qualified in its entirety by this cautionary statement.

For media inquiries:

1-800-613-4721

For investor inquiries:

investors@hyperblock.co

1-800-613-4721