

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 40-F/A  
(Amendment No. 1)

☒ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☐ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended \_\_\_\_\_

Commission File Number \_\_\_\_\_

**Bitfarms Ltd.**  
(Exact name of Registrant as specified in its charter)

Canada	7379	N/A
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)
18 King Street East Suite 902 Toronto, Ontario M5C 1C4 Canada (647) 259-1790 (Address and telephone number of Registrant's principal executive offices)		

Cogency Global Inc.  
122 E. 42nd Street, 18th Floor  
New York, New York 10168  
(800) 221-0102  
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	BITF	Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

☐ Annual information form

☐ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **N/A**

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act. ☐

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

---

---

## EXPLANATORY NOTE

Bitfarms Ltd. (the “Registrant”) is a Canadian issuer whose common shares are listed on the TSX Venture Exchange and is eligible to file its registration statement pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on Form 40-F pursuant to the U.S.-Canadian Multijurisdictional Disclosure System. The Registrant is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act. Equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3. The Registrant filed a Registration Statement on Form 40-F on April 28, 2021 (SEC File No. 001-40370) (the “Registration Statement”).

The Registrant is filing this Amendment No. 1 to the Registration Statement to (i) include additional exhibits, each of which is incorporated by reference in the Registration Statement, (ii) amend the exhibit references under the heading “Principal Documents” and (iii) include the disclosure that appears under the heading “Nasdaq Corporate Governance.” No other amendment to the Registration Statement is being effected hereby.

---

## FORWARD LOOKING STATEMENTS

The Exhibits incorporated by reference into this Registration Statement of the Registrant contain forward-looking statements. All statements, other than statements of historical fact, incorporated by reference are forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans,” “expects” or “does not expect,” “proposed,” “is expected,” “budgets,” “scheduled,” “estimates,” “forecasts,” “intends,” “anticipates” or “does not anticipate,” or “believes,” or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. The Registrant’s forward-looking statements contained in the Exhibits incorporated by reference into this Registration Statement are made as of the respective dates set forth in such Exhibits and on assumptions the Registrant believed were reasonable as of such date. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Registrant to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to:

- risks relating to the global economic climate;
- dilution;
- the Registrant’s limited operating history;
- future capital needs and uncertainty of additional financing;
- the competitive nature of the industry;
- currency exchange risks;
- the need for the Registrant to manage its planned growth and expansion;
- the effects of product development and need for continued technology change;
- protection of proprietary rights;
- the effect of government regulation and compliance on the Registrant and the industry;
- network security risks;
- the ability of the Registrant to maintain properly working systems;
- reliance on key personnel;

- global economic and financial market deterioration impeding access to capital or increasing the cost of capital;
- volatile securities markets impacting security pricing unrelated to operating performance;
- the construction and operation of Blockchain infrastructure may not occur as currently planned, or at all;
- the Registrant's expansion may not materialize as currently anticipated, or at all;
- the digital currency market;
- the ability to successfully mine digital currency;
- revenue may not increase as currently anticipated, or at all;
- it may not be possible to profitably liquidate the Registrant's current or future digital currency inventory, or at all;
- a decline in digital currency prices may have a significant negative impact on operations;
- an increase in network difficulty may have a significant negative impact on operations;
- the volatility of digital currency prices;
- the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the Province of Québec and elsewhere including decisions of power regulators on rates and power access;
- any regulations or laws that will prevent the Registrant from operating its business including local laws relating to noise levels and other operational matters;
- historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; and
- an inability to predict and counteract the effects of COVID-19 on the business of the Registrant, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labor and international travel and supply chains.

A description of assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Registrant's disclosure documents, such as the Registrant's Annual Information Form for the year ended December 31, 2020, dated April 7, 2021 (the "AIF"), on the SEDAR website at [www.sedar.com](http://www.sedar.com), attached hereto as Exhibit 99.123. Although the Registrant has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in the Exhibits incorporated by reference are expressly qualified by this cautionary statement. The forward-looking information contained in the Exhibits incorporated by reference represents the expectations of the Registrant as of the date of such Exhibit and, accordingly, is subject to change after such date. However, the Registrant expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

## **DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES**

The Registrant is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, and the audit is subject to Canadian auditing standards. IFRS differs in certain respects from United States generally accepted accounting principles (“US GAAP”) and from practices prescribed by the SEC. Therefore, the Registrant’s financial statements filed with this registration statement may not be comparable to financial statements prepared in accordance with U.S. GAAP.

## **PRINCIPAL DOCUMENTS**

In accordance with General Instruction B.(1) of Form 40-F, the Registrant hereby incorporates by reference Exhibits 99.1 through 99.173, inclusive, as set forth in the Exhibit Index attached hereto.

In accordance with General Instruction D.(9) of Form 40-F, the Registrant has filed the written consents of the independent auditors named in the foregoing Exhibits as Exhibits 99.137, 99.138, 99.172 and 99.173, as set forth in the Exhibit Index attached hereto.

## **TAX MATTERS**

Purchasing, holding, or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this registration statement on Form 40-F.

## **DESCRIPTION OF COMMON SHARES**

The required disclosure is included under the heading “Description of Capital Structure” in the Registrant’s AIF, attached hereto as Exhibit 99.123.

## **CURRENCY**

Unless otherwise indicated, all dollar amounts in this Registration Statement on Form 40-F are in United States dollars.

## CONTRACTUAL OBLIGATIONS

The following table lists information with respect to the Registrant's known contractual obligations as of December 31, 2020.

Contractual Obligations	Payments due by period (\$ in thousands)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations*	\$ 19,011	\$ 18,840	\$ 129	\$ 42	\$ -
Capital (Finance) Lease Obligations	\$ 6,051	\$ 3,529	\$ 2,512	\$ 10	\$ -
Operating Lease Obligations	\$ 7,700	\$ 1,204	\$ 2,299	\$ 1,926	\$ 2,271
Purchase Obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long-Term Liabilities	\$ 209	\$ -	\$ 78	\$ -	\$ 131
<b>Total</b>	<b>\$ 32,971</b>	<b>\$ 23,573</b>	<b>\$ 5,018</b>	<b>\$ 1,978</b>	<b>\$ 2,402</b>

\*As disclosed in the Company's Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019, dated March 24, 2021, attached hereto as Exhibit 99.112, Long-Term Debt Obligations presented in the Less than 1 year column in the table above, in the amount of \$18,758, were repaid in full in January and February 2021.

## NASDAQ CORPORATE GOVERNANCE

A foreign private issuer that follows home country practices in lieu of certain provisions of the listing rules of the Nasdaq Stock Market LLC (the "Nasdaq Stock Market Rules") must disclose the ways in which its corporate governance practices differ from those followed by U.S. domestic companies. As required by Nasdaq Rule 5615(a)(3), the Registrant will disclose on its website, [www.bitfarms.com](http://www.bitfarms.com), as of the listing date, each requirement of the Nasdaq Stock Market Rules that it does not follow and describe the home country practice followed in lieu of such requirements.

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

*A. Undertaking.* The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities registered pursuant to Form 40-F or transactions in said securities.

*B. Consent to Service of Process.* The Registrant has concurrently filed a Form F-X in connection with the class of securities to which this Registration Statement relates. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Registrant.

## EXHIBIT INDEX

The following documents are being filed with the Commission as Exhibits to this Registration Statement:

Exhibit	Description
99.1*	<a href="#">Notice of Special Meeting of Shareholders dated January 2, 2020</a>
99.2*	<a href="#">Notice of Special Meeting of Shareholders &amp; Management Information Circular dated January 2, 2020</a>
99.3*	<a href="#">Form of Proxy for Special Meeting of Shareholders on February 4, 2020</a>
99.4*	<a href="#">Certification of Mailing of Proxy-Related Materials dated January 14, 2020</a>
99.5*	<a href="#">Report of Voting Results from Special Meeting of Shareholders on February 4, 2020</a>
99.6*	<a href="#">News Release dated February 20, 2020</a>
99.7*	<a href="#">News Release dated February 28, 2020</a>
99.8*	<a href="#">Early Warning Report dated February 28, 2020</a>
99.9*	<a href="#">News Release dated March 11, 2020</a>
99.10*	<a href="#">Material Change Report dated March 21, 2020</a>

99.11*	<a href="#"><u>News Release dated April 6, 2020</u></a>
99.12*	<a href="#"><u>News Release dated April 17, 2020</u></a>
99.13*	<a href="#"><u>ON Class 1 Reporting Issuers and Class 3B Reporting Issuers—Participation Fee Management Certification of CFO dated April 29, 2020</u></a>
99.14*	<a href="#"><u>Consolidated Financial Statements as of and for the years ended December 31, 2019 and 2018, dated April 29, 2020</u></a>
99.15*	<a href="#"><u>Management’s Discussion &amp; Analysis for the year ended December 31, 2019, dated April 29, 2020</u></a>
99.16*	<a href="#"><u>CEO Certification of Annual Filings Venture Issuer Basic Certificate dated April 29, 2020</u></a>
99.17*	<a href="#"><u>CFO Certification of Annual Filings Venture Issuer Basic Certificate dated April 29, 2020</u></a>
99.18*	<a href="#"><u>News Release dated April 29, 2020</u></a>
99.19*	<a href="#"><u>Notice of Record and Meeting Dates dated April 29, 2020</u></a>
99.20*	<a href="#"><u>Certificate pursuant to subsection 2.20(c) of National Instrument 54-101 dated April 29, 2020</u></a>
99.21*	<a href="#"><u>News Release dated May 15, 2020</u></a>
99.22*	<a href="#"><u>News Release dated May 19, 2020</u></a>
99.23*	<a href="#"><u>Notice of Annual General Meeting of Shareholders dated May 20, 2020</u></a>
99.24*	<a href="#"><u>Notice of Annual General Meeting of Shareholders &amp; Management Information Circular dated May 20, 2020</u></a>
99.25*	<a href="#"><u>News Release dated May 22, 2020</u></a>
99.26*	<a href="#"><u>News Release dated June 1, 2020</u></a>
99.27*	<a href="#"><u>Material Change Report dated June 1, 2020</u></a>
99.28*	<a href="#"><u>Form of Proxy for Annual General Meeting of Shareholders on June 29, 2020</u></a>
99.29*	<a href="#"><u>Certification of Mailing of Proxy-Related Materials dated June 9, 2020</u></a>
99.30*	<a href="#"><u>Letter from Former Auditor dated June 17, 2020</u></a>
99.31*	<a href="#"><u>Letter from Successor Auditor dated June 17, 2020</u></a>
99.32*	<a href="#"><u>Change of Auditor Notice dated June 18, 2020</u></a>
99.33*	<a href="#"><u>Material Change Report dated June 19, 2020</u></a>
99.34*	<a href="#"><u>News Release dated June 19, 2020</u></a>
99.35*	<a href="#"><u>Material Change Report dated June 24, 2020</u></a>
99.36*	<a href="#"><u>News Release dated June 24, 2020</u></a>
99.37*	<a href="#"><u>Interim Condensed Consolidated Financial Statements as of and for the three months ended March 31, 2020 and 2019 (Unaudited)</u></a>



99.38*	<a href="#"><u>Management's Discussion &amp; Analysis for the three months ended March 31, 2020, dated June 24, 2020</u></a>
99.39*	<a href="#"><u>CEO Certification of Interim Filings Venture Issuer Basic Certificate dated June 24, 2020</u></a>
99.40*	<a href="#"><u>CFO Certification of Interim Filings Venture Issuer Basic Certificate dated June 24, 2020</u></a>
99.41*	<a href="#"><u>Material Change Report dated June 29, 2020</u></a>
99.42*	<a href="#"><u>News Release dated June 29, 2020</u></a>
99.43*	<a href="#"><u>Material Change Report dated August 20, 2020</u></a>
99.44*	<a href="#"><u>News Release dated August 20, 2020</u></a>
99.45*	<a href="#"><u>Material Change Report dated August 28, 2020</u></a>
99.46*	<a href="#"><u>News Release dated August 28, 2020</u></a>
99.47*	<a href="#"><u>Interim Condensed Consolidated Financial Statements as of and for the three and six months ended June 30, 2020 and 2019 (Unaudited)</u></a>
99.48*	<a href="#"><u>Management's Discussion &amp; Analysis for the three and six months ended June 30, 2020, dated August 28, 2020</u></a>
99.49*	<a href="#"><u>CEO Certification of Interim Filings Venture Issuer Basic Certificate dated August 28, 2020</u></a>
99.50*	<a href="#"><u>CFO Certification of Interim Filings Venture Issuer Basic Certificate dated August 28, 2020</u></a>
99.51*	<a href="#"><u>Material Change Report dated August 31, 2020</u></a>
99.52*	<a href="#"><u>News Release dated August 31, 2020</u></a>
99.53*	<a href="#"><u>Material Change Report dated September 14, 2020</u></a>
99.54*	<a href="#"><u>News Release dated September 14, 2020</u></a>
99.55*	<a href="#"><u>Material Change Report dated September 21, 2020</u></a>
99.56*	<a href="#"><u>News Release dated September 21, 2020</u></a>
99.57*	<a href="#"><u>Material Change Report dated October 13, 2020</u></a>
99.58*	<a href="#"><u>News Release dated October 13, 2020</u></a>
99.59*	<a href="#"><u>Material Change Report dated October 26, 2020</u></a>
99.60*	<a href="#"><u>News Release dated October 26, 2020</u></a>
99.61*	<a href="#"><u>Material Change Report dated October 28, 2020</u></a>
99.62*	<a href="#"><u>News Release dated October 28, 2020</u></a>
99.63*	<a href="#"><u>Material Change Report dated November 9, 2020</u></a>

99.64*	<a href="#"><u>News Release dated November 9, 2020</u></a>
99.65*	<a href="#"><u>News Release dated November 13, 2020</u></a>
99.66*	<a href="#"><u>Interim Condensed Consolidated Financial Statements as of and for the three and nine months ended September 30, 2020 and 2019 (Unaudited)</u></a>
99.67*	<a href="#"><u>Management's Discussion &amp; Analysis for the three and nine months ended September 30, 2020, dated November 25, 2020</u></a>
99.68*	<a href="#"><u>CEO Certification of Interim Filings Venture Issuer Basic Certificate dated November 26, 2020</u></a>
99.69*	<a href="#"><u>CFO Certification of Interim Filings Venture Issuer Basic Certificate dated November 26, 2020</u></a>
99.70*	<a href="#"><u>Material Change Report dated November 26, 2020</u></a>
99.71*	<a href="#"><u>News Release dated November 26, 2020</u></a>
99.72*	<a href="#"><u>Notice Declaring Intention to Qualify Short Form Prospectus dated November 27, 2020</u></a>
99.73*	<a href="#"><u>Material Change Report dated December 22, 2020</u></a>
99.74*	<a href="#"><u>News Release dated December 22, 2020</u></a>
99.75*	<a href="#"><u>Material Change Report dated December 29, 2020</u></a>
99.76*	<a href="#"><u>News Release dated December 29, 2020</u></a>
99.77*	<a href="#"><u>News Release dated January 3, 2021</u></a>
99.78*	<a href="#"><u>Material Change Report dated January 4, 2021</u></a>
99.79*	<a href="#"><u>Material Change Report dated January 7, 2021</u></a>
99.80*	<a href="#"><u>News Release dated January 7, 2021</u></a>
99.81*	<a href="#"><u>News Release dated January 10, 2021</u></a>
99.82*	<a href="#"><u>Material Change Report dated January 11, 2021</u></a>
99.83*	<a href="#"><u>News Release dated January 13, 2021</u></a>
99.84*	<a href="#"><u>Material Change Report dated January 14, 2021</u></a>
99.85*	<a href="#"><u>Material Change Report dated January 14, 2021</u></a>
99.86*	<a href="#"><u>News Release dated January 14, 2021</u></a>
99.87*	<a href="#"><u>Early Warning Report dated January 25, 2021</u></a>
99.88*	<a href="#"><u>News Release dated January 25, 2021</u></a>
99.89*	<a href="#"><u>Material Change Report dated February 4, 2021</u></a>
99.90*	<a href="#"><u>News Release dated February 4, 2021</u></a>

99.91*	<a href="#"><u>News Release dated February 7, 2021</u></a>
99.92*	<a href="#"><u>Material Change Report dated February 8, 2021</u></a>
99.93*	<a href="#"><u>Material Change Report dated February 10, 2021</u></a>
99.94*	<a href="#"><u>News Release dated February 10, 2021</u></a>
99.95*	<a href="#"><u>Material Change Report dated February 18, 2021</u></a>
99.96*	<a href="#"><u>News Release dated February 18, 2021</u></a>
99.97*	<a href="#"><u>Material Change Report dated February 23, 2021</u></a>
99.98*	<a href="#"><u>News Release dated February 23, 2021</u></a>
99.99*	<a href="#"><u>Material Change Report dated March 2, 2021</u></a>
99.100*	<a href="#"><u>News Release dated March 2, 2021</u></a>
99.101*	<a href="#"><u>Annual Information Form for the year ended December 31, 2019, dated March 8, 2021</u></a>
99.102*	<a href="#"><u>CEO Certification of Annual Filings in connection with Voluntarily Filed Annual Information Form dated March 8, 2021</u></a>
99.103*	<a href="#"><u>CFO Certification of Annual Filings in connection with Voluntarily Filed Annual Information Form dated March 8, 2021</u></a>
99.104*	<a href="#"><u>Material Change Report dated March 12, 2021</u></a>
99.105*	<a href="#"><u>News Release dated March 12, 2021</u></a>
99.106*	<a href="#"><u>Preliminary Short Form Base Shelf Prospectus dated March 12, 2021</u></a>
99.107*	<a href="#"><u>Qualification Certificate dated March 12, 2021</u></a>
99.108*	<a href="#"><u>Receipt from Ontario Securities Commission dated March 15, 2021</u></a>
99.109*	<a href="#"><u>News Release dated March 18, 2021</u></a>
99.110*	<a href="#"><u>Material Change Report dated March 24, 2021</u></a>
99.111*	<a href="#"><u>News Release dated March 24, 2021</u></a>
99.112*	<a href="#"><u>Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019, dated March 24, 2021</u></a>
99.113*	<a href="#"><u>Management's Discussion &amp; Analysis for the year ended December 31, 2020, dated March 24, 2021</u></a>
99.114*	<a href="#"><u>ON Class 1 Reporting Issuers and Class 3B Reporting Issuers—Participation Fee Management Certification of CFO dated March 25, 2021</u></a>
99.115*	<a href="#"><u>AB Class 1 Reporting Issuers and Class 3B Reporting Issuers—Participation Fee Management Certification of CFO dated March 25, 2021</u></a>
99.116*	<a href="#"><u>CEO Certification of Annual Filings Venture Issuer Basic Certificate dated March 25, 2021</u></a>

99.117*	<a href="#"><u>CFO Certification of Annual Filings Venture Issuer Basic Certificate dated March 25, 2021</u></a>
99.118*	<a href="#"><u>Material Change Report dated March 25, 2021</u></a>
99.119*	<a href="#"><u>News Release dated March 25, 2021</u></a>
99.120*	<a href="#"><u>Material Change Report dated April 1, 2021</u></a>
99.121*	<a href="#"><u>News Release dated April 1, 2021</u></a>
99.122*	<a href="#"><u>Notice of Record and Meeting Dates dated April 1, 2021</u></a>
99.123*	<a href="#"><u>Annual Information Form for the year ended December 31, 2020, dated April 7, 2021</u></a>
99.124*	<a href="#"><u>CEO Certification of Annual Filings in connection with Voluntarily Filed Annual Information Form dated April 7, 2021</u></a>
99.125*	<a href="#"><u>CFO Certification of Annual Filings in connection with Voluntarily Filed Annual Information Form dated April 7, 2021</u></a>
99.126*	<a href="#"><u>CEO Certification of Annual Filings Venture Issuer Basic Certificate dated April 13, 2021</u></a>
99.127*	<a href="#"><u>CFO Certification of Annual Filings Venture Issuer Basic Certificate dated April 13, 2021</u></a>
99.128*	<a href="#"><u>Material Change Report dated April 16, 2021</u></a>
99.129*	<a href="#"><u>News Release dated April 16, 2021</u></a>
99.130*	<a href="#"><u>Material Change Report dated April 19, 2021</u></a>
99.131*	<a href="#"><u>News Release dated April 19, 2021</u></a>
99.132*	<a href="#"><u>News Release dated April 22, 2021</u></a>
99.133*	<a href="#"><u>Material Change Report dated April 23, 2021</u></a>
99.134*	<a href="#"><u>News Release dated April 23, 2021</u></a>
99.135*	<a href="#"><u>Material Change Report dated April 26, 2021</u></a>
99.136*	<a href="#"><u>News Release dated April 26, 2021</u></a>
99.137*	<a href="#"><u>Consent of Kost Forer Gabbay &amp; Kasierer (a Member of Ernst &amp; Young Global) dated April 27, 2021</u></a>
99.138*	<a href="#"><u>Consent of PricewaterhouseCoopers LLP dated April 28, 2021</u></a>
99.139	<a href="#"><u>Notice of Annual General Meeting of Shareholders dated April 28, 2021</u></a>
99.140	<a href="#"><u>Notice of Annual General and Special Meeting of Shareholders &amp; Management Information Circular dated April 28, 2021</u></a>

