



HIVE

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HIVE Blockchain Releases Fourth Quarter and Full Year 2018 Financial Results and Provides Operational Update

Zug, Switzerland and Vancouver, Canada – HIVE Blockchain Technologies Ltd. (TSX.V:HIVE) (OTC:HVBTF) (the “Company” or “HIVE”) today announced its results for the fourth quarter and full year ended March 31, 2018 (all amounts in US dollars, unless otherwise indicated).

“It has been a transformational year for the Company as we have grown from a 2.0 MW facility in Iceland to a company with more than 24 MW of operations to date and digital currency mining assets in three countries.” said Harry Pokrandt, President and CEO. “Despite volatility in the cryptocurrency market, we have significantly grown our inventory of newly minted coins and have a strong cash position. I am extremely pleased with the operational and financial performance of HIVE and our position as a leading blockchain infrastructure company.”

FY 2018 Highlights

- Generated revenues of \$13,081,395, with a gross mining margin¹ of \$10,139,931, from mining of digital currencies;
- Mined over 17,000 newly minted Ethereum and 54,000 Ethereum Classic coins during the year ended March 31, 2018, including fourth quarter production of 9,800 Ethereum and 34,000 Ethereum Classic coins representing an increase of 136% and 170%, respectively over third quarter production;
- Raised gross proceeds of \$160 million (C\$203 million) of growth capital during the year to finance rapid expansion and future growth opportunities and investments;
- Expanded operations with Genesis dedicated to GPU-based digital currencies such as Ethereum and Ethereum Classic in Sweden and Iceland, with a total of 17.4 megawatts (“MW”) in production at March 31, 2018 and a further 6.8 MW commencing production after March 31, 2018. The Company currently has 20.4 MW in Sweden (the “Sweden GPU Data Centre”) and 3.8 MW in Iceland, bringing the Company’s digital currency mining footprint to a total of 24.2 MW since its Change of Business in September 2017
- Executed further strategic partnership agreement with Genesis to expand capacity with SHA-256 ASIC miners capable of mining Bitcoin, including 20 MW to be dedicated to the operation of 200 petahashes (“PHs”), with estimated delivery in September 2018
- Return on investment of 20% by March 2018 through investment of \$38,284,690 in data centre equipment since September 2017 which has generated digital currencies with a value of \$7,754,307 (excluding \$22,000,000 investment for Sweden phase 2 which came online March 2018);
- Net loss of \$26,159,978 for the year, including a one-time charge of \$17,741,024 for the formation of the strategic relationship with Genesis, representing 68% of the loss; and
- Announced in March 2018 and closed subsequent to year end, the acquisition of Kolos Norway AS (“Kolos”) provides a critical path for growth for the Company and the potential to access a substantial amount of competitive green power in a safe jurisdiction.

¹ Gross mining margin is a non-IFRS measure; see Non-IFRS Measures for reconciliation

Financial Review

For the year ended March 31, 2018, HIVE's gross mining margin was 78%, with revenues per average megawatt of over \$2 million. Fourth quarter revenues were produced from an average of 9.84 MW of production capacity, with Sweden Phase 2 coming online at the very end of the quarter, increasing total capacity to 17.4 MW in operation as at March 31, 2018. Below is an analysis of the Company's revenues and gross mining margin per MW for the year ended March 31, 2018:

	FY 2018	Q4 2018	Q3 2018
Revenues	\$ 13,081,395	\$ 9,636,390	\$ 3,274,186
Operating and maintainance	(2,941,464)	(1,992,105)	(891,499)
Depreciation	(3,197,911)	(2,163,625)	(954,149)
	<u>6,942,020</u>	<u>5,480,660</u>	<u>1,428,538</u>
Gross mining margin	10,139,931	7,644,285	2,382,687
Gross mining margin % (1)	78%	79%	73%
Gross margin %	53%	57%	44%
Revaluation gain (loss) of digital currencies	(5,256,034)	(7,638,835)	2,373,508
Total expenses & other items	(27,928,422)	(2,546,694)	(3,652,322)
Net income (loss)	<u>\$(26,242,436)</u>	<u>\$ (4,704,869)</u>	<u>\$ 149,724</u>
Average MW for the period (2)	6.38	9.84	3.61
Revenue per average MW	\$ 2,050,375	\$ 979,308	\$ 906,977
Gross mining margin per average MW	\$ 1,589,331	\$ 776,858	\$ 660,024

