

EARLY WARNING REPORT FILED IN CONNECTION WITH CONVERSION OF RIGHTS

New York, April 16, 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 exercise by Mr. Passin of performance share units (the “**PSUs**”) of Blockchain Holdings Ltd. (CSE: BCX) (the “**Issuer**”). On March 25, 2020, Mr. Passin exercised his right to convert 700,000 performance share units (“**PSUs**”) into 700,000 common shares of the Issuer, the whole in accordance with terms and conditions set forth in a performance share unit award agreement entered into between the Issuer and Mr. Passin. In addition, on April 2, 2020, Mr. Passin received 456,741 common shares of the Issuer as a result of a conversion of the 6.5% convertible debentures in principal amount of \$134,000 (the “**Debentures**”). As a result, the securityholding percentage of Mr. Passin and his joint actors decreased by 2.17% since the last early warning report filed by him on January 20, 2020.

Immediately prior to the conversion of the PSUs and the conversion of the Debentures, Mr. Passin and his joint actors, namely FG2 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**”), options to acquire 250,000 common shares in the share capital of the Issuer and 1,750,000 PSUs. Out of the aforementioned securities (i) 46,139 common shares were held by FG2, (ii) 12,625 common shares were 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 were 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 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.

Immediately after the conversion of the PSUs and the conversion of the Debentures, the aggregate number of securities of the Issuer held by Mr. Passin and his joint actors, is 6,213,601 common shares, 250,000 options to acquire common shares, and 1,050,000 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) 6,154,837 common shares, options to acquire 250,000 common shares and 1,050,000 PSUs are held by Mr. Passin.

The 6,213,601 common shares held by Mr. Passin and his joint actors represent approximately 23.96% of the outstanding common shares of the Issuer.

In addition, assuming the exercise by Mr. Passin of 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 7,513,601 common shares, representing approximately 27.59% of the outstanding common shares of the Issuer, including the common shares deemed to be acquired pursuant to the exercise of such options and received upon the settlement of such PSUs.

No consideration was paid by James Passin in connection with the conversion of the PSUs and the conversion of the Debentures.

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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