99.141	<a href="#"><u>Notice of the Meeting and Record Date (amended) dated May 4, 2021</u></a>
99.142	<a href="#"><u>Material Change Report dated May 6, 2021</u></a>
99.143	<a href="#"><u>News Release dated May 6, 2021</u></a>
99.144	<a href="#"><u>Material Change Report dated May 7, 2021</u></a>
99.145	<a href="#"><u>News Release dated May 7, 2021</u></a>
99.146	<a href="#"><u>News Release dated May 10, 2021</u></a>
99.147	<a href="#"><u>Material Change Report dated May 12, 2021</u></a>
99.148	<a href="#"><u>News Release dated May 12, 2021</u></a>
99.149	<a href="#"><u>News Release dated May 13, 2021</u></a>
99.150	<a href="#"><u>Material Change Report dated May 17, 2021</u></a>
99.151	<a href="#"><u>News Release dated May 17, 2021</u></a>
99.152	<a href="#"><u>Material Change Report dated May 20, 2021</u></a>
99.153	<a href="#"><u>News Release dated May 20, 2021</u></a>
99.154	<a href="#"><u>Interim Condensed Consolidated Financial Statements as of and for the three months ended March 31, 2021 and 2020 (Unaudited)</u></a>
99.155	<a href="#"><u>Management's Discussion &amp; Analysis for the three months ended March 31, 2021, dated May 26, 2021</u></a>
99.156	<a href="#"><u>CEO Certification of Annual Filings Venture Issuer Basic Certificate dated May 26, 2021</u></a>
99.157	<a href="#"><u>CFO Certification of Annual Filings Venture Issuer Basic Certificate dated May 26, 2021</u></a>
99.158	<a href="#"><u>Material Change Report dated May 26, 2021</u></a>
99.159	<a href="#"><u>News Release dated May 26, 2021</u></a>
99.160	<a href="#"><u>Material Change Report dated May 28, 2021</u></a>
99.161	<a href="#"><u>News Release dated May 28, 2021</u></a>
99.162	<a href="#"><u>News Release dated June 1, 2021</u></a>
99.163	<a href="#"><u>Material Change Report dated June 3, 2021</u></a>
99.164	<a href="#"><u>News release dated June 3, 2021</u></a>
99.165	<a href="#"><u>Form of Proxy for Annual General Meeting of Shareholders on June 25, 2021</u></a>
99.166	<a href="#"><u>Certification of Mailing of Proxy-Related Materials dated June 7, 2021</u></a>
99.167	<a href="#"><u>Material Change Report dated June 9, 2021</u></a>
99.168	<a href="#"><u>News Release dated June 9, 2021</u></a>
99.169	<a href="#"><u>Material Change Report dated June 10, 2021</u></a>
99.170	<a href="#"><u>News Release dated June 10, 2021</u></a>
99.171	<a href="#"><u>Amended and Restated Preliminary Short Form Base Shelf Prospectus dated June 11, 2021</u></a>
99.172	<a href="#"><u>Consent of PricewaterhouseCoopers LLP dated June 16, 2021</u></a>
99.173	<a href="#"><u>Consent of Kost Forer Gabbay &amp; Kasierer (a Member of Ernst &amp; Young Global) dated June 16, 2021</u></a>

\* Previously filed.

## SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized.

### **BITFARMS LTD.**

By: /s/ L. Geoffrey Morphy

Name: L. Geoffrey Morphy

Title: President

Date: June 16, 2021

**BITFARMS LTD.**  
18 King Street East, Suite 902  
Toronto, ON M5C 1C4

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Bitfarms Ltd. (the “**Corporation**”) will be held virtually on June 25, 2021, at 1:30 p.m. (Toronto time) for the following purposes, all as more particularly described in the enclosed management information circular (the “**Circular**”):

- (a) to receive the Corporation’s financial statements for the year ended December 31, 2020 and the report of the auditors thereon;
- (b) to elect the directors of the Corporation for the ensuing year;
- (c) to appoint the auditors and to authorize the directors to fix their remuneration;
- (d) to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 3, in respect of the advance notice requirements for nominations of directors by Shareholders in certain circumstances;
- (e) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 4, in respect of the forum for complaints asserting a cause of action under the U.S. Securities Act of 1933;
- (f) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Corporation’s 10% rolling long term incentive plan for the ensuing year;
- (g) to consider, and if thought advisable, pass, with or without variation, a special resolution authorizing the Corporation to make an application for the continuance of the Corporation under the *Business Corporations Act* (Ontario); and
- (h) to transact such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The board of directors (the “**Board**”) has fixed April 28, 2021 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Corporation as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, shareholders, employees and other stakeholders, we are inviting Shareholders to participate in the Meeting by accessing the virtual meeting platform at URL: <https://virtual-meetings.tsxtrust.com/1118>, Password: bitfarms2021, Meeting ID: 1118. Participants should join at least ten (10) minutes prior to the scheduled start time. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. We encourage Shareholders to not attend the meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxy holders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their Common Shares prior to the meeting.**

---

## Voting

**All Shareholders may attend the Meeting in person or be represented by proxy. Shareholders who do not plan on attending the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided.** To be effective, the enclosed form of proxy or voting instruction form must be deposited with TSX Trust Company by mail delivery at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3, or by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 1:30 p.m. (Toronto time) on June 23, 2021 (the “**Proxy Deadline**”), or be deposited with the Secretary of the Corporation before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

**Shareholders are reminded to review the Circular before voting.**

**DATED** this 28<sup>th</sup> day of April, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) “Nicolas Bonta”*

Nicolas Bonta  
Chairman of the Board of Directors





**BITFARMS LTD.**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS & MANAGEMENT INFORMATION  
CIRCULAR

June 25, 2021 at 1:30 p.m. (Toronto time)

Offices of Peterson McVicar LLP

18 King Street East, Suite 902, Toronto, ON M5C 1C4

---

**BITFARMS LTD.**  
18 King Street East, Suite 902  
Toronto, ON M5C 1C4

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Bitfarms Ltd. (the “**Corporation**”) will be held virtually on June 25, 2021, at 1:30 p.m. (Toronto time) for the following purposes, all as more particularly described in the enclosed management information circular (the “**Circular**”):

- (a) to receive the Corporation’s financial statements for the year ended December 31, 2020 and the report of the auditors thereon;
- (b) to elect the directors of the Corporation for the ensuing year;
- (c) to appoint the auditors and to authorize the directors to fix their remuneration;
- (d) to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 3, in respect of the advance notice requirements for nominations of directors by Shareholders in certain circumstances;
- (e) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 4, in respect of the forum for complaints asserting a cause of action under the U.S. Securities Act of 1933;
- (f) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Corporation’s 10% rolling long term incentive plan for the ensuing year;
- (g) to consider, and if thought advisable, pass, with or without variation, a special resolution authorizing the Corporation to make an application for the continuance of the Corporation under the *Business Corporations Act* (Ontario); and
- (h) to transact such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The board of directors (the “**Board**”) has fixed April 28, 2021 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Corporation as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, shareholders, employees and other stakeholders, we are inviting Shareholders to participate in the Meeting by accessing the virtual meeting platform at URL: <https://virtual-meetings.tsxtrust.com/1118>, Password: bitfarms2021, Meeting ID: 1118. Participants should join at least ten (10) minutes prior to the scheduled start time. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. We encourage Shareholders to not attend the meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxy holders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their Common Shares prior to the meeting.**

---

## Voting

**All Shareholders may attend the Meeting in person or be represented by proxy. Shareholders who do not plan on attending the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided.** To be effective, the enclosed form of proxy or voting instruction form must be deposited with TSX Trust Company by mail delivery at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3, or by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 1:30 p.m. (Toronto time) on June 23, 2021 (the “**Proxy Deadline**”), or be deposited with the Secretary of the Corporation before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

**Shareholders are reminded to review the Circular before voting.**

**DATED** this 28<sup>th</sup> day of April, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) “Nicolas Bonta”*

Nicolas Bonta  
Chairman of the Board of Directors

**BITFARMS LTD.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES BY MANAGEMENT**

This management information circular (this “**Circular**”) is furnished in connection with the solicitation by the management of Bitfarms Ltd. (the “**Corporation**”) of proxies to be used at the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, e-mail or in person. These persons will receive no compensation for such solicitation, other than their ordinary salaries or fees. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Common Shares. See “*Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares*” below. The Corporation will provide, without cost to such person, upon request to the Secretary of the Corporation, additional copies of the foregoing documents for this purpose.

**GENERAL INFORMATION RESPECTING THE MEETING**

No person has been authorized to give any information or make any representations in connection with the matters being considered herein other than those contained in this Circular and, if given or made, any such information or representations should be considered not to have been authorized by the Corporation. This Circular does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

**In light of the global pandemic caused by COVID-19, the Corporation is inviting Shareholders to participate in the Meeting by accessing the virtual meeting platform at URL: <https://virtual-meetings.tsxtrust.com/1118>, Password: bitfarms2021, Meeting ID: 1118. Participants should join at least 10 minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location; Shareholders will be able to vote over the virtual meeting platform. We encourage Shareholders to not attend the meeting in person due to risks related to COVID-19. We highly recommend Shareholders vote their Common Shares prior to the meeting in accordance with the instructions set out in this Circular.**

References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

The Corporation’s financial statements are reported in United States dollars, the functional currency. In this Circular, unless otherwise indicated, all dollar amounts (“\$” or “C\$”) are expressed in Canadian dollars and references to “US\$” or “US” are to United States dollars.

Except where otherwise indicated, the information contained herein is stated as of April 28<sup>th</sup>, 2021.

Electronic copies of this Circular, financial statements of the Corporation for the year ended December 31, 2020 (the “**Financial Statements**”) and management discussion and analysis for 2020 (the “**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Shareholders are reminded to review this Circular before voting.**

Shareholders may also obtain paper copies of the Financial Statements and the MD&A free of charge by contacting TSX Trust Company at (416) 342-1091 or 1 (866) 600-5869 or upon request to the Secretary of the Corporation.

## APPOINTMENT AND REVOCATION OF PROXIES

### Appointment of Proxy

A Shareholder who does not plan on attending the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to TSX Trust Company: (i) by mail delivery to 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3; or (ii) by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 1:30 p.m. (Toronto time) on June 23, 2021 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The document appointing a proxy must be in writing and executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**A Shareholder submitting a form of proxy has the right to appoint a person (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Shareholder's Common Shares are to be voted.**

Shareholders who are not registered shareholders of the Corporation should refer to “*Notice to Beneficial Holders of Common Shares*” below.

### Revocation of Proxy

A Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his attorney or authorized agent and deposited with TSX Trust Company at any time up to 1:30 p.m. (Toronto time) on June 23, 2021: (i) by mail delivery to Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3; or, (ii) by facsimile to (416) 595-9593, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

### Notice to Beneficial Holders of Common Shares

The information set out in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the records of the Corporation. Those Common Shares will most likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks). Common Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian securities laws restrict the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the proxy-related materials for use in connection with the Meeting (the “**Meeting Materials**”) directly to NOBOs and indirectly to OBOs. NI 54-101 allows the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seek voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Corporation intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation’s transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting or any adjournment thereof.

All references to Shareholders in this Circular, instrument of proxy and Notice of Meeting are to registered shareholders of the Corporation unless specifically stated otherwise.

### **Instructions for Voting at the Virtual Meeting**

The Meeting will be hosted virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1118>, Password: bitfarms2021, Meeting ID: 1118.

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1118> on your browser at least 15 minutes before the Meeting starts.
2. Click on “**I have a control number**”.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: **bitfarms2021** (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1118> on your browser at least 15 minutes before the Meeting starts.
5. Click on “**I have a control number**”.
6. Enter your 12-digit control number (on your proxy form).
7. Enter the password: **bitfarms2021** (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. You or your appointee must then register with TSX Trust in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.

If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1118> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
2. Click on “**I am a Guest**”.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tmxeinvestorservices@tmx.com](mailto:tmxeinvestorservices@tmx.com).

## Voting

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Corporation.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Corporation nor any associate of any such director, director nominee or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of Class A Preferred Shares without par value. As at the date hereof, there are 145,016,864 Common Shares issued and outstanding and nil Class A Preferred Shares outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The Corporation has fixed the close of business on April 28, 2021 (the “**Record Date**”) as the record date. Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof. Persons registered on the books of the Corporation at the close of business on the Record Date and persons who are transferees of any Common Shares acquired after such Record Date and who have produced properly endorsed certificates evidencing such Common Shares or who otherwise establish ownership thereof and demand, not later than ten (10) days before the Meeting, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares.

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

#### 1. Receipt of Financial Statements

The financial statements of the Corporation for the fiscal year ended December 31, 2020 and the report of the auditors thereon, will be submitted to the Meeting. Receipt at the Meeting of the auditor’s report and the Corporation’s audited financial statements for the fiscal year ended December 31, 2020 will not constitute approval or disapproval of any matters referred to therein.

#### 2. Election of Directors

The Corporation’s articles provide that the Board will consist of a minimum of one (1) and a maximum of ten (10) directors. The Board currently consists of five (5) directors. At the Meeting, Shareholders will be asked to consider, and, if thought fit, approve with or without variation a resolution electing the five (5) persons named below. Emiliano Grodzki, Nicolas Bonta, Pierre Seccareccia, Brian Howlett and Andres Finkielstain are incumbent directors and will be proposed for re- election as directors of the Corporation.

It is intended that each of the directors will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* (the “**CBCA**”).

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.



The following table states the name of each person nominated by management for election as directors, such person's principal occupation or employment, period of service as a director of the Corporation, and the approximate number of voting securities of the Corporation that such person beneficially owns, or over which such person exercises direction or control:

<b>Name, and Province and Country of Residence</b>	<b>Principal Occupation During the Last Five Years<sup>(1)</sup></b>	<b>Director Since</b>	<b>Common Shares Owned or Controlled<sup>(1)</sup></b>
<b>Emiliano Joel Grodzki<sup>(3)</sup></b> <i>Buenos Aires, Argentina</i>	CEO, Founder and Director of the Corporation (2018 – present); Consultant in the cryptocurrency sector; Founder and Director of crypto247 (2018 – present); Founder and Commercial Director of My Urban Foods (2012 – 2015).	October 11, 2018	11,820,772
<b>Nicolas Bonta</b> <i>Buenos Aires, Argentina</i>	Chairman of the Board and Founder of the Corporation; Founder and Chief Executive Officer of Own Hotels (2006 – Present).	October 11, 2018	11,210,706
<b>Brian Howlett<sup>(2)</sup></b> <i>Ontario, Canada</i>	Lead Director of the Corporation (2020 – present); President and CEO of Hemlo Explorers Inc. (2020 – present); President and CEO of Voyageur Mineral Explorers Corp. (2020 – present); Director of Nighthawk Gold Corp. (2016 – present); President and CEO of Dundee Sustainable Technologies Inc. (2015 – 2020); President and CEO of Stone Gold Inc. (2014 – 2020).	April 17, 2020	30,000
<b>Pierre Seccareccia<sup>(2)(3)</sup></b> <i>Québec, Canada</i>	Director of the Company (2019 – present); Full-time independent director for several public companies (2003 – present); Director of Groupe Ivanhoé Cambridge Inc., a real estate subsidiary of la Caisse de dépôt et placement du Québec (2010 – present).	June 12, 2019	80,000
<b>Andres Finkielstain<sup>(2)(3)</sup></b> <i>Buenos Aires, Argentina</i>	Director of the Company (2020 – present); Founding managing partner of FinkWald LLC (2011 – present); Director of Goldmoney Inc. (TSX: XAU) (2018 – present).	August 31, 2020	nil

**Notes:**

- (1) Information about principal occupation, business or employment, not being within the knowledge of the Corporation, has been furnished by respective persons set forth above. The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been obtained from SEDI or furnished by the respective individuals. This table does not include Common Shares underlying unexercised stock options and warrants.
- (2) Member of the Audit Committee.
- (3) Member of the Governance, Nomination and Compensation Committee.

***Emiliano Joel Grodzki***

Emiliano Joel Grodzki serves as the Chief Executive Officer, Chief Strategy Officer and a Director of the Corporation. Mr. Grodzki is an Argentinian entrepreneur, businessman and a founder of the Corporation. He has been a business builder and innovator since his early teens, founding, incubating and exiting interdisciplinary ventures in the design, food and construction industries. In 2016, he discovered the world of cryptocurrencies and began to invest in and mine cryptocurrencies from Argentina. Mr. Grodzki has a construction degree from ORT in Buenos Aires.

***Nicolas Bonta***

Nicolas Bonta serves as the Chairman of the Board. Mr. Bonta is an Argentinian hotelier, real estate investor and a founder of the Corporation. In 1998, he founded one of the first boutique hotel companies in Argentina named “Own Hotels” which has grown to six locations in the cities of Buenos Aires and Montevideo, Uruguay. Mr. Bonta has a bachelor's degree in Hospitality from Glion Institute of Higher Education in Switzerland.

***Brian Howlett***

Brian Howlett serves as the Lead Director of the Corporation. Mr. Howlett is a seasoned professional with over thirty years of senior management experience. Mr. Howlett is currently the President, Chief Executive Officer and Director of Hemlo Explorers Inc. and Voyageur Mineral Explorers Corp. Mr. Howlett also serves on the board of Nighthawk Gold Corp. Mr. Howlett recently served as the President, Chief Executive Officer and a Director of Dundee Sustainable Technologies Inc. He also formerly served as the President and Chief Financial Officer of Superior Copper Corporation. Prior to that, Mr. Howlett spent twelve years with ELI Eco Logic Inc., including six years as Chief Financial Officer. Mr. Howlett graduated in 1982 with a B. Comm. in Finance from Concordia University and received his CMA designation in 1989.

### ***Pierre Seccareccia***

Pierre Seccareccia serves as a Director of the Corporation. He has extensive experience in financial consulting and management. A Partner of the Coopers & Lybrand accounting firm from 1976 to 1998, he acted as Managing Partner for its Montreal south shore office from 1987 to 1989, for its Montreal central office from 1992 to 1996, and for its offices in the Province of Quebec from 1996 to 1998. Following the merger in 1998 of Coopers & Lybrand with Price Waterhouse, he acted as the Managing Partner for the Montreal office of PricewaterhouseCoopers LLP from 1998 to 2001. Since 2003, Mr. Seccareccia has acted as a full-time independent corporate director for various public and private entities. He is a Fellow CPA, CPA and a lifetime member of the Ordre des comptables professionnels agréés du Québec. He is also a member of the Institute of Corporate Directors (Canada). He graduated from the École des hautes études commerciales de Montréal with a degree in Accounting.

### ***Andres Finkielstain***

Andres Finkielstain serves as a Director of the Corporation. Mr. Finkielstain is the Founding Managing Partner of FinkWald LLC, a private investment office specializing in private equity, real estate, media and technology. He is also the co-head of the Special Situations division at Banco Industrial in Argentina, where he analyzes and provides financing solutions to Argentine-based companies and institutions. Mr. Finkielstain previously served as a financial advisor for Soros Brothers Investments, a private investment office founded in 2011 by Alexander and Gregory Soros, and as an analyst for Emerging Markets at Soros Fund Management LLC. Mr. Finkielstain also worked at J.P. Morgan for over 10 years in various capacities within Asset Management, including the role of Global Investment Opportunity and Emerging Markets Specialist. Mr. Finkielstain graduated with a BA in Economics from Bard College where he served as the President of a Latin American organization.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, no proposed director of the Corporation is, as at the date of this Circular, or within the ten (10) years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer, of any company (including the Corporation) that:

- (a) while that person was acting in that capacity was subject to:
  - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
  - (ii) an order similar to a cease trade order, or
  - (iii) an order that denied the relevant company access to any exemption under securities legislation,that was in effect for a period of more than thirty (30) consecutive days (an “**Order**”); or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, no proposed director of the Corporation (or any personal holding company of any such individual) is, or within the ten (10) years prior to the date of this Circular has:

- (a) been a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; or

- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

To the knowledge of the Corporation, no proposed director of the Corporation (or any personal holding company of any such individual) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### 3. Appointment of Auditors

PricewaterhouseCoopers LLP (“PwC”) are the independent registered certified auditors of the Corporation. PwC was first appointed as auditor of the Corporation on June 18, 2020. Management of the Corporation intends to nominate PwC for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint PwC to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless the Shareholder has specifically instructed that his or her Common Shares are to be withheld from voting in connection with the appointment of PwC, the persons named in the accompanying proxy intend to vote FOR the re-appointment of PwC as the auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.**

### 4. Approval of By-Law No. 3

The Corporation has enacted by-law no. 3 of the Corporation (the “**By-Law No. 3**”) to, among other things, require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the CBCA, or (b) a shareholder proposal made pursuant to the provisions of the CBCA.

