

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to common shares of Blockchain Holdings Ltd. (the “**Issuer**”). The Issuer’s head office is located at Sea Meadow House, P.O. Box 116, Road Town, Tortola, VG 1110, British Virgin Islands.

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

Item 2 – Identity of the Acquiror

- 2.1 State the name and address of the acquiror.**

James Passin
152 West 57th Street, 24th Floor
New York, NY 10019
USA

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On March 25, 2020, James 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**”).

- 2.3 State the names of any joint actors.**

FG2 Advisors LLC (“**FG2**”)
Passin Management Limited Partnership (“**Passin LP**”)

Item 3 – Interest in Securities of the Reporting Issuer

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

The requirement to file this report was triggered by the exercise of rights by James Passin to convert 700,000 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. 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.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

James Passin exercised his right to convert 700,000 PSUs into 700,000 common shares of the Issuer.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

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.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

Please refer to section 3.4 above.

(b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

(c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

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

- 4.2 **In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1 above.

- 4.3 **If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See item 2.2 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The PSUs were converted into common shares of the Issuer in accordance with terms and conditions set forth in a performance share unit award agreement entered into between the Issuer and Mr. Passin. Mr. Passin and his joint actors' 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.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

April 16, 2020
Date

(s) James Passin
Signature

James Passin
Name/Title