(1) Gross mining margin equates to revenue less operating and maintenance costs and is a non-IFRS measure; see detailed calculation in the annual Management's Discussion & Analysis for the year ended March 31, 2018 for more information.

(2) Average MW for a period is calculated based on the computing capacity in production on a daily basis for each period

The Company recorded a net loss from continuing operations of \$25,568,684; this included a one time charge for the consideration for the strategic relationship with Genesis of \$17,741,024, non-cash share-based compensation of \$4,817,019 and general and administration expenses of \$4,541,282. The Company's expenses include start up costs to develop a footprint in Iceland, Sweden, Switzerland and Norway, as well as developing the business in Canada.

Outlook

HIVE continues to execute on its aggressive growth strategy to maintain its position as a market leader in the blockchain infrastructure industry and will increase operations from 17.4 MW of data centre equipment as at March 31, 2018 to 44.2 MW by September 2018; an increase of 154%. 6.8 MW for Phase 3 of the Sweden GPU Data Centre has already commenced production in April 2018 and the 20 MW of SHA-256 AISC miners is expected to provide an additional 200 PH by September. These additional capacities were fully funded as at March 31, 2018 and their operation will not create a significant change in the Company's overhead, the additional mining margin will directly increase the Company's profits.

Facility	Commencement date	Purchase price	Capacity (MW)
Iceland GPU - phase I	September 18, 2017	\$ 9,000,000	2
Iceland GPU - phase II	October 13, 2017	7,284,690	1.8
Sweden GPU - phase I	January 15, 2018	22,000,000	6.8
Sweden GPU - phase II	March 28, 2018	22,000,000	6.8
Total		\$ 60,284,690	17.4

Facility	Commencement date	Deposit amount	Capacity (MW)
Sweden GPU - phase III	April 30, 2018	\$ 22,000,000	6.8
ASIC - SHA 256	<i>Estimated September 2018</i>	34,000,000	20
Total		\$ 56,000,000	26.8

HIVE continues to actively investigate other high efficiency computing applications, such as artificial intelligence and graphic rendering as well as private blockchain computing, which are becoming more widespread as the blockchain technology grows and develops.

“HIVE continues to strive for growth and has delivered on its development plan to date, meeting key milestones and positioning itself as a blockchain infrastructure leader, as evidenced by the Company’s achievements.” said Frank Holmes, Chairman. “It has been impressive to watch HIVE expand over the past nine months and deploy capital in a prudent and efficient manner. I am excited about the strong pipeline of new opportunities and eagerly anticipate the next twelve months of operations as the Company sees the launch of further production capacity.”

Management Update

HIVE is pleased to announce Stephan Metz as Country Manager in Zug, Switzerland. Mr. Metz is an accomplished cross-border legal and tax expert, with experience in securities law. Prior to joining HIVE, Mr. Metz worked as a Senior Manager at PWC and as a digital currency advisor assisting individuals relocate their businesses to Zug. He has invaluable experience in a rapidly evolving digital currency ecosystem, including tax structuring for mining companies, digital currency funds, trading platforms and ICOs. Mr. Metz’s experience and leadership will add additional expertise to the management team of HIVE and help increase operational efficiency in both Europe and internationally.

Financial Statements and MD&A

The Company’s Financial Statements and Management’s Discussion and Analysis (MD&A) for the three and twelve months ended March 31, 2018 will be accessible on SEDAR at www.sedar.com under HIVE’s profile and on the Company’s website at www.HIVEblockchain.com.