The By-Law No. 3 is intended to (i) allow the Corporation to facilitate an orderly and efficient annual general or, where the need arises, special meeting process; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The CBCA provides that unless the articles, by-laws or a unanimous shareholder agreement otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of the corporation. Accordingly, the Board enacted the By-Law No. 3 by resolution passed on May 18, 2021. A by-law is effective from the date of the resolution of the directors making the amendment until it is confirmed, confirmed as amended or rejected by the shareholders and, where the by-law is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

The CBCA requires the directors to submit an amendment of a by-law to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the by-law. Accordingly, the resolution confirming the By-Law No. 3 must be passed by a simple majority of the votes cast in respect thereof at the Meeting.

If the enactment of the By-Law No. 3 is rejected by the Shareholders, the By-Law No. 3 shall cease to be effective and no subsequent resolution of the directors to enact the By-Law No. 3 (or another by-law) having substantially the same purpose or effect is effective until the by-law is confirmed or confirmed as amended by the Shareholders.

The full text of the By-Law No. 3 is set forth in Schedule “B” hereto.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, subject to such amendments, variations or additions as may be approved at the Meeting, ratifying, confirming and approving the By-Law No. 3 (the “**By-Law No. 3 Resolution**”). In order to be effected, the By-Law No. 3 Resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**The Board recommends that Shareholders vote FOR the By-Law No. 3 Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the By-Law No. 3 Resolution, the persons named in the proxy or voting information form will vote FOR the By-Law No. 3 Resolution.**

#### 5. Approval of By-Law No. 4

The Corporation has enacted by-law no. 4 of the Corporation (the “**By-Law No. 4**”), being a by-law relating the forum in which certain suits related to United States securities laws matters may be brought. Specifically, Section 27 of the *Securities Exchange Act of 1934* (United States) (the “**Exchange Act**”) creates exclusive jurisdiction of the federal district courts of the United States of America over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder (including the general anti-fraud provisions thereof and thereunder), whereas Section 22 of the *Securities Act of 1933* (United States) (the “**Securities Act**”) creates concurrent jurisdiction for United States federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Through the enactment of By-Law No. 4, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the rules and regulations thereunder.

The CBCA provides that unless the articles, by-laws or a unanimous shareholder agreement otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of the corporation. Accordingly, the Board enacted the By-Law No. 4 by resolution passed on May 18, 2021. A by-law is effective from the date of the resolution of the directors making the amendment until it is confirmed, confirmed as amended or rejected by the shareholders and, where the by-law is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

The CBCA requires the directors to submit an amendment of a by-law to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the by-law. Accordingly, the resolution confirming the By-Law No. 4 must be passed by a simple majority of the votes cast in respect thereof at the Meeting.

If the enactment of the By-Law No. 4 is rejected by the Shareholders, the By-Law No. 4 shall cease to be effective and no subsequent resolution of the directors to enact the By-Law No. 4 (or another by-law) having substantially the same purpose or effect is effective until the by-law is confirmed or confirmed as amended by the Shareholders.

The full text of the By-Law No. 4 is set forth in Schedule “C” of this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, subject to such amendments, variations or additions as may be approved at the Meeting, ratifying, confirming and approving the By-Law No. 4 (the “**By-Law No. 4 Resolution**”). In order to be effected, the By-Law No. 4 Resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**The Board recommends that Shareholders vote FOR the By-Law No. 4 Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the By-Law No. 4 Resolution, the persons named in the proxy or voting information form will vote FOR the By-Law No. 4 Resolution.**

#### 6. Approval of Long Term Incentive Plan

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a new long term incentive plan (the “**LTIP**”) for the Corporation. The Board has approved the LTIP, subject to the approval of Shareholders, to replace the Corporation’s existing stock option plan (the “**Old Plan**”) previously approved by the Shareholders at the annual meeting of the Corporation on June 27, 2020.

The Old Plan provides for a fixed limit of 20% of the outstanding Common Shares as at June 20, 2019, being 11,414,975 Common Shares available for issuance under the Old Plan.

The LTIP is designed to ensure compliance with the policies of TSX Venture Exchange (the “**TSXV**”). The LTIP is a rolling incentive plan pursuant to which stock options and restricted stock units may be issued, that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant. As at the date of this Circular, there are 7,108,922 options outstanding pursuant to the Old Plan which, assuming approval of the LTIP by the Shareholders at the Meeting, will be subsumed as options outstanding under the LTIP, and will represent approximately 4.90% of the issued and outstanding Common Shares, leaving a total of 7,392,764 Common Shares available for reservation pursuant to new grants of options.

Pursuant to the policies of TSXV, the Corporation is required to obtain the approval of its shareholders for a “rolling” incentive plan for acceptance of the incentive plan by the Corporation and at each annual meeting of shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the LTIP for the ensuing year.

The LTIP provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares or restricted stock units (“**RSUs**”) which grant the holder the right to receive a payment in Common Shares. For a summary of the material features of the LTIP, please see “*Executive Compensation – LTIP*”.

The full text of the LTIP is set forth in Schedule “D” of this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to approve the LTIP for the ensuing year (the “**LTIP Resolution**”). In order to be effected, the LTIP Resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**The Board recommends that Shareholders vote FOR the LTIP Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the LTIP Resolution, the persons named in the proxy or voting information form will vote FOR the LTIP Resolution.**

#### **7. Continuance under the *Business Corporations Act* (Ontario)**

The Corporation presently exists under the CBCA. The Board proposes to continue (the “**Continuance**”) the Corporation to the jurisdiction of the Province of Ontario under the *Business Corporations Act* (Ontario) (the “**OBCA**”). The primary rationale for the Continuance is to provide the Corporation with more flexibility in respect of Board composition once the amendments to the OBCA come into force, which would, among other things, eliminate the requirement that 25% of the directors of an Ontario corporation be “resident Canadians” within the meaning of the OBCA (the “**OBCA Amendments**”), pursuant to Ontario’s Bill 213 – *The Better for People, Smarter for Business Act, 2020* (“**Bill 213**”). Bill 213 received royal assent on December 8, 2020 and will come into force upon proclamation by the Lieutenant Governor of Ontario at a date that has not yet been announced. The Corporation cannot currently predict when Bill 213 will come into force.

Shareholders will be asked at the Meeting to consider and, if thought fit, to pass a special resolution (the “**Continuance Resolution**”) designed to effect the Continuance of the Corporation into Ontario, whereafter the Corporation will be subject to the OBCA. The Board has unanimously approved the Continuance and recommends that shareholders vote FOR the Continuance Resolution. In addition to shareholder approval, continuance into another jurisdiction is subject to the approval of Corporations Canada (on being satisfied that the Continuance will not adversely affect creditors or shareholders of the Corporation) and the TSXV. The OBCA adopts many provisions similar to those contained in corporate legislation elsewhere in Canada, including the CBCA, and will permit the Corporation to take advantage of modernized corporate law procedures and requirements.

The provisions of the OBCA dealing with shareholder rights and protections are generally comparable to those contained in the CBCA. Shareholders will not lose or gain any significant rights or protections as a result of the Continuation. Once the Amendments come into force, the OBCA will provide for more flexibility than the CBCA in respect of Board composition. However, the Continuation will affect certain of the rights of the Corporation's Shareholders as they currently exist under the CBCA. Shareholders should consult their legal advisors regarding implications of the Continuation which may be of particular importance to them.

See "*Rights of Shareholders to Dissent to the Proposed Continuation*", "*Recommendation of the Board of Directors*" and "*The Continuation Resolution*" for more information.

In order to effect the Continuation, the Corporation must:

1. Obtain the approval of Shareholders to the Continuation by way of the Continuation Resolution, being a special resolution to be passed by not less than two-thirds of the votes cast at the Meeting in person or by proxy.
2. Receive TSXV approval for the Continuation.
3. Make a written application to the director under the CBCA (the "**CBCA Director**") for consent to continue under the OBCA, such written application to establish to the satisfaction of the Director that the proposed Continuation will not adversely affect the Corporation's creditors or the Shareholders.
4. Once the Continuation Resolution is passed and the Corporation has obtained the consent of the CBCA Director and acceptance of the Continuation by the TSXV, the Corporation must file a "**Continuation Application**" and the consent of the CBCA Director along with prescribed documents under the OBCA, with the director under the OBCA (the "**OBCA Director**") to obtain a "**Certificate of Continuation**."
5. File a copy of the Certificate of Continuation with the CBCA Director and receive a "**Certificate of Discontinuation**" under the CBCA.

On the date shown on the Certificate of Continuation issued by the OBCA Director (the "**Effective Date**"), the Corporation will become a corporation existing under the laws of the Province of Ontario as if it had been incorporated under the laws of the Province of Ontario. As of the Effective Date, the legal domicile of the Corporation will be the Province of Ontario and the Corporation will no longer be subject to the provisions of the CBCA.

Upon the completion of the Continuation, the Corporation's existing articles and by-laws will be repealed and the articles of continuation and updated by-laws under the OBCA will be adopted. The articles of continuation under the OBCA are substantially similar to the Corporation's existing articles under the CBCA, with certain changes made to reflect the provisions of the OBCA, and the updated by-laws under the OBCA are substantially similar to the Corporation's existing by-law no. 1 and by-law no. 2 under the CBCA, copies of which have been filed under the Corporation's SEDAR profile, and the proposed By-Law No. 3 and By-Law No. 4, with certain changes made to reflect the provisions of the OBCA. Shareholders are advised that the articles of continuation and updated by-laws under the OBCA may be amended prior to filing with the OBCA Director.

By operation of law under the Province of Ontario, as of the Effective Date, all of the assets, property, rights, liabilities and obligations of the Corporation immediately prior to the Continuation will continue to be the assets, property, rights, liabilities and obligations of the Corporation after the Continuation.

As of the Effective Date of the Continuation, the Corporation's current constating documents — its articles and by-laws under the CBCA — will be replaced with articles and by-laws under the OBCA, the legal domicile of the Corporation will be the Province of Ontario and the Corporation will no longer be subject to the provisions of the CBCA.

#### ***Differences in Rights between the OBCA and the CBCA***

In general terms, the OBCA provides shareholders substantively the same rights as are available to shareholders under the CBCA, including rights of dissent and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings, requirements for certain corporate procedures and certain shareholder remedies. The Corporation's Shareholders will not lose or gain any significant rights or protections as a result of the Continuation. **The following is a summary comparison of certain provisions of the OBCA and the CBCA. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the CBCA and OBCA, as applicable.**

There are no significant differences between the CBCA and the OBCA with respect to the charter documents for companies governed by those statutes.

*Constitutional Jurisdiction*

Other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as a right. An OBCA company is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation's ability to carry on business in that province. If another province so chooses, however, it can restrict an OBCA company's ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas an OBCA company may not be allowed to use its name in that other province if that name, or a similar one, is already in use.

*Registered Office*

Under the CBCA, the registered office must be in the province specified in the articles and may be relocated to a different province by special resolution of the shareholders or relocated within the same province by resolution of the directors.

Under the OBCA, the registered office must be situated in Ontario and may be relocated to a different municipality within Ontario by special resolution of the shareholders or relocated within the same municipality by resolution of the directors.

*Rights of Dissent*

The OBCA provides that shareholders, including beneficial holders, who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is available to shareholders, whether or not their shares carry the right to vote, where the company proposes to:

1. amend its articles to add, remove or change any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
2. amend its articles to add, remove or change any restriction upon the business or businesses that the company may carry on;
3. amalgamate with another company (other than for vertical or horizontal short-form amalgamations);
4. be continued under the laws of another jurisdiction;
5. sell, lease or exchange all or substantially all its property; or
6. carry out a going-private transaction.

The CBCA contains a similar dissent remedy, provided however, that in addition to the foregoing, the CBCA expressly provides for dissent rights with respect to a squeeze-out transaction. The dissent provisions of the CBCA are described under the heading "*Rights of Dissent in Respect of the Continuance Resolution*", below, and the text of Section 190 of the CBCA is set forth on Schedule "E" to this Circular. Under the CBCA and OBCA, the dissenting shareholder must generally send notice of dissent at or before the resolution being passed.

## *Oppression Remedies*

Under both the CBCA and the OBCA, a shareholder, beneficial shareholder, former shareholder or beneficial shareholder, director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of offering corporation under the OBCA, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of a company or its affiliates effects a result, the business or affairs of a company or its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

The OBCA allows a court to grant relief where a prejudicial effect to the shareholder is merely threatened, whereas the CBCA only allows a court to grant relief if the effect actually exists (that is, it must be more than merely threatened).

Under the CBCA, such remedy is also available to the CBCA Director appointed under Section 260 of the CBCA.

## *Shareholder Derivative Actions*

A broad right to bring a derivative action is contained in each of the CBCA and the OBCA and this right extends to officers, former shareholders, directors or officers of a company or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, both statutes permit derivative actions to be commenced in the name and on behalf of a company or any of its subsidiaries.

Under the CBCA and OBCA, a condition precedent to a complainant bringing a derivative action is that the complainant has given at least 14 days' notice to the directors of the corporation of the complainant's intention to make an application to the court to bring such a derivative action. However, under the OBCA, a complainant is not required to give notice to the directors of the corporation of the complainant's intention to make an application to the court to bring a derivative action if all of the directors of the corporation are defendants in the action.

Under the CBCA, the CBCA Director appointed under Section 260 of the CBCA may also commence a derivative action.

## *Shareholder Proposals and Shareholder Requisitions*

Both statutes provide for shareholder proposals. Each statute contains certain requirements with respect to, among other things, the content, timing and delivery of proposals. Moreover, each statute includes provisions which allow a corporation to refuse to process a proposal in similar circumstances.

Under the CBCA, a shareholder entitled to vote at a meeting of shareholders may (i) submit notice of a proposal to the corporation, and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. The registered or beneficial shareholder must either: (i) have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least \$2,000, or (ii) have the support of persons who, in the aggregate, have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least \$2,000.

Under the OBCA, proposals may be submitted by both registered and beneficial shareholders who are entitled to vote at a meeting of shareholders.

Both statutes provide that holders of not less than 5% of the outstanding voting shares may requisition a meeting of shareholders, and permit the requisitioning registered shareholder to call the meeting where the board of directors of the company does not do so within the 21 days following the company's receipt of the shareholder meeting requisition.



### *Notice-and-Access*

Both statutes permit the use of the notice-and-access delivery system (“**Notice-and-Access**”) under National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuer*. However, the CBCA currently requires companies to seek exemptive relief from the CBCA Director under Sections 151(1) and 156 of the CBCA, which exempt a company from the requirement to send a proxy circular to shareholders, duties related to intermediaries and the requirement to send annual financial statements to shareholders in order to use Notice-and-Access. Under the OBCA, companies are not required to obtain such exemptive relief in order to use Notice-and-Access.

### *Place of Meetings*

Under the OBCA, subject to the articles of the corporation, and any unanimous shareholders agreement, a shareholders’ meeting may be held in or outside Ontario (including outside Canada) as determined by the directors, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine. A meeting may be held outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. The current by-laws of the Corporation provide that meetings of shareholders of the Corporation may be held at such place inside or outside of Canada, as the directors may from time to time determine. The Proposed By-Law No. 1 contemplates the same with respect to the place of shareholders’ meetings.

Virtual or hybrid shareholder meetings, which are comprised of both an in-person and virtual element, are both permitted under the OBCA and CBCA, unless the articles or by-laws of a company state otherwise.

The Corporation may hold virtual or hybrid shareholder meetings following the Continuance in order to provide a safe forum in light of the ongoing public health concerns posed by COVID-19 and to allow for greater shareholder participation in such meetings.

### *Directors*

Under the CBCA, at least one-quarter of the directors must be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian. Subject to certain exceptions, an individual must be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA.

The OBCA currently contains the same director residency requirements, however, once the OBCA Amendments come into force, there will no longer be any director residency requirements.

Under the OBCA, at least one-third of the members of the board of directors cannot be officers or employees of the company or its affiliates. Under the CBCA, the requirement is that at least two of the directors cannot be officers or employees of the company or its affiliates. The Corporation is also subject to applicable securities law and stock exchange requirements with respect to director independence.

### *Rights of Shareholders to Dissent to the Proposed Continuance*

The following description of the rights of shareholders to dissent and to be paid the fair value for their common shares of the Corporation by virtue of the Continuance is not a comprehensive statement of the procedures to be followed. It is qualified in its entirety by reference to the full text of Section 190 of the CBCA, a copy of which is attached as Schedule “E” to this Circular. A shareholder who intends to exercise a right of dissent should carefully consider and comply with such provisions of the CBCA and should seek independent legal advice. Failure to comply with the provisions of the CBCA may result in the loss of all rights thereunder.

Pursuant to Section 190 of the CBCA, a shareholder is entitled, in addition to any other right that the shareholder may have, to dissent and to be paid by the Corporation the fair value of the common shares in respect of which that shareholder dissents. “Fair value” is determined as of the close of business on the last business day before the day on which the Continuation Resolution is adopted. A shareholder may dissent only with respect to all of the shareholder’s common shares of the Corporation or common shares held by the shareholder on behalf of any one beneficial owner. Furthermore, a shareholder may only dissent in respect of common shares registered in the dissenting shareholder’s name.

**Beneficial owners of common shares of the Corporation who wish to dissent should be aware that only the registered owner of such common shares is entitled to dissent. Common shares registered in the name of a broker, custodian, nominee or other intermediary, held on behalf of the beneficial owner of the common shares, must exercise dissent rights on behalf of such beneficial owners.**

Under Section 190 of the CBCA, a shareholder wishing to dissent must send to the Corporation written objection (the “**Notice of Dissent**”) to the Continuation Resolution, as defined herein. The Notice of Dissent must be sent to the Corporation at any time before the meeting in care of TSX Trust Company at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, on or before 1:30 p.m. (Toronto Time) on June 23, 2021 or be delivered to the Chair of the Meeting at the Meeting. The sending of a Notice of Dissent does not deprive a registered shareholder of the right to vote on the Continuation Resolution but a vote either in person or by proxy against the Continuation Resolution does not constitute a Notice of Dissent. A vote in favour of the Continuation Resolution will deprive the registered shareholder of further rights under Section 190 of the CBCA.

Within ten days after the Continuation Resolution has been adopted, the Corporation must give written notice to each shareholder (a “**Dissenting Shareholder**”) who has filed a Notice of Dissent and has not voted for the Continuation Resolution or not withdrawn that shareholder’s Notice of Dissent, that the Continuation Resolution has been adopted. Within 20 days after receipt of this notice or, if the Dissenting Shareholder does not receive it, within 20 days after learning that the Continuation Resolution has been adopted, the Dissenting Shareholder must send to the Corporation a written notice (the “**Demand for Payment**”) setting out the Dissenting Shareholder’s name and address, the number of common shares in respect of which that Dissenting Shareholder dissents, and a demand for payment of their fair value. Additionally, the Dissenting Shareholder must send the certificates for the common shares in respect of which that Dissenting Shareholder dissents to the Corporation or its transfer agent within 30 days after sending the Demand for Payment. The Corporation or the transfer agent must endorse the certificates with a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates representing the common shares within the 30 day period has no right to make a claim under Section 190 of the CBCA.

A Dissenting Shareholder ceases to have any rights as a holder of common shares of the Corporation, other than the right to be paid their fair value, unless: (i) the Demand for Payment is withdrawn before the Corporation makes a written offer to pay (the “**Offer to Pay**”); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Continuation is not proceeded with.

The Corporation shall, not later than seven days after the later of the day on which the action approved by the Continuation Resolution is effective or the day the Corporation receives the Demand for Payment, send an Offer to Pay in the amount considered by the directors of the Corporation to be the fair value of the common shares in respect of which the Dissenting Shareholder has dissented. The Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders must be on the same terms, and lapses if not accepted within 30 days after being made. If the Offer to Pay is accepted, payment must be made within 10 days of acceptance.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the after the action approved by the Continuation Resolution is effective or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the securities of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in the place where the Corporation has its registered office or in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place and consequences of the application and of the Dissenting Shareholder's right to appear and be heard to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and has not accepted an Offer to Pay. All Dissenting Shareholders whose shares have not been purchased by the Corporation must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court must fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date of the Continuance until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder.

