

NEWS RELEASE

July 12, 2019

Hydro66 Closes Private Placement Financing for Gross Proceeds of \$1.8 Million and Withdraws from Merger with Whinstone

Boden, Sweden, July 12, 2019 - **Hydro66 Holdings Corp. (“Hydro66” or the “Company”)** (CSE: SIX) (OTCQB:HYHDF) is pleased to announce that it has closed its previously announced non-brokered private placement, raising gross proceeds of \$1,824,975 through the issuance of 3,649,950 units (“Units”) of the Company at a price of C\$0.50 per Unit (the “Offering”). Each unit is comprised of one common share (a “Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional Share of the Company at an exercise price of C\$0.75 until July 12, 2021.

The Company intends to use the net proceeds from the Offering to purchase additional ASIC + GPU equipment to expand the Company’s blockchain services operations at its award-winning data centre as well as for general working capital and corporate purposes.

Certain insiders (the “Insiders”) of the Company subscribed for an aggregate of 1,907,520 Units pursuant to the Offering. The participation by such Insiders in the Offering constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Such related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the related parties nor the consideration being paid by the related parties will exceed 25% of the Company's market capitalization. The participants in the Offering and the extent of such participation were not finalized until shortly prior to the closing of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Offering pursuant to a material change report at least 21 days prior to the completion date.

On closing of the Offering, the Company paid to EMD Financial Inc. (the “Finder”) a cash commission of \$36,900, equal to 6% of the proceeds raised from subscribers introduced to the Company by such Finder, and issued 73,800 finder warrants (the “Finder Warrants”), equal to 6% of the Units purchased by such subscribers pursuant to the Offering. Each Finder Warrant entitles the holder to acquire one Share of the Company exercisable at a price of \$0.75 per Share until July 12, 2021.

All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

Furthermore, Hydro66 also announces that they have notified Whinstone US Inc. (“Whinstone”) today that they are withdrawing from the current process as they are unable to complete the merger as initially proposed. Hydro66 will continue to pursue further strategic long-term blockchain infrastructure opportunities to enhance and scale its current footprint.

David Rowe, Chairman, said, "Although we were unable to complete the transaction as we initially envisaged, we would like to thank Whinstone for their cooperation and wish them every success in achieving their goals." We will continue to focus on driving revenue from Blockchain and HPC activities in our award-winning Swedish Datacenter and look for further growth opportunities in the sector."

FOR MORE INFORMATION, PLEASE CONTACT:

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About Hydro66

Hydro66 owns and operates an award-winning colocation data centre in Sweden specializing in High Performance Computing ("HPC") hosting. The Company hosts third party IT infrastructure, utilizing 100% green power, at amongst the EU's lowest power prices and within an ISO27001 accredited facility.

Hydro66 is uniquely positioned to capitalize on opportunities in blockchain infrastructure as well as the traditional Enterprise colocation data centre market. The Company provides truly green power at a leading price, purpose-built space and cooling, telecoms, IT support services and 24/7 physical security in their facility in Boden, Sweden. www.hydro66.com

Forward-Looking Information

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. *Certain material assumptions regarding such forward-looking statements may be discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com.* Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.