Webcast Details

Management will host a webcast on Thursday, July 19, 2018 at 8:30am Eastern Time to discuss the financial results for the three and twelve months ended March 31, 2018. Presenting on the webcast will be Harry Pokrandt, CEO, President and Director and Jessica Van Den Akker, Chief Financial Officer. Analysts and interested investors may [register for the webcast](#) or visit www.HIVEblockchain.com for more information.

About HIVE Blockchain Technologies Ltd.

HIVE Blockchain Technologies Ltd. is a growth oriented, TSX.V-listed company building a bridge from the blockchain sector to traditional capital markets. HIVE is strategically partnered with Genesis Mining Ltd. to build the next generation of blockchain infrastructure. HIVE owns state-of-the-art GPU-based digital currency mining facilities in Iceland and Sweden, which produce newly minted digital currencies like Ethereum continuously, and provides shareholders with exposure to the operating margins of digital currency mining as well as a growing portfolio of crypto-coins.

For more information and to register to HIVE's mailing list, please visit www.HIVEblockchain.com. Follow [@HIVEblockchain](https://twitter.com/HIVEblockchain) on Twitter and subscribe to [HIVE's YouTube channel](https://www.youtube.com/channel/UC...).

On Behalf Of HIVE Blockchain Technologies Ltd.

"Harry Pokrandt"

President, CEO and Director

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. "Forward-looking information" in this news release includes information about the Company's planned expansion of SHA-256 ASIC miners, including timing of delivery in September 2018, expected electrical consumption and digital currencies (Bitcoin and Bitcoin Cash) expected to be mined with the SHA-256 ASIC miners; the Company's plans to develop computing capacity on its property in Norway; the Company's plans to pursue other high efficiency computing applications (such as artificial intelligence, graphic rendering and private blockchain computing); the Company's strategy to rapidly acquire, develop and operate data centres and potential growth of the Company's computing capacity; expected electrical and mining capacity; the value of the Company's digital currency inventory; the business goals and objectives of the Company, and other forward-looking information including but not limited to information concerning the intentions, plans and future actions of the Company.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company's ability to complete the acquisition and operation of SHA-256 ASIC miners; the Company's ability to develop computing capacity on its property in Norway; the Company's ongoing partnership with Genesis; historical prices of digital currencies and the ability of the Company to mine digital currencies will be consistent with historical prices; and there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the Company may not complete its planned expansion of SHA-256 ASIC miners in the terms currently anticipated, or at all, and as such the Company may not realize any additional electrical consumption or digital currency from the SHA-256 ASIC miners; the Company may not develop any additional computing capacity on its property in Norway; the Company may not be able to mine or liquidate digital currency at economic values, or at all; the Company's digital currency inventory and operations are at risk of loss, theft or cybercrime; the general acceptance and use of digital currencies may never gain widespread or significant acceptance; the ongoing partnership with Genesis; the digital currency market; a decline in digital currency prices may have a significant negative impact on the Company's operations; the volatility of digital currency prices; and other related risks as more fully set out in the Company's Management Discussion and Analysis for the Year Ended March 31, 2018, Filing Statement of the Company dated September 14, 2017 and other documents disclosed under the Company's filings at www.sedar.com.

This news release also contains "financial outlook" in the form of gross mining margins, which is intended to provide additional information only and may not be an appropriate or accurate prediction of future performance, and should not be used as such. The gross mining margins disclosed in this news release are based on the assumptions disclosed in this news release and the Company's Management Discussion and Analysis for the Year Ended March 31, 2018, which assumptions are based upon management's best estimates but are inherently speculative and there is no guarantee that such assumptions and estimates will prove to be correct.

Readers are cautioned not to place undue reliance on forward-looking information or financial outlook, which speak only as of the date hereof. We undertake no obligation to publicly release the results of any revisions to forward-looking information or financial outlook that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events except as required by law.