**The discussion above is only a summary of the dissenting shareholder provisions of the CBCA. A shareholder of the Corporation wishing to exercise a right to dissent should seek independent legal advice. Failure to comply strictly with the provisions of the statute may prejudice the right of dissent.**

#### **Recommendation of the Board of Directors**

Our directors and the Corporation's management have reviewed the more flexible regime under the OBCA and has concluded that it is in the best interests of the Corporation and the Shareholders to proceed with the proposed Continuance. **The Board unanimously recommends that the Shareholders vote in favour of the Continuance Resolution, the full text of which follows. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.**

#### **The Continuance Resolution**

**"NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the continuance of Bitfarms Ltd. (the "**Corporation**"), a corporation existing under the laws of Canada, to the *Business Corporations Act* (Ontario) ("**OBCA**") pursuant to Section 188 of the *Canada Business Corporations Act* ("**CBCA**") and Section 180 of the OBCA, is hereby authorized and approved and the Corporation is hereby authorized to apply to the director of corporations under the OBCA ("**OBCA Director**") for authorization to be continued as if it had been constituted under the OBCA, and to continue its existence under the OBCA (the "**Continuance**") on such date as the directors of the Corporation may determine, which may, in the discretion of the directors of the Corporation, be a date following the coming into force of those amendments to the OBCA pursuant to Ontario's Bill 213 – *The Better for People, Smarter for Business Act, 2020*;
2. the form of articles of continuance, the text of which is substantially similar to that of the existing articles of the Corporation under the CBCA, is hereby approved, and the Corporation is hereby authorized to file the articles of continuance with the OBCA Director together with any notices and other documents prescribed by the OBCA necessary to continue the Corporation as if it had been incorporated under the laws of the Province of Ontario;
3. subject to the Continuance becoming effective, and without affecting the validity of any act of the Corporation under its existing by-laws (the "**Existing By-Laws**"), the Existing By-Laws are hereby repealed and replaced with the new by-law no. 1, by-law no. 2, by-law no. 3 and by-law no. 4 of the Corporation (collectively, the "**New By-Laws**"), which are substantially similar to the Existing By-laws, which have been filed under the Corporation's SEDAR profile, and the proposed By-Law No. 3 and By-Law No. 4, the full texts of which are attached as Schedule "B" and Schedule "C" to the Corporation's circular dated April 28, 2021, together with such changes or amendments thereto as any director or officer of the Corporation determines appropriate, the conclusive evidence of such determination being the execution of the New By-Laws by a director or officer of the Corporation;
4. notwithstanding that this resolution has been passed (and the Continuance adopted) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the shareholders of the Corporation, to determine, at any time (i) to amend the articles of continuance to the extent permitted by law, and/or (ii) not to proceed with the Continuance; and

5. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, and to deliver all documents and take such actions as such person officer may determine to be necessary or advisable to implement this resolution, the execution of any such document or the doing of any such other action being conclusive evidence of such determination to be conclusively evidenced by the taking of any such actions.”

Notwithstanding whether the Continuance Resolution is passed by the Shareholders, the directors of the Corporation may, if determined to be in the best interests of the Corporation and without further notice to or approval by Shareholders, determine to not proceed with the proposed Continuance at any time prior to the issuance of the Certificate of Continuance under the OBCA, including in the event it anticipates substantial cost to the Corporation as a result of the exercise of dissent rights or the OBCA Amendments do not come into force.

As previously described, Shareholders have the right to dissent to the Continuance under Section 190 of the CBCA. See “*Rights of Shareholders to Dissent to the Proposed Continuance*”.

## **8. Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, valid forms of proxy will be voted on such matter in accordance with the best judgment of the persons voting the proxy.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) of the Corporation means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Corporation;
- (b) a chief financial officer (“**CFO**”) of the Corporation;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

### **Oversight and description of Director and NEO Compensation**

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’s compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, which will be a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Corporation’s compensation philosophy is based on the following fundamental principles:

- *Compensation programs align with Shareholder interests* – the Corporation aligns the goals of executives with maximizing long-term Shareholder value;

- *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs will be developed based on the above-mentioned compensation philosophy and will be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with Shareholders' interests and with the execution of the Corporation's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term Shareholder value; and
- to tie compensation directly to those measurements and reward based on achieving and exceeding predetermined objectives.

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. The Corporation's objective is to establish benchmarks and targets for its NEOs that will enhance Shareholder value if achieved.

Aggregate compensation for each NEO is designed to be competitive. The governance, nomination and compensation committee of the Board (the "**Governance, Nomination and Compensation Committee**") will review from time to time the compensation practices of similarly situated companies when considering the Corporation's executive compensation practices. The Governance, Nomination and Compensation Committee reviews each element of compensation for market competitiveness, and although it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

From time to time, on an ad hoc basis, the Governance, Nomination and Compensation Committee will review data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within technology industries or other emerging sectors. The Governance, Nomination and Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified in this Circular under the heading "*Corporate Governance – Directorships*".

#### ***Compensation Governance***

The Governance, Nomination and Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation's executive officers. The Governance, Nomination and Compensation Committee will ensure that total compensation paid to all NEOs is fair, reasonable, and consistent with the Corporation's compensation philosophy.

From time to time the Governance, Nomination and Compensation Committee will make, and the Board reviews and may approve, recommendations regarding compensation to executive officers and directors. A combination of fixed and variable compensation is used to motivate executive officers to achieve overall corporate goals. The two basic components of the Corporation's executive officer compensation program are:

- base salary;
- annual incentive (bonus) payments; and
- option-based compensation.

Base salaries are paid in cash, and constitute the fixed portion of the total compensation paid to executive officers. Annual incentives comprise the remainder, and represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and, (ii) market performance of the Common Shares. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Board will consider each performance target and the Corporation’s performance and assigns compensation based on this assessment and the recommendations of the Governance, Nomination and Compensation Committee.

### ***Base Salary***

The Governance, Nomination and Compensation Committee and the Board will approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation may consider comparative data for the Corporation’s peer group, which are accumulated from a number of external sources including independent consultants. The Corporation’s policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

### ***Annual Incentive (Cash Bonus) Payments***

Cash annual incentive awards are based on various personal and company-wide achievements. Performance goals for annual incentive payments are subjective and include achieving individual and corporate targets and objectives, as well as general performance in day-to-day corporate activities.

The Board approves target annual incentive amounts for each NEO at the beginning of each financial year. The Governance, Nomination and Compensation Committee determines target amounts based on a number of factors, including comparable compensation of similar companies. Funding of the annual incentive awards is capped at the Corporation level and the distribution of funds to the executive officers will be at the discretion of the Governance, Nomination and Compensation Committee. Each NEO may receive partial or full payment of the target annual incentive amount set by the Governance, Nomination and Compensation Committee at the beginning of each financial year, depending on the number of the predetermined targets met, and the assessment of such NEO’s overall performance by the Governance, Nomination and Compensation Committee and the Board.

In order to develop a recommendation to the Board regarding annual incentive payments, the Governance, Nomination and Compensation Committee assesses NEO performance subjectively, considering each NEO’s respective success in achieving his or her individual objectives, contributions to the achievement of the Corporation’s goals, and contributions to meeting the needs of the Corporation that arise on a day-to-day basis. If the Governance, Nomination and Compensation Committee cannot unanimously agree on a recommendation in respect of an NEO’s annual incentive payment, the matter is referred to the full Board for decision.

The Board relies heavily on the recommendations of the Governance, Nomination and Compensation Committee in granting annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Governance, Nomination and Compensation Committee that it deems appropriate.

### ***Option-Based Compensation***

Options may be granted to directors, management, employees and certain service providers as long-term incentives to align the individual’s interests with those of the Corporation. Options are awarded to directors and employees, including NEOs, at the Board’s discretion, on the recommendation of the Governance, Nomination and Compensation Committee. Decisions with respect to options granted are based upon the individual’s level of responsibility and their contribution towards the Corporation’s goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Governance, Nomination and Compensation Committee considers outstanding options granted under the incentive stock option plan and held by management in determining whether to make any new grants of options, and the quantum or terms of any options grant.

## Stock Option Plan

The Corporation currently maintains the existing Old Plan to grant options (“**Options**”) to purchase Common Shares of the Corporation. The Old Plan was last approved by Shareholders on September 16, 2019. The Old Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Old Plan provides for a fixed limit of 20% of the outstanding Common Shares as at June 20, 2019, being 11,414,975 Common Shares available for issuance under the SOP.

The purpose of the Old Plan is also to advance the interests of the Corporation through the motivation, attraction and retention of senior executives, directors, employees (including prospective employees) and consultants of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in ownership of common shares by senior executives’ directors, employees and consultants of the Corporation. The Board believes that share based awards provide an effective tool for the Corporation to enable it to attract and retain key personnel in the face of competition from larger companies.

The Board may determine and impose terms upon which each stock option shall become vested in respect of Common Shares issuable pursuant to the stock options. Options granted to any one person may not exceed 5% of the Common Shares outstanding. Options granted to all technical consultants may not exceed 2% of the Corporation’s issued and outstanding Common Shares.

The other material terms of the Old Plan are as follows:

- The exercise price of any Option shall not be less than the market value of the Common Shares as of the date of the grant, less the allowable discount by the TSXV.
- The expiry date of any Option shall be the date so fixed by the Board on the date of the grant, provided such expiry date shall be no later than the fifth anniversary of the date of the grant.
- Options expire no more than one year after the date the optionee ceases to be an employee, director or officer of the Corporation. Options may be exercised by the optionee’s legal representative during said year.
- The Old Plan provides that the Board has the discretion to deem that an option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Corporation.
- Options may not be assigned or transferred.

Outstanding Options to purchase a total of 10,867,100 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Old Plan is 547,875.

The LTIP is a rolling incentive plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The purpose of the LTIP is to advance the interests of the Corporation by (i) providing certain employees, officers, directors, or consultants of the Corporation (collectively, the “**Award Holders**”) with additional performance incentive; (ii) encouraging Common Share ownership by the Award Holders; (iii) increasing the proprietary interest of the Award Holders in the success of the Corporation; (iv) encouraging the Award Holders to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

The following information is intended to be a brief description and summary of the material features of the LTIP:

- a) The aggregate maximum number of Common Shares available for issuance from treasury under the LTIP and all of the Corporation’s other security-based compensation arrangements at any given time is 10% of the outstanding Common Shares as at the date of grant of an option under the LTIP, subject to adjustment or increase of such number pursuant to the terms of the LTIP. Any Common Shares subject to an award (“**Award**”) of options or RSUs which has been granted under the LTIP and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the LTIP without having been exercised will again be available under the LTIP.
- b) Each RSU entitles the holder to receive one Common Share.

- c) The exercise price of an option shall be determined by the Board at the time each option is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the Exchange (as such term is defined in the LTIP), the last closing price of the Common Shares on the Exchange; or (ii) if the Common Shares are not listed on the Exchange, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.
- d) The aggregate number of Common Shares reserved for issuance pursuant to awards granted to insiders of the Corporation at any given time, or within a 12-month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to awards granted to any one person or entity within any twelve-month period shall not exceed 5% of the total number of Common Shares then outstanding unless disinterested shareholder approval is obtained.
- e) Directors, officers, consultants and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries are eligible to participate in the LTIP. Subject to compliance with requirements of the applicable regulators, Awards Holders may elect to hold Awards granted to them in an incorporated entity wholly owned by them and such entity is bound by the LTIP in the same manner as if the Awards were held by the Award Holder.
- f) Award and all rights thereunder shall expire on the date set out in the Award agreement, provided that in no circumstances shall the duration of an Award exceed the maximum term permitted by the applicable regulators.
- g) If any Awards expire during a period when trading of the Corporation's securities by certain persons as designated by the Corporation is prohibited or within 10 business days after the end of such a period, the term of those Awards will be extended to 10 business days after the end of the prohibited trading period, unless such extension is prohibited by any applicable law or the policies of the applicable regulators.
- h) The Board may determine when any Award will become exercisable and may determine that the Award will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule. However, unless the Board determines otherwise, Awards issued pursuant to the LTIP are generally subject to a vesting schedule as follows: (i) 1/3 upon the date of grant; (ii) 1/3 upon the first anniversary of the date of grant; and (iii) 1/3 upon the second anniversary of the date of grant.
- i) In the event an Award Holder ceases to be eligible for the grant of Awards under the LTIP, Awards previously granted to such person will cease to be exercisable within a period of 90 days after the date such person ceases to be eligible under the LTIP, or such longer or shorter period as determined by the Board, provided that no Award shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such Award; and (ii) 12 months following the date such person ceases to be eligible under the LTIP.
- j) If an Award Holder ceases to be a director, officer, consultant or employee of the Corporation, or its subsidiaries, or ceases to be a management company employee, for any reason (other than death), such Award Holder may exercise their Award to the extent that the Award Holder was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Award Holder ceases to be a director, officer, consultant or employee, or a management company employee.
- k) In the event of death of an Award Holder, the Award previously granted shall be exercisable only within 12 months after such death and only if and to the extent that such Award Holder was entitled to exercise the Award at the date of death.
- l) The LTIP has been adopted by the Board subject to the approval of the applicable regulators and, if so approved, subject to the discretion of the Board, the LTIP will become effective upon approval at the next general meeting of the shareholders of the Corporation.

In the event of a Change of Control (as defined in the LTIP), all Awards outstanding shall be immediately exercisable.



The TSXV policies relating to security-based compensation arrangements require that a majority of Shareholders must approve all unallocated Awards every year after the institution of any security-based compensation arrangement that does not have a fixed maximum aggregate of issuable securities. Accordingly, Shareholders will be asked at the Meeting to approve the unallocated Awards for the upcoming year.

The full text of the LTIP is attached hereto as Schedule “D”.

## EXECUTIVE COMPENSATION

### Director and NEO Compensation, Excluding Compensation Securities

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the fiscal year ended December 31, 2020. Some of such directors and officers received compensation from Backbone Hosting Solutions Inc. (“**Backbone**”) and Bitfarms Ltd., a company incorporated under the laws of the State of Israel (“**Bitfarms Israel**”), subsidiaries of the Corporation, for acting in such capacities for the financial years ended December 31, 2020, 2019 and 2018.

Table of compensation excluding compensation securities

<b>Name and Principal Position</b>	<b>Fiscal period</b>		<b>Salary, consulting fee, retainer or commission (\$) (6)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$) (5)</b>	<b>Value of perquisites (\$)</b>	<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>
Wes Fulford(1),(15) <i>Former CEO and Former Director</i>	2020	US\$	50,489	nil	nil	US\$ 2,250	US\$ 180,431	US\$ 233,170
	2019	US\$	220,000	nil	nil	US\$ 9,000	nil	US\$ 229,000
	2018	US\$	180,219	nil	nil	US\$ 7,355	nil	US\$ 187,574
John Rim(2) <i>Former CFO</i>	2020	US\$	213,588	nil	nil	nil	nil	US\$ 213,588
	2019	US\$	175,000	nil	nil	nil	nil	US\$ 175,000
	2018	US\$	97,329	nil	nil	nil	nil	US\$ 97,329
Ryan Hornby <i>Former Executive Vice President and General Counsel</i>	2020	US\$	92,807	nil	nil	nil	US\$ 74,626	US\$ 167,433
	2019	US\$	106,500	nil	nil	nil	nil	US\$ 106,500
Emiliano Joel Grodzki(3) <i>CEO, Director and Chief Strategy Officer</i>	2020	US\$	189,500	nil	nil	nil	nil	US\$ 189,500
	2019	US\$	170,000	nil	nil	US\$ 4,800	nil	US\$ 174,800
	2018	US\$	200,000	nil	nil	US\$ 4,800	nil	US\$ 204,800
Mauro Ferrara(4) <i>Interim Chief Financial Officer and Corporate Secretary</i>	2020	US\$	31,850	nil	nil	nil	nil	US\$ 31,850
	2019		nil	nil	nil	nil	nil	nil
	2018		nil	nil	nil	nil	nil	nil
Nicolas Bonta(7) <i>Executive</i>	2020	US\$	189,500	nil	nil	nil	nil	US\$ 189,500
	2019	US\$	170,000	nil	nil	US\$ 4,800	nil	US\$ 174,800

**Table of compensation excluding compensation securities**

<b>Name and Principal Position</b>	<b>Fiscal period</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>		<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)<sup>(5)</sup></b>	<b>Value of perquisites (\$)</b>		<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>	
<i>Chairman and Chief Development Officer</i>	2018	US\$	200,000	nil	nil	US\$	4,800	nil	US\$	204,800
Geoffrey Morphy <sup>(8)</sup> <i>President</i>	2020	US\$	62,393	nil	nil	US\$	8,721	nil	US\$	71,114
	2019		nil	nil	nil		nil	nil		nil
	2018		nil	nil	nil		nil	nil		nil
Mathieu Vachon <sup>(9)</sup> <i>Former Chief Information Officer and Former Director</i>	2020	US\$	172,106	nil	nil	US\$	4,759	nil	\$	176,865
	2019		nil	nil	nil		nil	nil		nil
	2018		nil	nil	nil		nil	nil		nil
Sophie Galper-Komet <sup>(10),(15)</sup> <i>Former Independent Director</i>	2020	US\$	20,965	nil	nil		nil	nil	US\$	20,965
	2019	US\$	22,500	nil	nil		nil	nil	US\$	22,500
	2018		nil	nil	nil		nil	nil		nil
Pierre Seccareccia <sup>(11)</sup> <i>Independent Director</i>	2020	US\$	30,749	nil	nil		nil	nil	US\$	30,749
	2019	US\$	20,000	nil	nil		nil	nil	US\$	20,000
	2018		nil	nil	nil		nil	nil		nil
Wendi Locke <sup>(12),(16)</sup> <i>Former Independent Director</i>	2020	US\$	18,635	nil	nil		nil	nil	US\$	18,635
	2019	US\$	20,000	nil	nil		nil	nil	US\$	20,000
	2018		nil	nil	nil		nil	nil		nil
Brian Howlett <sup>(13)</sup> <i>Lead Director</i>	2020	US\$	14,909	nil	nil		nil	nil	US\$	14,909
	2019		nil	nil	nil		nil	nil		nil
	2018		nil	nil	nil		nil	nil		nil
Andres Finkielstain <sup>(14)</sup> <i>Independent Director</i>	2020	US\$	4,994	nil	nil		nil	nil	US\$	4,994
	2019		nil	nil	nil		nil	nil		nil
	2018		nil	nil	nil		nil	nil		nil

**Notes**

- (1) Wes Fulford became CEO of the Corporation on October 11, 2018. Pursuant to his employment agreement, Mr. Fulford earned an annual base salary of US\$220,000 and was entitled to a monthly car allowance of US\$750. On March 13, 2020, Wes Fulford resigned as CEO and as a Director of the Corporation, Backbone and Bitfarms Israel. In connection with his resignation, the Corporation agreed to issue to Mr. Fulford 500,000 Common Shares in consideration for past services.
- (2) John Rim became CFO of Backbone on May 22, 2018, CFO of Bitfarms Israel on August 1, 2018 and CFO of the Corporation on October 11, 2018. Pursuant to his employment agreement, Mr. Rim earns an annual base salary of US\$175,000. Mr. Rim is not a party to an employment or consulting agreement with Bitfarms Israel. On August 28, 2019, Mr. Rim resigned as the secretary of the Corporation. On September 30, 2020, Mr. Rim resigned as Chief Operating Officer and Chief Financial Officer of the Corporation.
- (3) Emiliano Joel Grodzki became a Director of Backbone on June 13, 2017 and on April 12, 2018 became a Director of Bitfarms Israel and Chief Strategy Officer of Backbone. On October 11, 2018, he became a Director and Chief Strategy Officer of the Corporation. On March 13, 2020, Mr. Grodzki became the interim CEO of the Corporation. On December 29, 2020, Mr. Grodzki became the Chief Executive Officer of the Corporation on a permanent basis.
- (4) Mauro Ferrara became the Interim Chief Financial Officer and Corporate Secretary of the Corporation on September 30, 2020.
- (5) Monthly car allowance of US\$400.

- (6) Independent directors received an annual cash stipend of \$30,000, with an additional \$10,000 for serving as a chair of a board committee and an extra \$5,000 for serving as a non-chair member of a board committee during 2020.
- (7) Nicolas Bonta became Chairman of the Corporation on October 11, 2018 and became Executive Chairman on December 29, 2020. In June 2020, Mr. Bonta assumed the role of Chief Development Officer of Bitfarms.
- (8) Geoffrey Morphy became a director of the Corporation on May 19, 2020. On August 31, 2020, Mr. Morphy resigned as a Director of the Corporation and became Executive Vice-President – Finance, Administration & Corporate Development of the Corporation. On December 29, 2020, Mr. Morphy became the President of the Corporation.
- (9) On Oct 17, 2019, Mathieu Vachon became the Executive Vice President – Technology & Operations of the Corporation. On June 29, 2020, he became a Director of the Corporation. On December 29, 2020, Mr. Vachon became the Chief Information Officer of the Corporation. On January 13, 2021, Mr. Vachon resigned as the Chief Information Officer and a Director of the Corporation.
- (10) Sophia Galper-Komet became a Director of Director of the Corporation on February 1, 2019 and resigned on May 15, 2020.
- (11) Pierre Seccareccia became a Director of the Corporation on June 12, 2019.
- (12) Wendi Locke became a Director of the Corporation on June 13, 2018 and resigned on May 15, 2020.
- (13) Brian Howlett became a Director of the Corporation on April 17, 2020. On December 29, 2020, Mr. Howlett became the Lead Director of the Corporation.
- (14) Andres Finkielstain became a Director of the Corporation on August 31, 2020.
- (15) Not standing for re-election to the board of Directors.

## Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Corporation for the financial year ended December 31, 2020.

