

Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Vogogo Inc. (“Vogogo” or the “Company”)
P.O. Box 34023
Westbrook PO
Calgary, Alberta
T3C 3W2

1.2 Executive Officer

Jordan Greenberg
Chief Financial Officer
(647) 715-3707

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On June 29, 2018, the Company acquired all of the issued and outstanding shares of 9376-9974 Quebec Inc. (the “828 Acquisition”). 9376-9974 Quebec Inc. (“828”) is now a wholly-owned subsidiary of Vogogo that is engaged in the business of mining for cryptocurrencies for its own account and within mining pools, as well as providing co-location services for other cryptocurrency mining companies.

The 828 Acquisition provided the Company with a state-of-the-art cryptocurrency mining facility, including 14,000 Antminer S9 cryptocurrency mining machines and full HVAC and electrical infrastructure. In addition to the 14,000 Antminer S9 cryptocurrency mining machines and supporting infrastructure, Vogogo also acquired certain additional supporting infrastructure beyond what is required to operate the 14,000 mining machines, at no additional cost to the Company. Vogogo acquired additional HVAC and electrical equipment, which, once installed and placed into service, will support cryptocurrency mining for an additional 4,000 mining machines at the facility, either mining for its own account or on a co-location basis for other miners.

The vendor of 828 accumulated the various assets (including mining machines and infrastructure) required to construct the cryptocurrency mining facility that Vogogo acquired pursuant to the 828 Acquisition. However, the assets were only transferred to 828 shortly before closing of the 828 Acquisition, such that 828 only commenced operations as at the date of closing. As of the closing, approximately 10,500 mining machines were fully operational, with installation of the remaining mining machines continuing and expected to be completed in the third quarter. Concurrent with closing, the Company entered into a lease agreement for the facility, which will have access to 30 megawatts of power for cryptocurrency mining, of which approximately 27 megawatts are used for mining and the balance for supporting HVAC and electrical systems. Vogogo also received confirmation from the vendor that Hydro-Québec has

confirmed the electricity required to operate the 828 assets forms part of the 120 MW block of electricity previously allocated and approved for blockchain use in the Province of Québec.

2.2 Acquisition Date

June 29, 2018

2.3 Consideration

Pursuant to the 828 Acquisition, the Company acquired all of the issued and outstanding shares of 828 from its former shareholders for \$46 million, which was satisfied by the payment of \$36 million in cash and the issuance of a promissory note for \$10 million.

The promissory note is a two-year secured promissory note in favor of the vendor of 9376-9974 Quebec Inc. The note bears interest at 8% per annum with interest payments due monthly on the 25th day of each month. Principal repayments of \$5 million are due on the one-year anniversary date of the note and at the date of maturity. The note is secured by the physical assets of 828.

2.4 Effect on Financial Position

Not applicable.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

No other party to the Transaction was an “informed person” (as such term is defined in Section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report Date the Report.

September 10, 2018

Item 3 Financial Statements and Other Information

Attached to this report as Appendix “A” is the unaudited balance sheet for 9376-9974 Quebec Inc. as of the date of acquisition.

Appendix "A"

9376-9974 Quebec Inc.
Statements of Financial Position
(expressed in Canadian dollars – unaudited)

	<u>As at June 29,</u> <u>2018</u>
ASSETS	
Non-current assets	
Mining and infrastructure equipment	33,301,734
Total assets	33,301,734
SHAREHOLDERS' EQUITY	
Share capital	33,301,734
Total shareholders' equity	33,301,734