

EARLY WARNING REPORT FILED IN CONNECTION WITH A PSU GRANT

New York, January 20, 2020 – This news release, together with an early warning report to be filed by James Passin, is required under applicable Canadian securities laws, as a result of an award of performance share units (the “**PSUs**”) made to Mr. Passin by Blockchain Holdings Ltd. (CSE: BCX) (the “**Issuer**”). The Issuer awarded to Mr. Passin 1,750,000 PSUs, each PSU representing the right to receive one (1) common share of the Issuer. The PSUs were awarded to Mr. Passin in accordance with the terms of the consulting agreement between the Issuer and Mr. Passin dated January 15, 2020. The PSUs are subject to the terms and conditions set forth in a performance share unit award agreement entered into between the Issuer and Mr. Passin.

As a result of the PSU award, and assuming the settlement of all the PSUs awarded to Mr. Passin, the securityholding percentage of Mr. Passin and his joint actors increased by 3.21% since the last early warning report filed by him on April 29, 2019.

Immediately prior to the PSU award, Mr. Passin and his joint actors, namely G2 Advisors LLC (“**FG2**”) and Passin Management Limited Partnership (“**Passin LP**”) held 5,056,860 common shares, \$134,000 in aggregate principal amount of 6.5% convertible debentures (the “**Debentures**”), and options to acquire 250,000 common shares in the share capital of the Issuer. Out of the aforementioned securities (i) 46,139 common shares are held by FG2, (ii) 12,625 common shares are held by Passin LP and (iii) 4,998,096 common shares, \$134,000 in aggregate principal amount of Debentures, and options to acquire 250,000 common shares are held by Mr. Passin.

The 5,056,860 common shares held by Mr. Passin and his joint actors represented approximately 22.74% of the outstanding common shares of the Issuer.

In addition, assuming the exercise by Mr. Passin of his conversion rights with respect to the principal amount of the Debentures (the conversion the principal of such Debentures representing 223,333 common shares) and the above-mentioned options to acquire additional common shares of the Issuer, the total securityholding in the share capital of the Issuer would be 5,530,193 common shares, representing approximately 24.35% of the outstanding common shares of the Issuer, including the common shares deemed to be acquired pursuant to the conversion of the principal amount of such Debentures and the exercise of such options.

Immediately after the award of 1,750,000 PSUs, the aggregate number of securities of the Issuer held by Mr. Passin and his joint actors, is 5,056,860 common shares, \$134,000 in aggregate principal amount of Debentures, 250,000 options to acquire common shares, and 1,750,000 PSUs. Out of the aforementioned securities, (i) 46,139 common shares are held by FG2, (ii) 12,625 common shares are held by Passin LP and (iii) 4,998,096 common shares, \$134,000 in aggregate principal amount of Debentures, options to acquire 250,000 common shares and 1,750,000 PSUs are held by Mr. Passin.

The 5,056,860 common shares held by Mr. Passin and his joint actors represent approximately 22.74% of the outstanding common shares of the Issuer.

In addition, assuming the exercise by Mr. Passin of the conversion rights with respect to the principal amount of the Debentures, the above-mentioned options to acquire additional common shares of the Issuer, and the settlement of all of the PSUs in additional common shares of the Issuer, the total securityholding in the share capital of the Issuer would be 7,280,193 common shares, representing approximately 29.76% of the outstanding common shares of the Issuer, including the common shares deemed to be acquired pursuant to the conversion of the principal amount of such Debentures, the exercise of such options and received upon the settlement of such PSUs.

No consideration was paid in connection with the PSU award.

Mr. Passin and his joint actor's respective holdings in securities of the Issuer are held for investment purposes. Mr. Passin and his joint actors may, from time to time, acquire additional securities of the Issuer, may continue to hold their present position or may dispose of their securities.

This press release is being issued in order to comply with the disclosure requirements under applicable securities legislation. For inquiries or a copy of the related early warning report, a copy of which will also be filed on www.sedar.com, please contact:

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