Name and Position	Number of securities underlying unexercised options and percentage of class <sup>(1)</sup>		Date of issue or grant	Option Exercise Price (\$)	Closing price of underlying security on date of grant (\$)		Closing price of underlying security at year end (\$)	Option Expiration Date
Wes Fulford	1,200,000	10.51%	June 20, 2019	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.50	July 31, 2022 <sup>(2)</sup>
Former CEO	1,082,996	9.49%	June 20, 2019	\$ 1.19	\$ 0.99	\$ 0.99	\$ 0.50	July 31, 2022 <sup>(2)</sup>
John Rim	750,000	6.57%	June 20, 2019	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.50	June 20, 2024
Former CFO	128,120	1.12%	June 20, 2019	\$ 1.19	\$ 0.99	\$ 0.99	\$ 0.50	June 20, 2024
	121,880	1.07%	August 12, 2019	\$ 1.25	\$ 0.99	\$ 0.99	\$ 0.50	August 12, 2024
	602,000	5.27%	June 28, 2020 <sup>(3)</sup>	\$ 0.36	\$ 0.36	\$ 2.50	\$ 2.50	June 28, 2025
Emiliano Grodzki								
CEO, Director and Chief Strategy Officer	154,900	1.36%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Nicolas Bonta								
Executive Chairman and Chief Development Officer	154,900	1.36%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Geoffrey Morphy	200,000	1.75%	June 28, 2020	\$ 0.36	\$ 0.36	\$ 2.50	\$ 2.50	June 28, 2025
President	1,000,000	8.76%	August 31, 2020	\$ 0.43	\$ 0.43	\$ 2.50	\$ 2.50	August 31, 2025
	154,900	1.36%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Mathieu Vachon								
Former Chief Information Officer and Former Director	154,900 <sup>(4)</sup>	1.36%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Sophie Galper-Komet								
Former Independent Director	18,750 <sup>(4)</sup>	0.16%	June 20, 2019	\$ 0.99	\$ 0.99	\$ 0.50	\$ 0.50	August 15, 2020
Pierre Seccareccia	75,000	0.66%	June 20, 2019	\$ 0.99	\$ 0.99	\$ 0.50	\$ 0.50	June 20, 2024
Independent Director	200,000	1.75%	June 28, 2020	\$ 0.36	\$ 0.36	\$ 2.50	\$ 2.50	June 28, 2025
	50,000	0.44%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Wendi Locke								
Former Independent Director	18,750 <sup>(4)</sup>	0.16%	June 20, 2019	\$ 0.99	\$ 0.99	\$ 0.50	\$ 0.50	August 15, 2020
Brian Howlett	200,000	1.75%	June 28, 2020	\$ 0.36	\$ 0.36	\$ 2.50	\$ 2.50	June 28, 2025
Independent Director	50,000	0.44%	December 22, 2020	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025
Andres Finkielsztain	200,000	1.31%	August 31, 2020	\$ 0.43	\$ 0.43	\$ 2.50	\$ 2.50	August 31, 2025
Independent Director	50,000	0.44%	22-Dec-20	\$ 1.76	\$ 1.76	\$ 2.50	\$ 2.50	December 22, 2025

### Notes:

- (1) Issued to Mr. Fulford on March 7, 2018 in accordance with the terms of his original employment agreement with Backbone, the terms of which were amended on June 20, 2019.
- (2) On March 11, 2020, Wes Fulford resigned as CEO and as a Director of the Corporation, Backbone and Bitfarms Israel. In connection with his resignation, the Corporation agreed to maintain Mr. Fulford as a consultant until July 31, 2021. All vested Options expire 1 year after the termination of the consulting agreement.
- (3) 100,000 stock rights were issued to Mr. Rim on May 22, 2018 in accordance with the terms of his original employment agreement with Backbone, the terms of which were amended on June 20, 2019.
- (4) Directors resigned May 15, 2020. All unvested Options were forfeited and vested Options expire 3 months from the resignation date.

## Exercise of Stock Options by NEOs and Directors

The following table sets forth information concerning the exercise of options by NEOs and directors during the fiscal year ended December 31, 2020.

Name and Position	Number of underlying securities exercised (#)	Exercise Price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Wes Fulford <sup>(1)</sup> <i>Former CEO</i>	300,000 270,748 146,256	0.99 1.19 1.25	December 28 2021	2.55	1.56 1.36 1.30	\$ 468,000 \$ 368,217 \$ 190,133
John Rim <sup>(2)</sup> <i>Former CFO</i>	220,000 440,000 338,000 500,000	\$ 0.36 \$ 0.36 \$ 0.36 \$ 0.99	November 30, 2020 December 17, 2020 December 30, 2020 December 31, 2020	\$ 0.81 \$ 1.39 \$ 2.66 \$ 2.50	\$ 0.45 \$ 1.03 \$ 2.30 \$ 1.51	\$ 99,000 \$ 453,200 \$ 777,400 \$ 755,000
Ryan Hornby <i>Former Executive Vice- President and General Counsel</i>	70,000 70,000 35,000	0.99	December 21, 2020 December 22, 2020 December 30, 2020	\$ 1.76 \$ 2.93 \$ 2.66	\$ 0.77 \$ 1.94 \$ 1.67	\$ 53,900 \$ 135,800 \$ 58,450
Emiliano Joel Grodzki <i>CEO, Director and Chief Strategy Officer</i>	nil	N/A	N/A	N/A	N/A	N/A
Mauro Ferrara <i>Interim Chief Financial Officer and Corporate Secretary</i>	nil	N/A	N/A	N/A	N/A	N/A

Name and Position	Number of underlying securities exercised (#)	Exercise Price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Nicolas Bonta <i>Executive Chairman and Chief Development Officer</i>	nil	N/A	N/A	N/A	N/A	N/A
Geoffrey Morphy						
<i>President</i>	nil	N/A	N/A	N/A	N/A	N/A
Mathieu Vachon						
<i>Former Chief Information Officer and Former Director</i>	nil	N/A	N/A	N/A	N/A	N/A
Sophie Galper-Komet <sup>(1)</sup>						
<i>Former Independent Director</i>	nil	N/A	N/A	N/A	N/A	N/A
Pierre Seccareccia						
<i>Independent Director</i>	nil	N/A	N/A	N/A	N/A	N/A
Wendi Locke <sup>(3)</sup>						
<i>Former Independent Director</i>	nil	N/A	N/A	N/A	N/A	N/A
Brian Howlett						
<i>Lead Director</i>	nil	N/A	N/A	N/A	N/A	N/A
Andres Finkielstain						
<i>Independent Director</i>	50,000	\$ 0.43	December 1, 2021	\$ 0.78	\$ 0.35	\$ 17,500

Note:

- (1) On March 13, 2020, Mr. Fulford resigned as CEO and as a Director of the Corporation  
(2) On September 30, 2020, Mr. Rim resigned as Chief Operating Officer and Chief Financial Officer of the Corporation.  
(3) Ms. Locke resigned from the Board effective May 15, 2020.

**Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth information in respect of the Corporation's equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at December 31, 2020:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders <sup>(1)</sup>	8,100,221	\$ 0.72 <sup>(2)</sup>	300,375
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>8,100,221</b>	<b>\$ 0.72<sup>(2)</sup></b>	<b>300,375</b>

Notes:

- (1) The Corporation's SOP is a fixed stock option plan, last approved by the Shareholders at a meeting on September 16, 2019, pursuant to which a fixed maximum of 11,414,975 Common Shares may be reserved for issuance.

## **Employment, Consulting, and Management Agreements**

### ***Wes Fulford***

On March 11, 2020, in connection with the resignation of Mr. Fulford, the Corporation entered into a consulting agreement with Wes Fulford, pursuant to which Mr. Fulford is retained as a consultant, The Corporation shall pay to Mr. Fulford a consulting fee and Mr. Fulford shall retain his granted and vested Options.

### ***John Rim***

On May 22, 2018 and as amended on February 19, 2020, March 15, 2019, June 10, 2019 and May 26, 2020, Backbone entered into an employment agreement with John Rim, pursuant to which Mr. Rim is employed as CFO of Backbone and the Corporation, in consideration of an annual base salary of US\$175,000 on a full-time basis. Mr. Rim also entered into a non-competition and non-disclosure agreement with Backbone. On September 30, 2020, Mr. Rim resigned as Chief Financial Officer of the Corporation. On March 11, 2020, in connection with the resignation of Mr. Rim, the Corporation entered into a consulting agreement with Mr. Rim, pursuant to which Mr. Rim is retained as a consultant, The Corporation shall pay to Mr. Rim a consulting fee and Mr. Rim shall retain his granted and vested Options, other than the 1,000,000 options that were forfeited.

### ***Emiliano Joel Grodzki***

On April 12, 2018 and as amended on March 15, 2019, May 24, 2018, June 10, 2019 and May 26, 2020, Backbone entered into a consulting services agreement with Emiliano Grodzki, pursuant to which Mr. Grodzki is retained as Chief Strategy Officer of Backbone and of the Corporation, in consideration of annual consulting fee of US\$220,000. Mr. Grodzki's duties and responsibilities include the overall vision and mission of Backbone and participation as a member of the executive management team. He will focus on effective growth, oversee implementation of the strategic plan in close coordination with Backbone's board of directors, build new partnerships to grow and sustain the organization and, manage special pilot projects. Mr. Grodzki shall devote 75% of his time to this position. Backbone may terminate Mr. Grodzki's consulting services agreement without cause, in which case Mr. Grodzki will be owed an amount equivalent to 12-months of consulting fees following his termination. This same amount will be payable upon the termination of the consulting services agreement within twelve months of a Change of Control. Mr. Grodzki has entered into a non-competition and non-disclosure agreement with Backbone.

### ***Nicolas Bonta***

On April 12, 2018 and as amended on May 24, 2018, June 10, 2019 and May 26, 2020, Backbone entered into a consulting services agreement with Nicolas Bonta, pursuant to which Mr. Bonta is retained as a consultant, in consideration of annual consulting fee of US\$220,000. Mr. Bonta's duties and responsibilities include: acting as Chairman of the Board of Backbone and of the Corporation, undertaking investor relations initiatives and programs to broaden investor awareness and, developing recommendations to refine Backbone's corporate development strategy. It is expected that Mr. Bonta shall devote 75% of his time to this position. Backbone may terminate Mr. Bonta's consulting services agreement without cause, in which case Mr. Bonta will be owed an amount equivalent to 12-months of consulting fees following his termination. This same amount will be payable upon the termination of the consulting services agreement within twelve months of a Change of Control. Mr. Bonta has entered into a non-competition and non-disclosure agreement with Backbone.

### ***Ryan Hornby***

On April 15, 2019 and as amended on June 10, 2019, Backbone entered into an employment agreement with Ryan Hornby, pursuant to which Mr. Hornby is employed as General Counsel and Executive Vice President of Backbone and the Corporation, in consideration of an annual base salary of \$200,000 on a full-time basis. Mr. Hornby also entered into a non-competition and non-disclosure agreement with Backbone. Ryan Hornby resigned as Executive Vice President and General Counsel of the Corporation on June 1, 2020.

### ***Mathieu Vachon***

On April 12, 2018 and as amended on May 24, 2018, March 15, 2019, June 10, 2019 and May 26, 2020, Backbone entered into an employment agreement with Mathieu Vachon, pursuant to which Mr. Vachon was employed as Director of Software Engineering of Backbone, in consideration of an annual base salary of US\$170,000 on a full-time basis. On October 18, 2019, Mr. Vachon became Executive Vice President, Technology and Operations of Backbone and the Corporation, and his relationship with Backbone continues to be governed by the employment agreement. Mr. Vachon also entered into a non-competition and non-disclosure agreement with Backbone. On January 13, 2021, Mr. Vachon resigned as the Chief Information Officer of the Corporation.

### ***Geoffrey Morphy***

On August 26, 2020, the Corporation entered into an employment agreement with Geoffrey Morphy, pursuant to which Mr. Morphy was employed as Executive Vice-President – Finance, Administration & Corporate Development in consideration of an annual base salary of US\$220,000 on a full-time basis. On December 29, 2020, Mr. Morphy became the President of the Corporation, and his relationship with the Corporation continues to be governed by the employment agreement. Mr. Morphy's duties and responsibilities include developing and refining the Corporation's shareholder relations, capital market strategy and corporate development strategy to create accretive growth and maximize shareholder value, as well as having oversight of the Corporation's finance and administrative groups. The Corporation may terminate the employment without cause at any time, provided that the Corporation pay Mr. Morphy fourteen (14) months' payment in lieu of notice of termination for the first year of service and, thereafter, one (1) month of notice plus one (1) month of payment in lieu of notice per six-months of service up to a maximum payment in lieu of notice period of twenty-four (24) months. Double (i.e. two times) such amount will be payable upon the termination of the employment agreement within twelve months of a Change of Control. Mr. Morphy has entered into a non-competition and non-disclosure agreement with the Corporation.

### ***Mauro Ferrara***

On October 28, 2020, the Corporation entered into a consulting agreement with Mauro Ferrara, pursuant to which Mr. Ferrara is employed to provide accounting, financial and administrative services as interim Chief Financial Officer and interim Corporate Secretary of the Corporation, in consideration of an annual base salary of \$240,000 on a full-time basis. The Corporation may terminate the employment without cause upon thirty days' notice or for just cause at any time without payment of any amount whatever to Mr. Ferrara (other than accrued and unpaid consulting fees, if any).

### **Pension Plan Benefits, Termination and Change of Control Benefits**

The Corporation has no pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. Other than as may be provided pursuant to the employment or consulting agreements with Mr. Grodzki, Mr. Bonta, Mr. Morphy and Mr. Ferrara, each as described herein, the Corporation is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person.

### **Compensation Risk Considerations**

The Governance, Nomination and Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Corporation, as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

Base salaries are fixed in amount and do not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Corporation's annual incentive award program will represent a small percentage of employees' compensation opportunities.



Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the price of the Common Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

### Compensation of Directors

Pursuant to its Articles, the Corporation may have a minimum of one (1) and a maximum of ten (10) directors. At the date of the Circular, the Corporation has five directors.

The Corporation regularly reviews the competitiveness of non-employee director compensation levels against the competitive marketplace. While the results of that review have generally demonstrated that non-employee director compensation levels at the Corporation were competitive with the market, adjustments to annual fees have been made throughout the Corporation's growth cycle in recent years to further strengthen the Corporation's competitiveness while also reflecting the greater time and commitment required of the roles. In particular, an adjustment was made effective January 1, 2019 to the annual fees for non-employee directors. A summary of the changes in compensation provided to the Corporation's non-employee directors is as follows:

Item	Effective January 1, 2019
Non-Employee Director Annual Cash Stipend	\$ 30,000
Board Committee Chair Fee	\$ 10,000
Board Committee Non-Chair Fee	\$ 5,000

### INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the current or proposed directors or officers of the Corporation, nor any affiliate or associate of the current or proposed directors or officers of the Corporation, is or was indebted to the Corporation (or to another entity which is the subject of a guarantee support agreement, letter of credit, or other similar arrangement or undertaking provided by the Corporation) entered into in connection with a purchase of securities or otherwise per item 10.1 of National Instrument 51-102F5 – *Information Circular*, at any time since its incorporation.

### AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the Corporation's accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements and for directing the auditors' examination of specific areas.

The current members of the Audit Committee are Pierre Seccareccia, Brian Howlett and Andres Finkielsztain. No member of the Audit Committee is an executive officer, employee, or control person of the Corporation or any of its affiliates and all are considered "independent" directors as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Each member of the Audit Committee is considered to be "financially literate" within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Corporation's financial statements. The full text of the charter of the Audit Committee (the "**Audit Committee Charter**") is attached as Schedule "A". A copy of the Audit Committee Charter is also available on the Corporation's website at [www.bitfarms.com](http://www.bitfarms.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Relevant Education and Experience

The relevant education and experience of each of the members of the Audit Committee is as follows:

Name of Member	Education	Experience
Pierre Seccareccia <sup>(1)</sup>	Accounting degree from École des hautes études commerciales de Montréal (1969). Fellow of the Ordre des comptables professionnels agréés du Québec (1970).	Mr. Seccareccia has extensive experience in financial consulting and management. A Partner of the Coopers & Lybrand accounting firm from 1976 to 1998, he acted as Managing Partner for its Montreal south shore office from 1987 to 1989, for its Montreal central office from 1992 to 1996, and for its offices in the Province of Quebec from 1996 to 1998. Following the merger in 1998 of Coopers & Lybrand with Price Waterhouse, he acted as Managing Partner for the Montreal office of PricewaterhouseCoopers LLP from 1998 to 2001. Since 2003, Mr. Seccareccia has acted as a full-time independent corporate director for various public and private entities.
Brian Howlett	Bachelor of Commerce from Concordia University (1982).  CMA designation (1989).	Brian Howlett serves as the Lead Director of the Corporation. Mr. Howlett is a seasoned professional with over thirty years of senior management experience. Mr. Howlett is currently the President, Chief Executive Officer and Director of Hemlo Explorers Inc. and Voyageur Mineral Explorers Corp.. Mr. Howlett also serves on the board of Nighthawk Gold Corp. Mr. Howlett recently served as the President, Chief Executive Officer and a Director of Dundee Sustainable Technologies Inc. He also formerly served as the President and Chief Financial Officer of Superior Copper Corporation. Prior to that, Mr. Howlett spent twelve years with ELI Eco Logic Inc., including six years as Chief Financial Officer. Mr. Howlett graduated in 1982 with a B. Comm. in Finance from Concordia University and received his CMA designation in 1989.
Andres Finkielstain	BA in Economics from Bard College (1999).	Andres Finkielstain serves as a Director of the Corporation. Mr. Finkielstain is the Founding Managing Partner of FinkWald LLC, a private investment office specializing in private equity, real estate, media and technology. He is also the co- head of the Special Situations division at Banco Industrial in Argentina, where he analyzes and provides financing solutions to Argentine-based companies and institutions. Mr. Finkielstain previously served as a financial advisor for Soros Brothers Investments, a private investment office founded in 2011 by Alexander and Gregory Soros, and as an analyst for Emerging Markets at Soros Fund Management LLC. Mr. Finkielstain also worked at J.P. Morgan for over 10 years in various capacities within Asset Management, including the role of Global Investment Opportunity and Emerging Markets Specialist. Mr. Finkielstain graduated with a BA in Economics from Bard College where he served as the President of a Latin American organization.

### Notes:

(1) Chair of the Audit Committee.

## Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Pre-Approval Policies and Procedures

The Audit Committee is required to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Corporation.

## External Auditor Service Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation's external auditor during the fiscal years ended December 31, 2020 and December 31, 2019. \

	Year Ended December 31, 2020	Year Ended December 31, 2019
<b>Audit Fees<sup>(1)</sup></b>	\$ 250,000	\$ 240,000
<b>Audit Related Fees<sup>(2)</sup></b>	\$ 60,000	\$ 250,000
<b>Tax Fees<sup>(3)</sup></b>	\$ 15,000	\$ 15,000
<b>All Other Fees<sup>(4)</sup></b>	nil	\$ 80,000
<b>Total</b>	<u>\$ 325,000</u>	<u>\$ 585,000</u>

### Notes:

- (1) Aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements.
- (2) Aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.
- (3) Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.
- (4) Aggregate fees billed for services other than those mentioned above consist primarily of services related to the Corporation's filing of its final prospectus dated June 12, 2019.

## Exemption

Since the Corporation is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is relying on the exemption in section 6.1 of NI 52-110, exempting the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58- 101**") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

### Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The Board is currently comprised of five (5) members, three (3) of whom the Board has determined to be "independent directors" within the meaning of NI 58-101. Pierre Seccareccia, Brian Howlett and Andres Finkielstain are considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the date of incorporation of the Corporation, none of the independent directors have worked for the Corporation, received remuneration from the Corporation or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation. Each of Emiliano Joel Grodzki and Nicolas Bonta is not considered an independent director because of his relationship as an officer of the Corporation and receives a salary in excess of \$150,000.

The Board functions independently of management. To enhance its ability to act independent of management, the Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

A copy of the mandate of the Board is available on the Corporation's website at [www.bitfarms.com](http://www.bitfarms.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Directorships

Certain of the directors and proposed directors of the Corporation are also current directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<b>Name of Director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>	<b>Trading Market</b>
Emiliano Joel Grodzki	N/A	N/A
Nicolas Bonta	N/A	N/A
Brian Howlett	Hemlo Explorers Inc. (formerly Canadian Orebodies Inc.)	TSXV: HMLO
	Nighthawk Gold Corp	TSX: NHK
	Voyageur Mineral Explorers Corp. (formerly Copper Reef Mining Corp.)	CSE: VOY
Pierre Seccareccia	N/A	N/A
Andres Finkielstain	Goldmoney Inc.	TSX

## Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, it is expected that sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) will be provided to all new Board members to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Corporation will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation. The Board's continuing education will also consist of correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

## Ethical Business Conduct

The fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest will ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors and proposed directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the CBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director will be required to declare the nature and extent of his or her interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

A copy of the Corporation's code of business conduct and ethics is available on the Corporation's website at [www.bitfarms.com](http://www.bitfarms.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Board Committees

The Board has two standing committees: the Audit Committee and the Governance, Nomination and Compensation Committee. The members of these committees are in this Circular under the heading "*Audit Committee*" above, and under the heading "*Governance, Nomination and Compensation Committee*" below. The Board has adopted the Audit Committee Charter, which is attached as Schedule "A" to this Circular. A copy of the charter for the Governance, Nomination and Compensation Committee is available on the Corporation's website at [www.bitfarms.com](http://www.bitfarms.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## ***Governance, Nomination and Compensation Committee***

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board encourages all directors to participate in the process of identifying and recruiting new candidates. The Governance, Nomination and Compensation Committee has the responsibility of making recommendations to the Board with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for Board membership, the Corporation will seek to attract and retain directors with business knowledge and a particular expertise in cryptocurrencies and technology or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Corporation. The members of the Governance, Nomination and Compensation Committee are currently Andres Finkielsztain (Chair), Emiliano Grodzki and Pierre Seccareccia. Andres Finkielsztain and Pierre Seccareccia are independent directors within the meaning of NI 58-101.

The Governance, Nomination and Compensation Committee is responsible for assisting the Corporation in determining compensation of senior management of the Corporation as well as reviewing the adequacy and form of the directors' compensation. The Compensation Committee is expected to annually review the goals and objectives of the Corporation's CEO for the upcoming year and to perform an appraisal of the Corporation's CFO's performance for the past year. The Governance, Nomination and Compensation Committee will also administer and make recommendations regarding the operation of the Corporation's incentive plans.

The Governance, Nomination and Compensation Committee reviews, on an annual basis, the adequacy and form of compensation of directors and officers and will ensure that the levels of compensation of the Board reflect the responsibilities, time commitment and risks involved in being an effective director.

## ***Audit Committee***

The Corporation has established an Audit Committee comprised of directors who are not executive officers, employees or control persons of the Corporation or any of its affiliates, and who are considered to be financially literate in accordance with applicable securities laws. The Audit Committee Charter is attached as Schedule "A" to this Circular. See "*Audit Committee*". A copy of the Audit Committee Charter is also available on the Corporation's website at [www.bitfarms.com](http://www.bitfarms.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## ***Other Board Committees***

The Board has no committees other than the Audit Committee and the Governance, Nomination and Compensation Committee. The Board may establish additional committees depending on the needs of the Corporation.

## **Assessments**

The Board will consider the Board and committee performance from time to time, as required.

## **Diversity**

The Corporation has neither adopted term limits for the directors on its Board nor adopted any particular mechanisms of board renewal due to the fact that the Corporation is in its early developmental and growth stage. Consequently, the Corporation views the imposition of term limits or other board renewal mechanisms as disruptive to the development and success of the Corporation.

To date, the Corporation has not adopted a formal written diversity policy and has not established targets with respect to the appointment of individuals to the Board or senior management who are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada) (collectively, "**Designated Groups**"). The Corporation and its Governance, Nomination and Compensation Committee recognize the benefits of diversity within its Board, at the executive level, and at all levels of the organization, but does not believe that a formal policy would enhance the representation of Designated Groups on the board beyond the recruitment and selection process at its present stage in its business cycle. Diversity is one of several factors that the Corporation and its Governance, Nomination and Compensation Committee consider during the recruitment and selection process.

As of the date of this Circular, the Corporation has a total of five (5) directors and five (5) members of senior management. No directors are members of a Designated Group (0%) and no members of senior management are a member of a Designated Group (0%).

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Corporation, since the Corporation's incorporation, no director, executive officer or Shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates or such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Corporation.

#### **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation.

#### **ADDITIONAL INFORMATION**

The Corporation will provide to any Shareholder, upon written request to the Chief Financial Officer of the Corporation at 18 King Street East, Suite 902, Toronto, ON M5C 1C4, telephone: (514) 691-6228, a copy of:

- (a) the audited financial statements of the Corporation for its most recently completed financial period, together with the management's discussion and analysis of such financial results and the auditor's report thereon, and one copy of any interim financial statements subsequent to the financial statements of the Corporation that have been filed for any period after the end of its most recently completed financial period; and
- (b) this Circular.

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation may be found in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial period.

#### **APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

**DATED** this 28<sup>th</sup> day of April, 2021.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) "Nicolas Bonta"*

Nicolas Bonta  
Chairman of the Board of Directors

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

**BITFARMS LTD.**  
**AUDIT COMMITTEE CHARTER**

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Bitfarms Ltd. (“**Bitfarms Canada**” or the “**Company**”).

**1.0 Mandate**

The Committee shall:

- (a) assist the Board in its oversight role with respect to the quality and integrity of the financial information;
- (b) assess the effectiveness of the Company’s risk management and compliance practices;
- (c) assess the independent auditor’s performance, qualifications and independence;
- (d) assess the performance of the Company’s internal audit function;
- (e) ensure the Company’s compliance with legal and regulatory requirements; and
- (f) prepare such reports of the Committee required to be included in any Management Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

**2.0 Composition and Membership**

The committee shall be composed of not less than three members, each of whom shall be a director of the Company. A majority of the members of the Committee shall not be an officer or employee of the Company. All members shall satisfy the applicable independence and experience requirements of the laws governing the Company, the applicable stock exchanges on which the Company’s securities are listed and applicable securities regulatory authorities.

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

Members of the Committee shall be appointed or reappointed at the annual meeting of the Company and in the normal course of business will serve a minimum of three years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board of Directors may fill a vacancy that occurs in the Committee at any time.

The Board of Directors or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the annual meeting of the Company a Chair among their number. The Chair shall not be a former Officer of the Company. Such Chair shall serve as a liaison between members and senior management.



The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members therefore provided that:

- (a) a quorum for meetings shall be at least three members;
- (b) the Committee shall meet at least quarterly;
- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours in advance of such meeting;
- (d) a resolution in writing signed by all directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

The Committee shall report to the Board of Directors on its activities after each of its meetings. The Committee shall review and assess the adequacy of this Charter annually and, where necessary, will recommend changes to the Board of Directors for its approval. The Committee shall undertake and review with the Board of Directors an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board of Directors may take the form of an oral report by the chairperson of the Committee or any other designated member of the Committee.

#### **4.0 Duties and Responsibilities**

##### ***4.1 Oversight of the Independent Auditor***

- (a) Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between Management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
- (b) Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- (c) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- (d) Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company.

- (e) Review and discuss with Management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- (g) Review as necessary policies for the Company's hiring of partners, employees or former partners and employees of the independent auditor.

#### **4.2 Financial Reporting**

- (a) Review and discuss with Management and the independent auditor the annual audited financial statements prior to the publication of earnings.
- (b) Review and discuss with Management the Company's annual and quarterly disclosures made in Management's Discussion and Analysis. The Committee shall approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation.
- (c) Review and discuss with Management and the independent auditor management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on management's assessment.
- (d) Review and discuss with Management the Company's quarterly financial statements prior to the publication of earnings.
- (e) Review and discuss with Management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- (f) Review and discuss with Management and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and Management, such as any management letter or schedule of unadjusted differences.
- (g) Discuss with the independent auditor at least annually any "Management" or "internal control" letters issued or proposed to be issued by the independent auditor to the Company.

- (h) Review and discuss with Management and the independent auditor at least annually any significant changes to the Company's accounting principles and practices suggested by the independent auditor, internal audit personnel or Management.
- (i) Discuss with Management the Company's earnings press releases, including the use of "*pro forma*" or "adjusted" non-GAAP information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (j) Review and discuss with Management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- (k) Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- (l) Review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving Management or other employees who have a significant role in the Company's internal controls.
- (m) Discuss with the Company's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Company or any of its subsidiaries from regulators or governmental agencies.

#### **4.3 Oversight of Risk Management**

- (a) Review and approve periodically Management's risk philosophy and risk management policies.
- (b) Review with Management at least annually reports demonstrating compliance with risk management policies.
- (c) Review with Management the quality and competence of Management appointed to administer risk management policies.
- (d) Review reports from the independent auditor at least annually relating to the adequacy of the Company's risk management practices together with Management's responses.
- (e) Discuss with Management at least annually the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

#### **4.4 Oversight of Regulatory Compliance**

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Discuss with Management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting.
- (c) Meet with the Company's regulators, according to applicable law.
- (d) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

#### **5.0 Funding for the Independent Auditor and Retention of Other Independent Advisors**

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Committee. The Committee shall also have the authority to retain and, at Bitfarms Canada's expense, to set and pay the compensation for such other independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes. The Committee also has the authority to communicate directly with internal and external auditors.

#### **6.0 Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters**

1. The Company shall inform employees on the Company's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

## **7.0 Procedures for Approval of Non-Audit Services**

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
  - (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

## **8.0 Reporting**

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

## **9.0 Access to Information and Authority**

The Committee will be granted unrestricted access to all information regarding Bitfarms Canada that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

## **10.0 Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: February 11, 2020  
Approved by: Board of Directors

**SCHEDULE “B”**

**BY-LAW NO. 3**

**BITFARMS LTD.**

**(the “Corporation”)**

**BY-LAW NO. 3**

**Advance Notice Requirement  
for the Nomination of Directors**

The purpose of this By-Law No. 3 is to ensure that shareholder meetings are conducted in an orderly and efficient manner and that all shareholders have access to the same information pertaining to all directors nominated for election so they may cast an informed vote. This section imposes certain deadlines by which shareholders submitting a nominee must provide the required information for such nomination to be eligible for election at a general or special meeting of shareholders.

BE IT ENACTED as a by-law of Bitfarms Ltd. (the “**Corporation**”) as follows:

1. In this by-law:

- (a) “Act” means the Canada Business Corporations Act, and the regulations thereunder, as amended from time to time;
- (b) “Affiliate” means, in respect of any person, any other person that, directly or indirectly, controls, is controlled by or is under common control with the first mentioned person; and “control” means, with respect to the definition of “Affiliate”, the possession, directly or indirectly, by a person or group of persons acting in concert of the power to direct or cause the direction of the management and policies of another person, whether through the ownership of voting securities, contract, as a partner or general partner, or otherwise;
- (c) “Applicable Securities Laws” means the applicable securities legislation of each province and territory of Canada, as amended from time to time, the rules and regulations made or promulgated under any such statute, and the national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;
- (d) “Articles” means the articles attached to the Articles of Incorporation, as amended or restated from time to time;
- (e) “Board” means the board of directors of the Corporation;
- (f) “Business Day” means any day except Saturday, Sunday, any statutory holiday in the Province of Ontario, or any other day on which the principal chartered banks in the City of Toronto are closed for business.
- (g) “NI 54-101” means National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, as amended, supplemented, restated or replaced from time to time;

- (h) “Notice Date” means the date the Public Announcement of an annual shareholder meeting or special shareholder meeting (which is not also an annual shareholder meeting), as applicable, is made; and
  - (i) “Public Announcement” means the filing under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) of the notification of meeting and record date required by section 2.2 of NI 54-101.
2. Subject only to the Act, the Articles and any other by-law of the Corporation, only persons who are nominated in accordance with this by-law shall be eligible for election as directors of the Corporation.
  3. At any annual meeting of shareholders or any special meeting of shareholders (where one of the purposes for which such special meeting was called was the election of directors), nominations of persons for election to the Board may be made:
    - (a) by or at the direction of the Board or an authorized officer of the Corporation;
    - (b) by one or more shareholders pursuant to a “**proposal**” made in accordance with the provisions of the Act, or a requisition by one or more of the shareholders made in accordance with the provisions of the Act; or
    - (c) by any person (a “**Nominating Shareholder**”) who at the close of business on the date of the giving of the notice provided for below and at the close of business on the record date for notice of such meeting, is a registered or beneficial holder of one or more shares carrying the right to vote at such meeting, and who complies with the timing and notice procedures set forth below in this by-law.
  4. In addition to any other requirements under applicable law, the Articles and any other by-law of the Corporation, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with section 4) and in proper written form (in accordance with section 5(b)) to the Secretary of the Corporation.
  5. To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be made:
    - (a) in the case of an annual meeting of shareholders, not fewer than 30 days nor more than 65 days prior to the date of the annual meeting of shareholders (but in any event, not prior to the Notice Date); provided, however, that in the event such meeting is called for a date that is fewer than 50 days after the Notice Date, notice by the Nominating Shareholder must be made not later than the close of business on the 10th day following the Notice Date; or
    - (b) in the case of a special meeting of shareholders (which is not also an annual shareholder meeting) called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the 15th day following the Notice Date.
  6. To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Corporation must set forth:
    - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, citizenship, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or directed or which are owned beneficially, directly or indirectly, or of record by the person as of the record date for notice of the meeting of shareholders (if such date shall have occurred) and as of the date of such notice; and (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(b) as to the Nominating Shareholder (which, for the purpose of this subsection (a), includes the Nominating Shareholder's Affiliates): (i) the class or series and number of shares in the capital of the Corporation which are controlled or directed or which are owned beneficially, directly or indirectly, or of record by the Nominating Shareholder as of the record date for notice of the meeting of shareholders (if such date shall have occurred) and as of the date of such notice; (ii) full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation; (iii) full particulars of any derivatives, hedges or other economic or voting interests (including short positions) relating to the Nominating Shareholder's interest in shares in the capital of the Corporation; and (iv) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. The Corporation may also require any proposed nominee to provide the Corporation with a written consent to be named as a nominee and to act as a director, if elected.

7. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this by-law; provided, however, that nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman of the meeting.
8. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this by-law and, if any proposed nomination is not in compliance with the procedures set forth in this by-law, to declare that such defective nomination shall be disregarded.
9. Notice given to the Secretary of the Corporation pursuant to this by-law may only be given by personal delivery, facsimile or email (at such fax number or email address as set forth on the Corporation's profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com)), and shall be deemed to have been given and made (i) if personally delivered, only at the time it is served by personal delivery to the Secretary of the Corporation at the principal executive office of the Corporation or (ii) if transmitted by facsimile or email, if sent before 5:00 p.m. (Toronto time) on a Business Day, on such Business Day, and otherwise on the next Business Day.
10. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this by-law.
11. This by-law shall come into force when enacted by the Board in accordance with the Act.

*[the rest of this page is left intentionally blank]*



**SCHEDULE “C”**

**BY-LAW NO. 4**

**BITFARMS LTD.**

**(the “Corporation”)**

**By-Law No. 4**

**Forum Requirements for Complaints under the U.S. Securities Act of 1933**

The purpose of this By-Law No. 4 is to provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the rules and regulations thereunder. Section 27 of the Exchange Act creates exclusive jurisdiction of the federal district courts of the United States of America over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder (including the general anti-fraud provisions thereof and thereunder), whereas Section 22 of the Securities Act creates concurrent jurisdiction for United States federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

BE IT ENACTED as a by-law of Bitfarms Ltd. (the “**Corporation**”) as follows:

12. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act of 1933, as amended, or any of the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this provision.

*[the rest of this page is left intentionally blank]*

---

**SCHEDULE "D"**

**LONG TERM INCENTIVE PLAN**

---

**BITFARMS LTD.**  
**LONG TERM INCENTIVE PLAN**  
**Effective Date: May 18, 2021**

Approved by the Board of  
Directors on May 18, 2021

---

## TABLE OF CONTENTS

	Page
<b>SECTION 1 DEFINITIONS AND INTERPRETATION</b>	<b>1</b>
1.1 Definitions	1
1.2 Choice of Law	4
1.3 Headings	5
<b>SECTION 2 GRANT OF AWARDS</b>	<b>5</b>
2.1 Grant of Awards	5
2.2 Record of Awards Grants	5
2.3 Effect of Plan	5
<b>SECTION 3 PURPOSE AND PARTICIPATION</b>	<b>5</b>
3.1 Purpose of Plan	5
3.2 Participation in Plan	5
3.3 Limits on Option Grants	6
3.4 Limits on RSU Grants	6
3.5 Notification of Grant	6
3.6 Copy of Plan	6
3.7 Limitation on Service	7
3.8 No Obligation to Exercise	7
3.9 Agreement	7
3.10 Notice	7
3.11 Representation to TSXV	7
<b>SECTION 4 NUMBER OF SHARES UNDER PLAN</b>	<b>7</b>
4.1 Board to Approve Issuance of Shares	7
4.2 Number of Shares	7
4.3 Fractional Shares	8
<b>SECTION 5 TERMS AND CONDITIONS OF OPTIONS</b>	<b>8</b>
5.1 Exercise Period of Option	8
5.2 Number of Shares Under Option	8
5.3 Exercise Price of Option	8
5.4 Termination of Option	8
5.5 Vesting of Option and Acceleration	9
5.6 Additional Terms	9
<b>SECTION 6 TRANSFERABILITY OF AWARDS</b>	<b>10</b>
6.1 Non-transferable	10
6.2 Death of Award Holder	10
6.3 Disability of Award Holder	10
6.4 Disability and Death of Award Holder	10
6.5 Vesting	10
6.6 Deemed Non-Interruption of Engagement	10
<b>SECTION 7 EXERCISE OF Award</b>	<b>11</b>
7.1 Exercise of Award	11
7.2 Issue of Share Certificates	11
7.3 No Rights as Shareholder	11

<b>SECTION 8 RESTRICTED SHARE UNITS</b>	<b>11</b>
8.1 Eligibility and participation	11
8.2 Restrictions	11
8.3 Vesting	11
8.4 Change of control	11
8.5 Death	12
8.6 Termination of employment or service	12
8.7 Disability	12
8.8 Cessation of directorship	12
8.9 Payment of award	12
<b>SECTION 9 ADMINISTRATION</b>	<b>13</b>
9.1 Board or Committee	13
9.2 Appointment of Committee	13
9.3 Quorum and Voting	13
9.4 Powers of Committee	13
9.5 Administration by Committee	14
9.6 Interpretation	14
<b>SECTION 10 APPROVALS AND AMENDMENT</b>	<b>14</b>
10.1 Shareholder Approval of Plan	14
10.2 Amendment of Option or RSU or Plan	14
<b>SECTION 11 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES</b>	<b>16</b>
11.1 Compliance with Laws	16
11.2 Obligation to Obtain Regulatory Approvals	16
11.3 Inability to Obtain Regulatory Approvals	16
<b>SECTION 12 ADJUSTMENTS AND TERMINATION</b>	<b>16</b>
12.1 Termination of Plan	16
12.2 No Grant During Suspension of Plan	16
12.3 Alteration in Capital Structure	16
12.4 Triggering Events	17
12.5 Notice of Termination by Triggering Event	17
12.6 Determinations to be Made By Committee	17
<b>SECTION 13 GENERAL TERMS APPLICABLE TO AWARDS</b>	<b>17</b>
13.1 Forfeiture Events	17
13.2 Awards may be granted separately or together	18
13.3 Non-transferability of awards	18
13.4 Conditions and restrictions upon securities subject to awards	18
13.5 Share certificates	18
13.6 Conformity to plan	18
13.7 Performance evaluation; adjustment of goals	18
13.8 Adjustment of performance-based awards	18
<b>SECTION 14 MISCELLANEOUS</b>	<b>19</b>
14.1 No right as shareholder	19
14.2 No trust or fund created	19
14.3 No representations or covenants with respect to tax qualification	19

## STOCK OPTION PLAN

### SECTION 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- (b) “Associate” means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “Award” means any award of Restricted Share Units or Options granted under this Plan.
- (d) “Award Agreement” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan.
- (e) “Award Holder” means Option Holder or RSU Holder, as applicable.
- (f) “Black-Out” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (g) “Board” means the board of directors of the Company.
- (h) “Change of Control” means an occurrence when either:
  - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (i) “Committee” means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (j) “Company” means Bitfarms Ltd.

(k) “Consultant” means an individual who:

- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
- (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
- (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “Consultant Entity”); or
  - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (l) “Disability” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (m) “Disinterested Shareholder Approval” means the approval of a majority of shareholders of the Company voting at a duly called and held meeting of such shareholders, excluding votes of Insiders to whom options may be granted under the Plan

(n) “Employee” means:

- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options or RSUs as an employee or as an equivalent thereto; or
- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
  - (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (o) “Executive” means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (p) “Exercise Notice” means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.

- (q) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (r) “Exercise Price” means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (s) “Expiry Date” means the date the Option or RSU, as applicable, expires as set out in the Option Certificate or Award Agreement or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 12.4.
- (t) “Expiry Time” means the time the Option or RSU, as applicable, expires on the Expiry Date, which is 5:00 p.m. local time in Toronto, Ontario on the Expiry Date.
- (u) “Grant Date” means the date on which the Committee grants a particular Option or RSU, which is the date the Option or RSU comes into effect provided however that no Option or RSU can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (v) “Insider” means an insider as that term is defined in the *Securities Act*;
- (w) “Market Value” means the market value of the Shares as determined in accordance with section 5.3.
- (x) “Option” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (y) “Option Certificate” means the certificate, in substantially the form set out as Schedule “A” hereto, evidencing the Option.
- (z) “Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (aa) “Outstanding Issue” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option or RSU in question.
- (bb) “Participant” means any person eligible to receive an Award under this Plan.
- (cc) “Person or Entity” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (dd) “Personal Representative” means:
  - (i) in the case of a deceased Option Holder or RSU Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder or RSU Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder or RSU Holder.
- (ee) “Plan” means this long term incentive plan as from time to time amended.
- (ff) “Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options or RSUs granted from time to time hereunder.
- (gg) “Regulatory Authorities” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options or RSUs granted from time to time hereunder.



- (hh) “Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options or RSUs granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ii) “Restricted Share Unit” or “RSU” means a right awarded to a Participant to receive a payment in Shares as provided in section 8 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement.
- (jj) “Restriction Period” means the time period between the Grant Date and the date of vesting of an Award of RSUs specified by the Board in the applicable Award Agreement, which period shall not be less than 12 months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the RSUs.
- (kk) “RSU Holder” means a Person or Entity who holds an unexercised and unexpired RSU or, where applicable, the Personal Representative of such person.
- (ll) “Securities Act” means the *Securities Act* (Ontario), R.S.O. 1990, c. S.5 as from time to time amended.
- (mm) “Section 409A” means Section 409A of the United States Internal Revenue Code of 1986, as amended, and the applicable rules, regulations and guidance promulgated thereunder.
- (nn) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (oo) “Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.
- (pp) “Triggering Event” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options or RSUs granted hereunder to permit the Plan and Options or RSUs granted hereunder to stay in effect.
- (qq) “TSXV” means the TSX Venture Exchange Inc.
- (rr) “Vest” or “Vesting” means that a portion of the Option or RSU granted to the Option Holder or RSU Holder which is available to be exercised by the Option Holder or RSU Holder at any time and from time to time.

## **1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Ontario. The Company and each Option Holder and RSU Holder hereby attorn to the jurisdiction of the Courts of Ontario.

### **1.3 Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

## **SECTION 2 GRANT OF AWARDS**

### **2.1 Grant of Awards**

The Committee shall, from time to time in its sole discretion, grant Options or RSUs to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

### **2.2 Record of Awards Grants**

The Committee shall be responsible to maintain a record of all Options and RSUs granted under this Plan and such record shall contain, in respect of each Option and RSU:

- (a) the name and address of the Option Holder or RSU Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option or RSU was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option or RSU;
- (d) the number of Shares which may be acquired on the exercise of the Option and, if applicable, the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option or RSU; and
- (f) the particulars of each and every time the Option or RSU is exercised.

### **2.3 Effect of Plan**

All Options and RSUs granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates or Award Agreements issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates and Award Agreements will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate or Award Agreement, save and except as noted below. Each Option or RSU will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate or Award Agreement for such Option or RSU, as applicable. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

### **3.1 Purpose of Plan**

## **SECTION 3 PURPOSE AND PARTICIPATION**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options and RSUs are to be granted.

### **3.3 Limits on Option Grants**

If the Company is listed on TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12-month period shall be 5% of the Outstanding Issue (unless the Company has obtained Disinterested Shareholder Approval as required by the TSXV);
- (b) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (c) the maximum number of Options which may be granted to any one Consultant within any 12-month period must not exceed 2% of the Outstanding Issue; and
- (d) the maximum number of Options which may be granted within any 12-month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period
- (e) Disinterested Shareholder Approval shall be required for any individual grant of Options that would result in the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Options exceeding ten percent (10%) of the issued Shares, calculated on the date an Option is granted to any Insider; and

and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 10.2 of this Plan.

### **3.4 Limits on RSU Grants**

With respect to RSUs:

- (a) The total number of Shares issuable pursuant to RSUs to any Participant under this Plan shall not exceed one and one half (1.5%) percent of the issued and outstanding Shares at the time of the Award;
- (b) The total number of Shares issuable to any Participant pursuant to RSUs under this Plan shall not, in the aggregate, exceed two and one half (2.5%) percent of the issued and outstanding Shares in any twelve month period; and
- (c) The maximum aggregate number of Shares issuable under this Plan pursuant to RSUs shall not exceed 10,000,000 at any one time; and
- (d) Persons performing investor relations activities may receive only Options as Awards under this Plan.

### **3.5 Notification of Grant**

Following the granting of a Award, the Administrator shall, within a reasonable period of time, notify the Option Holder or RSU Holder in writing of the grant and shall enclose with such notice the Option Certificate or Award Agreement representing the Option or RSU, as applicable, so granted. In no case will the Company be required to deliver an Option Certificate or Award Agreement to an Option Holder or RSU Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option or RSU.

### **3.6 Copy of Plan**

Each Option Holder and RSU Holder, concurrently with the notice of the grant of the Option or RSU, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder and RSU Holder.

### **3.7     Limitation on Service**

The Plan does not give any Option Holder or RSU Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder or RSU Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### **3.8     No Obligation to Exercise**

Option Holders and RSU Holders shall be under no obligation to exercise Options or RSUs granted under this Plan.

### **3.9     Agreement**

The Company and every Option Holder and RSU Holder granted an Option or RSU hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option or RSU granted hereunder, the Option Holder or RSU Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder or RSU Holder receives their Options or RSUs pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder or RSU Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options and RSUs in that agreement and the terms attaching to the Options or RSUs as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### **3.10    Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder or RSU Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder or RSU Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

### **3.11    Representation to TSXV**

As a condition precedent to the issuance of an Option or RSU, the Company must be able to represent to TSXV as of the Grant Date that the Option Holder or RSU Holder, as applicable, is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary. Both the Company and the Option Holder or RSU Holder are responsible for confirming that that the Option Holder or RSU Holder is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### **4.1     Board to Approve Issuance of Shares**

The Board shall approve by resolution the issuance of all Shares to be issued to Option Holders or RSU Holders upon the exercise of Options or RSUs, such authorization to be deemed effective as of the Grant Date of such Options or RSUs regardless of when it is actually done. The Board shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

### **4.2     Number of Shares**

Subject to adjustment as provided for herein, the aggregate number of Shares which will be available for purchase pursuant to Options and RSUs granted pursuant to this Plan and any other incentive plan of the Company pursuant to which common shares may be issued, will not exceed 10% of the issued and outstanding Shares as at the time of grant. If any Option or RSU expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option or RSU shall again be available for the purposes of granting Options or RSUs pursuant to this Plan.

#### **4.3     Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option or RSU and, if as a result of any adjustment, an Option Holder or RSU Holder would become entitled to a fractional share, such Option Holder or RSU Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

### **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

#### **5.1     Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 12.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

#### **5.2     Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

#### **5.3     Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

#### **5.4     Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 12.4 of this Plan:

(a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90<sup>th</sup> day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:

- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
- (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position, and in no event shall the Expiry Date of the Option shall be later than the first anniversary of the date the Option Holder ceases to hold such position with the Company; OR

(b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90<sup>th</sup> day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning their position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position, and in no event shall the Expiry Date of the Option shall be later than the first anniversary of the date the Option Holder ceases to hold such position with the Company.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 10.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

#### **5.5 Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 10.2 of this Plan.

#### **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

**SECTION 6**  
**TRANSFERABILITY OF AWARDS**

**6.1      Non-transferable**

Except as provided otherwise in this SECTION 6, Awards are non-assignable and non-transferable.

**6.2      Death of Award Holder**

In the event of the death of an Award Holder, any Awards held by such Award Holder shall pass to the Personal Representative of the Award Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

**6.3      Disability of Award Holder**

If the employment or engagement of an Award Holder as an Employee or Consultant or the position of an Award Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Disability of Award Holder, any Awards held by such Award Holder shall be exercisable by such Award Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

**6.4      Disability and Death of Award Holder**

If an Award Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Award Holder's Disability and such Award Holder dies within one year after the termination of such engagement, any Awards held by such Award Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Award Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Award Holder and the applicable Expiry Date.

**6.5      Vesting**

Unless the Committee determines otherwise, Awards held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Awards are subject.

Unless the Committee determines otherwise, Options issued pursuant to the LTIP are generally subject to a vesting schedule as follows: (i) 1/3 upon the date of grant; (ii) 1/3 upon the first anniversary of the date of grant; and (iii) 1/3 upon the second anniversary of the date of grant.

**6.6      Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Award Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Award Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

## **7.1     Exercise of Award**

### **SECTION 7 EXERCISE OF AWARD**

An Option or RSU may be exercised only by the Award Holder or the Personal Representative of any Award Holder. An Award Holder or the Personal Representative of any Award Holder may exercise an Option or RSU in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, and if applicable, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options and RSUs may not be exercised during Black-Out unless the Committee determines otherwise.

## **7.2     Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Award Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate or Award Agreement surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option or RSU to the Award Holder concurrent with delivery of the Share Certificate.

## **7.3     No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Award, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Award, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee shall be final, conclusive and binding.

### **SECTION 8 RESTRICTED SHARE UNITS**

## **8.1     Eligibility and participation.**

Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant RSUs to eligible Participants. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's account. The number of RSUs to be credited to each Participant shall be determined by the Committee in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSU shall be specified in the applicable Award Agreement.

## **8.2     Restrictions.**

RSUs shall be subject to such restrictions as the Committee, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Committee may, in its discretion, determine at the time an Award is granted.

## **8.3     Vesting.**

All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.

## **8.4     Change of control.**

In the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 8.9 hereof.



#### **8.5      Death.**

Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with SECTION 5(a)(x) hereof.

#### **8.6      Termination of employment or service.**

- (a) Where, in the case of Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (b) Where, in the case of Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 8.9 hereof.
- (c) Upon termination of a Participant's employment with the Company or a Subsidiary, or upon termination of a Consultant's contract, the Participant's eligibility to receive further grants of Awards of RSUs under this Plan shall cease as of the Termination Date.

#### **8.7      Disability.**

Where, in the case of Employees or Consultants, a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where, in the case of Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 8.9 hereof.

#### **8.8      Cessation of directorship.**

Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any RSUs granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 8.9 hereof.

#### **8.9      Payment of award.**

As soon as practicable after each Vesting Date of an Award of RSUs, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if Section 8.5 applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date.

As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs.

**SECTION 9**  
**ADMINISTRATION**

**9.1     Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 9.2 below, or by an Administrator appointed in accordance with subsection 9.4(e).

**9.2     Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

**9.3     Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this SECTION 9, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options or RSUs pursuant to the Plan, except that no such member shall act upon the granting of an Option or RSU to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options or RSUs to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

**9.4     Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (d) administer the Plan in accordance with its terms;
- (e) appoint or replace the Administrator from time to time;
- hire an employ or engage a consultant to administrate the Plan;
- (f) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value of the Shares;
- (g) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (h) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (i) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders or RSU Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (j) do the following with respect to the granting of Options or RSUs, as applicable:
  - (i) determine the Executives, Employees or Consultants to whom Options or RSUs shall be granted, based on the eligibility criteria set out in this Plan;

- (ii) determine the terms of the Option or RSU to be granted to an Option Holder or RSU Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule, as applicable (which need not be identical with the terms of any other Option or RSU);
- (iii) subject to any necessary Regulatory Approvals and section 10.2, amend the terms of any Options or RSUs;
- (iv) determine when Options or RSUs shall be granted; and
- (v) determine the number of Shares subject to each Option or RSU;
- (k) accelerate the vesting schedule of any Option or RSU previously granted; and
- (l) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

#### **9.5 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

#### **9.6 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder or RSU Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

### **SECTION 10 APPROVALS AND AMENDMENT**

#### **10.1 Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company. If shareholder approval is required, any Options or RSUs granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

#### **10.2 Amendment of Option or RSU or Plan**

Subject to any requisite shareholder approval and any Regulatory Approvals set forth under subparagraphs 9.2(a) and (b) below, the Committee may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such amendment or revision may, without the consent of the Option Holder or RSU Holder, in any manner adversely affect his rights under any Option or RSU theretofore granted under the Plan.

- (a) The Committee may, subject to receipt of requisite shareholder approval and Regulatory Approvals, make the following amendments to the Plan:
  - (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
  - (ii) an extension of the term of an Option or RSU held by or benefiting an Insider;

- (iii) any change to the definition of the qualified Executives, Employees or Consultants which would have the potential of broadening or increasing Insider participation;
  - (iv) the addition of any form of financial assistance;
  - (v) any amendment to a financial assistance provision which is more favourable to qualified Executives, Employees and Consultants;
  - (vi) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
  - (vii) the addition of a deferred or restricted share unit or any other provision which results in qualified Executives, Employees and Consultants receiving securities while no cash consideration is received by the Company;
  - (viii) a discontinuance of the Plan; and
  - (ix) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to qualified Executives, Employees and Consultants, especially Insiders of the Company, at the expense of the Company and its existing shareholders.
- (b) The Committee may, subject to receipt of requisite Regulatory Approvals, where required, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subparagraph 9.2(a) above including, without limitation:
- (i) amendments of a "housekeeping" or clerical nature;
  - (ii) a change to the vesting provisions of a security or the Plan;
  - (iii) amendments to reflect any requirements of any Regulatory Authorities to which the Company is subject, including the TSXV and the Nasdaq Stock Market;
  - (iv) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date;
  - (v) a change in the exercise price of Options, provided that at least six months have elapsed since the later of the date of commencement of the term of the Option, the date the Shares commenced trading on the Exchange or the date the exercise price of the Option was last amended, and provided that Disinterested Shareholder Approval is obtained for any reduction in the exercise price if the Option Holder is an Insider (as such term is defined by the TSXV) of the Company at the time of such proposed reduction;
  - (vi) amendments to Sections 5.5 and the definitions of Change of Control and Triggering Event;
  - (vii) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
  - (viii) amendments to reflect changes to applicable laws or regulations.
- (c) Notwithstanding the provisions of subparagraph 1.1(b)9.2(b), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to section subparagraph 9.2(b), to the extent such approval is required by any applicable laws or regulations.

**SECTION 11**  
**CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

**11.1     Compliance with Laws**

An Option or RSU shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option or RSU, unless the grant and exercise of such Option or RSU and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and RSUs and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates or Award Agreements and the certificates representing such Shares accordingly.

**11.2     Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options or RSUs to be granted without first obtaining the necessary Regulatory Approvals unless such Options or RSUs are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options or RSUs hereunder. No Option or RSUs granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options and RSUs granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders and RSU Holders under section 10.2 of this Plan.

**11.3     Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options or RSUs hereunder, the exercise of those Options or RSUs or the lawful issuance and sale of any Shares pursuant to such Options or RSUs, shall relieve the Company of any liability with respect to the failure to complete such transaction.

**SECTION 12**  
**ADJUSTMENTS AND TERMINATION**

**12.1     Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this SECTION 12, the Plan shall terminate on, and no more Options or RSUs shall be granted under the Plan after, the tenth anniversary of the Effective Date of the Plan.

**12.2     No Grant During Suspension of Plan**

No Option or RSU may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder or RSU Holder, alter or impair any rights or obligations under any Option or RSU previously granted.

**12.3     Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options and RSUs then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder and RSU Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options or RSUs; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 12.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options or RSUs pursuant to this section 12.3 shall not be considered an amendment requiring the Option Holder's consent or RSU Holder's consent, as applicable, for the purposes of Section 10.2 of this Plan.

#### **12.4 Triggering Events**

Subject to the Company complying with section 12.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate or Award Agreement, the Committee may, without the consent of the RSU Holder, Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options or RSUs granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options or RSUs granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's or RSU Holder's consent for the purpose of section 10.2 of the Plan.

#### **12.5 Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options or RSUs granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders or RSU Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder or RSU Holder the opportunity to exercise the vested portion of the Options or RSUs prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options and RSUs or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options or RSUs may have otherwise been subject.

#### **12.6 Determinations to be Made By Committee**

Adjustments and determinations under this SECTION 12 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

### **SECTION 13 GENERAL TERMS APPLICABLE TO AWARDS**

#### **13.1 Forfeiture Events.**

The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

### **13.2 Awards may be granted separately or together.**

Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

### **13.3 Non-transferability of awards.**

Except as otherwise provided in an Award Agreement, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

### **13.4 Conditions and restrictions upon securities subject to awards.**

The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Awards; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

### **13.5 Share certificates.**

All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

### **13.6 Conformity to plan.**

In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

### **13.7 Performance evaluation; adjustment of goals.**

At the time that a performance-based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.

### **13.8 Adjustment of performance-based awards.**

The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established performance criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant performance-based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any performance-based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust performance-based Awards downward or to otherwise reduce the amount payable with respect to any performance-based Award.

**SECTION 14**  
**MISCELLANEOUS**

**14.1    No right as shareholder.**

Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as Shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

**14.2    No trust or fund created.**

Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

**14.3    No representations or covenants with respect to tax qualification; Section 409A.**

- (a) Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (b) For Participants who are residents or citizens of the United States of America, this Plan is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A. Where reasonably possible and practicable, this Plan shall be administered in a manner to avoid the imposition on Participants of immediate tax recognition and additional taxes pursuant to Section 409A. To the extent that an Award or the payment, settlement or deferral thereof is subject to Section 409A, the Award shall be granted, paid, settled or deferred in a manner that will comply with Section 409A, except as otherwise determined by the Committee. If a Participant is a "specified employee" (within the meaning of Section 409A) and should any portion of the Award that would otherwise be payable under such Award be determined to be a payment that is not exempt from Section 409A, such payment, to the extent otherwise payable within six (6) months after a "separation from service" (within the meaning of Section 409A), and to the extent necessary to avoid the imposition of taxes under Section 409A, will be settled on the earlier of the date that is six (6) months and one (1) day after the date of such of separation from service or the date of Participant's death. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment.
- (c) Notwithstanding the foregoing, neither the Company nor the Committee, nor any of the Company's directors, officers or employees shall have any liability to any person in the event any Award results in adverse tax consequences for the Participant or any of his or her beneficiaries or transferees.

\* \* \* \* \*



## SCHEDULE "A"

[Include the following Exchange hold period if i) the exercise price of the stock options is based on less than Market Price; or ii) if the certificate is issued to persons holding securities carrying more than 10% of the voting rights attached to the Company's securities; or if the certificate is issued to directors, officers or promoters of the Company]

[Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until <insert date four months and one day after Grant Date>.]

### BITFARMS LTD. STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the "**Plan**") of Bitfarms Ltd. (the "**Company**") and evidences that <insert name of Option Holder> is the holder (the "**Option Holder**") of an option (the "**Option**") to purchase up to ● common shares (the "**Shares**") in the capital stock of the Company at a purchase price of CAD\$● per Share (the "**Exercise Price**"). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 5:00 p.m. local time in Toronto, Ontario (the "**Expiry Time**") on the following Expiry Date:

- (a) the Grant Date of this Option is ●, 20\_; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 12.4 of the Plan, the Expiry Date of this Option is ●, 20\_.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include the following Exchange hold period only if the exercise price of the stock options is based on less than Market Price. or ii) if the certificate is issued to persons holding securities carrying more than 10% of the voting rights attached to the Company's securities; or if the certificate is issued to directors, officers or promoters of the Company]

[Any share certificates issued pursuant to an exercise of the Option before < insert date four months and one day after Grant Date> will contain the following legend:

"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until <insert date four months and one day after Grant Date>."]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the “**Act**”) or the securities laws of any state (“**State**”) of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities and Exchange Commission under the Act) or within the United States unless such securities are (i) registered under the Act and any applicable State securities act (a “**State Act**”), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it.”

This Option was granted to the Option Holder in his or her capacity as a •[pick one: Director, Officer, Employee, Consultant] of the Company, and shall continue in effect should his or her status change and he or she continue in a new capacity as a Director, Officer, Employee or Consultant of the Company.

**BITFARMS LTD.**

Per:

\_\_\_\_\_  
Director

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

\_\_\_\_\_  
Signature

Date signed: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

## OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
  - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
  - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
  - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
  - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be *<if applicable, insert date desired that is longer or shorter than the standard 90 days set out in the Plan>* following the date the Option Holder ceases to hold such position.

\* \* \* \* \*

**SCHEDULE “B”**

**STOCK OPTION PLAN  
NOTICE OF EXERCISE OF OPTION**

TO: The Administrator, Stock Option Plan  
**BITFARMS LTD.**  
18 King Street East, Suite 902  
Toronto, Ontario M5C 1C4

(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of Bitfarms Ltd. (the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**).

The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to “●” in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address (**provide full complete address**):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 5:00 p.m. local time in Toronto, Ontario on the Expiry Date of the Option.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20.

\_\_\_\_\_  
**Signature of Option Holder**

RIGHT TO DISSENT – SECTION 190 OF THE CBCA

Pursuant to the *Canada Business Corporations Act*, shareholders have the right to dissent to the proposed Continuation. The full text of Section 190 of the *Canada Business Corporations Act* is set forth below.

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

**Right to dissent**

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

**Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

### **Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

### **Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

### **Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

### **Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### **Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### **Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which case the shareholder's rights are reinstated as of the date the notice was sent.

### **Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

**Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

**Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

**No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

**Parties**

(19) On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

**Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

**Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

### **Final order**

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

### **Interest**

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

### **Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

### **Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

### **Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.





REVISED 1

TSX TRUST COMPANY

VIA ELECTRONIC TRANSMISSION

May 4, 2021

TO ALL APPLICABLE EXCHANGES AND COMMISSIONS:

**RE: BITFARMS LTD.**  
**Confirmation of Notice of Record and Meeting Dates**

---

We are pleased to confirm that Notice of Record and Meeting Dates was sent to The Canadian Depository for Securities.

We advise the following with respect to the upcoming Annual General and Special Meeting of Security Holders for the subject issuer:

1	ISIN:	CA09173B1076
	CUSIP:	09173B107
2	<b>Date Fixed for the Meeting:</b>	<b>June 25, 2021</b>
3	Record Date for Notice:	April 28, 2021
4	Record Date for Voting:	April 28, 2021
5	Beneficial Ownership Determination Date:	April 28, 2021
6	Classes or Series of Securities that entitle the holder to receive Notice of the Meeting:	COMMON
7	Classes or Series of Securities that entitle the holder to vote at the meeting:	COMMON
8	Business to be conducted at the meeting:	Annual General and Special
9	Notice-and-Access:	
	Registered Shareholders:	NO
	Beneficial Holders:	NO
	Stratification Level:	Not Applicable
10	Reporting issuer is sending proxy-related materials directly to Non-Objecting Beneficial Owners:	YES
11	Issuer paying for delivery to Objecting Beneficial Owners:	NO

Yours truly,  
**TSX Trust Company**

“ Kieran Webb ”  
 Relationship Manager  
 kieran.webb@tmx.com

**VANCOUVER**  
 650 West Georgia Street, Suite 2700  
 Vancouver, BC V6B 4N9

T 604 689-3334

**CALGARY**  
 300-5th Avenue SW, 10th floor  
 Calgary, AB T2P 3C4

T 403 218-2800

**TORONTO**  
 301 - 100 Adelaide Street West  
 Toronto ON M5H 4H1

**Toll Free** 1-866-600-5869  
 T 416 361-0930

**MONTRÉAL**  
 1800 - 1190, avenue des Canadiens-de-  
 Montréal, C. P. 37 Montréal (Québec)  
 H3B 0G7

T 514 395-5964

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

May 6, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated on May 6, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

May 6, 2021.

---

**Schedule "A"**

---

## Bitfarms Announces Purchase of 6,600 S19j Pro Antminers from Bitmain to Lift Hash Rate to Approx. 2.5 EH/s in the Fall

Toronto, Ontario and Brossard, Québec (May 06, 2021 - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV:BTF](#) // [OTC:BFARF](#)), today provides an update on its plans to reach its previously announced target hash rate of 3.0 EH/s by the end of 2021.

### Additions to Mining Fleet

Bitfarms is pleased to announce the purchase of 6,600 new generation miners from Bitmain, as the Company aggressively adds to its fleet of installed miners, currently the largest reported installed Bitcoin hash rate in North America by a public company. This purchase of 660 PH is Bitfarms’ largest purchase from Bitmain to date.

Name	Miners	Model	Total Hash	Delivery
Bitmain	2,200	S19j Pro	220 PH/s	August, 2021
Bitmain	2,200	S19j Pro	220 PH/s	September 2021
Bitmain	2,200	S19j Pro	220 PH/s	October 2021
Total	6,600		660 PH/s	

Cumulatively, this purchase represents 660 PH/s out of 1,053 PH/s of miners scheduled for delivery throughout the remainder of 2021. Once installed, these miners are expected to increase Bitfarms’ operating hash rate to approximately 2.5 EH/s. This represents a 159% growth rate from the end of 2020 and achieves 83% towards our year end goal of 3 EH/s. If all 2.5 EH/s of equipment were installed today, it would produce approximately 15.5 BTC per day under current market conditions. We intend to seek the acquisition of additional miners to accomplish our year-end goal when conditions are appropriate.

The purchase of 6,600 miners is in addition to the significant commitments Bitfarms has recently made to developing new infrastructure in Québec, which is required to deliver on its growth forecast goals for 2021. These developments include our previously announced Sherbrooke expansion plan, which is projected to increase Bitfarms’ installed power capacity by approximately 66 MW. The Sherbrooke expansion will be partially used to accommodate today’s announced newly purchased miners.

CEO of Bitfarms, Emiliano Grodzki stated, “We are excited to continue to strengthen our relationship with Bitmain. The purchase of 6,600 miners represents one of the largest orders in our history. Bitfarms is committed to achieving its corporate goals of 3.0 EH/s by the end of this year and 8.0 EH/s by the end of 2022.”

“We are proud to support Bitfarms in its pursuit to achieve its production target for 2021. The additional 660 PH that will be added to their mining operations will solidify their presence in the mining space, further establishing Bitfarms as one of the leading mining companies in North America. The Antminer S19j Pro is one of the industry’s leading next-gen miners, which is proven to deliver outstanding performance, perfect for long-term mining operations like Bitfarms,” said Irene Gao, Antminer Sales Director of NCSA Region, Bitmain.

#### **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

#### **Defined Terms**

EH/s: Exahash per second.

PH/s: Petahash per second

MW: A Megawatt is used to measure the output of a power plant or the amount of electricity required by facility or an entire city. One megawatt (MW) = 1,000 kilowatts = 1,000,000 watts.

#### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect of the newly purchased miners and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

## **Contacts**

### **Investor Relations:**

#### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

### **US Media:**

#### **Core IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

#### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

### **Québec Media:**

#### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

May 7, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated on May 7, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

May 7, 2021.

---

## Nasdaq Approves Bitfarms Application to List

**Toronto, Ontario and Brossard, Québec (May 07, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV:BITF](#) // [OTC:BFARF](#)) today announces Bitfarms’ application to list its common stock on the Nasdaq Global Market® was approved by The Nasdaq Stock Market (“Nasdaq”) under the symbol “BITF”.

Bitfarms will also retain its listing on the TSX Venture Exchange under the symbol “BITF”. The ticker used for Bitfarms’ securities traded over-the-counter (OTC) under the current symbol “BFARF” will seamlessly transfer to the new ticker symbol “BITF” on the first day of trading on The Nasdaq Stock Market.

Furthermore, as of today, Bitfarms is the first publicly traded Bitcoin miner to announce it will be trading on The Nasdaq Global Market® tier. This tier is reserved for companies who fulfill financial liquidity and requirements above and beyond what it takes to list on The Nasdaq Capital Market®, the lower tier upon which other Bitcoin miners trade. This represents a powerful validation of our global focus that has been at the core of Bitfarms since its founding in 2017.

Emiliano Grodzki, Bitfarms’ Chief Executive Officer said, “The approval for listing on The Nasdaq Global Market® is an incredible achievement for Bitfarms and is the fruition of multiple years of work and dedication. Over the last four years we have managed to build and operate one of the largest Bitcoin mining operations worldwide. It is fitting that we will be listing on one of the most prestigious exchanges in the world and significantly expand the market reach of our Company. We are very proud to have reached this important milestone for the Company and our shareholders. I would like to thank the team at Bitfarms, and all our advisers and professionals whose tireless efforts made this possible.”

The last remaining requirement prior to listing and trading on the Nasdaq is to confirm Bitfarms’ common shares are eligible for electronic clearing and settlement through the Depository Trust Company (DTC). The process to confirm DTC eligibility is moving forward expeditiously. As we learn more about the timing for the approval, we intend to provide a further update to the market. When approval has been obtained, we will announce the first date “BITF” will begin trading on Nasdaq.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company- owned electrical engineering and installation services to deliver high operational performance and uptime.



Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to listing and trading on the Nasdaq and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

## **Contacts**

### **Investor Relations:**

#### **CORE IR**

+1 516 222 2560  
[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

### **US Media:**

#### **CORE IR**

Jules Abraham, Director of Public Relations  
[julesa@coreir.com](mailto:julesa@coreir.com)

#### **YAP Global**

Mia Grodsky, Account Executive  
[mia@yapglobal.com](mailto:mia@yapglobal.com)

### **Québec Media:**

#### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director  
[marc@ryanap.com](mailto:marc@ryanap.com)



## Nasdaq Approves Bitfarms Application to List

TORONTO, Ontario and BROSSARD, Québec , May 07, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV:BTF](#) // [OTC:BFARF](#)) today announces Bitfarms’ application to list its common stock on the Nasdaq Global Market® was approved by The Nasdaq Stock Market (“Nasdaq”) under the symbol “BTF”.

Bitfarms will also retain its listing on the TSX Venture Exchange under the symbol “BTF”. The ticker used for Bitfarms’ securities traded over-the-counter (OTC) under the current symbol “BFARF” will seamlessly transfer to the new ticker symbol “BTF” on the first day of trading on The Nasdaq Stock Market.

Furthermore, as of today, Bitfarms is the first publicly traded Bitcoin miner to announce it will be trading on The Nasdaq Global Market® tier. This tier is reserved for companies who fulfill financial liquidity and requirements above and beyond what it takes to list on The Nasdaq Capital Market®, the lower tier upon which other Bitcoin miners trade. This represents a powerful validation of our global focus that has been at the core of Bitfarms since its founding in 2017.

Emiliano Grodzki, Bitfarms’ Chief Executive Officer, said, “The approval for listing on The Nasdaq Global Market® is an incredible achievement for Bitfarms and is the fruition of multiple years of work and dedication. Over the last four years we have managed to build and operate one of the largest Bitcoin mining operations worldwide. It is fitting that we will be listing on one of the most prestigious exchanges in the world and significantly expand the market reach of our Company. We are very proud to have reached this important milestone for the Company and our shareholders. I would like to thank the team at Bitfarms, and all our advisers and professionals whose tireless efforts made this possible.”

The last remaining requirement prior to listing and trading on the Nasdaq is to confirm Bitfarms’ common shares are eligible for electronic clearing and settlement through the Depository Trust Company (DTC). The process to confirm DTC eligibility is moving forward expeditiously. As we learn more about the timing for the approval, we intend to provide a further update to the market. When approval has been obtained, we will announce the first date “BTF” will begin trading on Nasdaq.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### Forward-Looking Statements

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward- looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to listing and trading on the Nasdaq and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560  
[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations  
[julesa@coreir.com](mailto:julesa@coreir.com)

**YAP Global**

Mia Grodsky, Account Executive  
[mia@yapglobal.com](mailto:mia@yapglobal.com)

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director  
[marc@ryanap.com](mailto:marc@ryanap.com)



## Bitfarms to Present at the Benzinga Global Small Cap Conference and Participate in a Cryptocurrency Panel Discussion on May 14, 2021

TORONTO, Ontario and BROSSARD, Quebec, May 10, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV:BITF // OTC:BFARF), announced today that management will participate at the Benzinga Global Small Cap Conference on May 14, 2021.

Bitfarms CEO, Emiliano Grodzki will deliver his corporate presentation at 9:30am ET on May 14, 2021.

Geoffrey Morphy, President of Bitfarms, will participate in a panel discussion titled “How Digital Currency is Disrupting Finance” at 11:10am ET. The panel will focus on how digital currency has changed the market and discuss how payments, privacy and efficiency are being addressed.

Investors can also request a one-on-one meeting with management to be arranged following the conclusion of the conference.

Meanwhile, investors can register to get a free spectator pass to the conference here: <https://www.benzinga.com/events/small-cap/global/>

We invite you to visit our web site to learn more about Bitfarms and for a convenient link to watch the sessions at a later time. The link can be found under the tab titled Presentation & Events at: <https://bitfarms.com/investors/>

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### Forward-Looking Statements

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward- looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company are forward-looking information. Other forward- looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

#### Contacts

#### **Investor Relations:**

##### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

#### **US Media:**

##### **Core IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

##### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

#### **Québec Media:**

##### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1      Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2      Date of Material Change**

May 12, 2021.

**Item 3      News Release**

The press release attached as Schedule “A” was disseminated on May 12, 2021.

**Item 4      Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5      Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6      Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9      Date of Report**

May 12, 2021.

---

## **Bitfarms Becomes the First Authorized MicroBT Service Center in Canada**

**Toronto, Ontario and Brossard, Québec (May 12, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV:BITF](#) // [OTC:BFARF](#)), today announces a strategic new milestone in our relationship with MicroBT, one of the leading manufacturers of Bitcoin mining equipment in the world.

### **First Authorized MicroBT Service Center in Canada**

Over the last several months, Bitfarms repair technicians have undergone specialized training with MicroBT to learn the latest techniques and tools to repair MicroBT miners. Recently, Bitfarms has completed that extensive training process and has signed an agreement with MicroBT, making us the first official MicroBT service partner in Canada.

The new repair lab is part of the previously announced Cowansville expansion and will be completed on May 15th. The repair lab will officially start providing repair services on May 17th, 2021.

Under the agreement, MicroBT customers can choose to send their equipment to Bitfarms for both in warranty repairs and out of warranty repairs. Having a repair center in Canada saves customers time and money on costly shipping fees to China or large import duties into the USA.

For Bitfarms, the agreement allows us to hire more repair technicians, further expand our repair capabilities, significantly reduce the time and cost to repair our own miners and provide a new revenue stream for Bitfarms by offering the highest quality Bitcoin miner repair services to the Canadian public for the first time.

Emiliano Grodzki, CEO of Bitfarms said “MicroBT is one of the best Bitcoin miner manufacturers in the world. Bitfarms is excited to take our relationship with MicroBT to the next level with the signing of this new repair center agreement and look forward to even greater cooperation in the future.

Vincent Zhang of MicroBT said “Bitfarms has been a great customer for MicroBT over the last few years and has collectively purchased and agreed to purchase nearly 65,000 MicroBT miners to date. We look forward to continuing to grow our relationship with Bitfarms, who have proven themselves to be one of the leading operators in North America and a great company to do business with.”

### **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.



Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the establishment of a MicroBT service center in Canada and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

#### Contacts

#### **Investor Relations:**

##### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

#### **US Media:**

##### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

##### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

#### **Québec Media:**

##### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)

## Bitfarms Becomes the First Authorized MicroBT Service Center in Canada

TORONTO & BROSSARD, Québec--(BUSINESS WIRE)--May 12, 2021--Bitfarms Ltd.

(“**Bitfarms**”, or the “**Company**”) ([TSXV:BTF](#) // [OTC:BFARF](#)), today announces a strategic new milestone in our relationship with MicroBT, one of the leading manufacturers of Bitcoin mining equipment in the world.

### First Authorized MicroBT Service Center in Canada

Over the last several months, Bitfarms repair technicians have undergone specialized training with MicroBT to learn the latest techniques and tools to repair MicroBT miners. Recently, Bitfarms has completed that extensive training process and has signed an agreement with MicroBT, making us the first official MicroBT service partner in Canada.

The new repair lab is part of the previously announced Cowansville expansion and will be completed on May 15<sup>th</sup>. The repair lab will officially start providing repair services on May 17<sup>th</sup>, 2021.

Under the agreement, MicroBT customers can choose to send their equipment to Bitfarms for both in warranty repairs and out of warranty repairs. Having a repair center in Canada saves customers time and money on costly shipping fees to China or large import duties into the USA.

For Bitfarms, the agreement allows us to hire more repair technicians, further expand our repair capabilities, significantly reduce the time and cost to repair our own miners and provide a new revenue stream for Bitfarms by offering the highest quality Bitcoin miner repair services to the Canadian public for the first time.

Emiliano Grodzki, CEO of Bitfarms said “MicroBT is one of the best Bitcoin miner manufacturers in the world. Bitfarms is excited to take our relationship with MicroBT to the next level with the signing of this new repair center agreement and look forward to even greater cooperation in the future.

Vincent Zhang of MicroBT said “Bitfarms has been a great customer for MicroBT over the last few years and has collectively purchased and agreed to purchase nearly 65,000 MicroBT miners to date. We look forward to continuing to grow our relationship with Bitfarms, who have proven themselves to be one of the leading operators in North America and a great company to do business with.”

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

---

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Defined Terms**

## **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the establishment of a MicroBT service center in Canada and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

## **Contacts**

### **Investor Relations:**

#### **CORE IR**

+1 516 222 2560  
[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

### **US Media:**

#### **CORE IR**

Jules Abraham, Director of Public Relations  
[julesa@coreir.com](mailto:julesa@coreir.com)

#### **YAP Global**

Mia Grodsky, Account Executive  
[mia@yapglobal.com](mailto:mia@yapglobal.com)

### **Québec Media:**

#### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director  
[marc@ryanap.com](mailto:marc@ryanap.com)



## Bitfarms to Report First Quarter 2021 Financial Results on Wednesday, May 26, 2021

Earnings Conference Call to be held Wednesday, May 26, 2021 at 5:30 p.m. ET

TORONTO and BROSSARD, Québec, May 13, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BTF/OTC: BFARE) today announces it will report fiscal first quarter 2021 financial results on Wednesday, May 26, 2021, after market close.

Management will host a conference call on Wednesday, May 26, 2021 at 5:30 p.m. ET to review financial results. Following management’s formal remarks there will be a question-and-answer session where management will address pre-submitted questions. Interested parties may submit questions for management’s consideration at [investors@bitfarms.com](mailto:investors@bitfarms.com) through May 21, 2021.

### Conference call access:

Participants are asked to pre-register for the call through the following link:

<https://dpreregister.com/sreg/10156341/e85e3388ed>

Please note that registered participants will receive their dial in number upon registration and will dial directly into the call without delay. Those without internet access or unable to pre-register may dial in by calling: 1-866-777-2509 (domestic), 1-412-317-5413 (international). All callers should dial in approximately 10 minutes prior to the scheduled start time and ask to be joined into the Bitfarms call.

The conference call will also be available through a live webcast found here:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=PgMEVu3T>

A webcast replay of the call will be available approximately one hour after the end of the call through August 26, 2021 at the above webcast link. A telephonic replay of the call will be available through June 2, 2021 and may be accessed by calling 1- 877-344-7529 (domestic) or 1-412-317-0088 (international) or Canada (toll free) 855-669-9658 and using access code 10156341.

A presentation of the Q1 2021 results will be accessible on Wednesday, May 26, 2021, after market close, under the “Investors” section of the Bitfarms’ website.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honored to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to listing and trading on the Nasdaq and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labor and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

### **Investor and Media Contact:**

Mauro Ferrara  
Interim Chief Financial Officer and Corporate Secretary  
Bitfarms Ltd.  
+1.514.691-6228  
[MFerrara@bitfarms.com](mailto:MFerrara@bitfarms.com)

### **Investor Relations Contact:**

CORE IR  
[investors@bitfarms.com](mailto:investors@bitfarms.com)  
+1.516.222-2560

---

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

May 17, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated on May 17, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

May 17, 2021.

---



## **Bitfarms Announces CAD\$75.0 Million Private Placement with U.S. Institutional Investors**

**Toronto, Ontario and Brossard, Québec (May 17, 2021 - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”))** (TSXV: BITF // OTC:BFARF) announces it has entered into subscription agreements with certain institutional investors for gross proceeds of approximately CAD\$75.0 million in a private placement in the United States, comprised of 14,150,944 common shares at CAD\$5.30 per common share along with warrants to purchase an aggregate of up to 10,613,208 common shares. The warrants have an exercise price of USD\$4.87 per common share and exercise period of three years. The net proceeds of the private placement will be used by the Company mainly to acquire additional miners, expand infrastructure, and improve its working capital position, in support of its plans to more than triple its hashrate in 2021 to 3.0 EH/s, then grow to 8.0 EH/s in 2022.

The private placement is expected to close on or about May 20, 2021, subject to satisfaction of customary closing conditions and approval of the TSX Venture Exchange.

H.C. Wainwright & Co. is acting as the exclusive placement agent for the private placement in the United States.

### **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, including the intention to complete the private placement, the expected expenditure of the proceeds of the private placement, and the anticipated growth in its hashrate, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

#### Contacts

#### **Investor Relations:**

##### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

#### **US Media:**

##### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

##### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

#### **Québec Media:**

##### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)



## Bitfarms Announces CAD\$75.0 Million Private Placement with U.S. Institutional Investors

TORONTO, Ontario and BROSSARD, Québec, May 17, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BITE // OTC:BFARF) announces it has entered into subscription agreements with certain institutional investors for gross proceeds of approximately CAD\$75.0 million in a private placement in the United States, comprised of 14,150,944 common shares at CAD\$5.30 per common share along with warrants to purchase an aggregate of up to 10,613,208 common shares. The warrants have an exercise price of USD\$4.87 per common share and exercise period of three years. The net proceeds of the private placement will be used by the Company mainly to acquire additional miners, expand infrastructure, and improve its working capital position, in support of its plans to more than triple its hashrate in 2021 to 3.0 EH/s, then grow to 8.0 EH/s in 2022.

The private placement is expected to close on or about May 20, 2021, subject to satisfaction of customary closing conditions and approval of the TSX Venture Exchange.

H.C. Wainwright & Co. is acting as the exclusive placement agent for the private placement in the United States.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Defined Terms

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### Forward-Looking Statements

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, including the intention to complete the private placement, the expected expenditure of the proceeds of the private placement, and the anticipated growth in its hashrate, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560  
[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations  
[julesa@coreir.com](mailto:julesa@coreir.com)

**YAP Global**

Mia Grodsky, Account Executive  
[mia@yapglobal.com](mailto:mia@yapglobal.com)

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director  
[marc@ryanap.com](mailto:marc@ryanap.com)

---

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1      Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2      Date of Material Change**

May 20, 2021.

**Item 3      News Release**

The press release attached as Schedule “A” was disseminated on May 20, 2021.

**Item 4      Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5      Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6      Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9      Date of Report**

May 20, 2021.

---



## **Bitfarms Announces Closing of CAD\$75.0 Million Private Placement with U.S. Institutional Investors**

**Toronto, Ontario and Brossard, Québec (May 20, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV:BITE](#)) (U.S.:OTC:BFARF), one of the largest and most productive publicly listed bitcoin mining operations in the world, is pleased to announce that it has closed its previously announced private placement of equity securities (the “**Offering**”). The Offering was for gross proceeds of approximately CAD\$75 million and consisted of the sale of 14,150,944 common shares, along with warrants to purchase an aggregate of up to 10,613,208 common shares, at a purchase price of CAD\$5.30 per common share and associated warrant. The warrants have an exercise price of USD\$4.87 per common share and exercise period of three years (through May 20, 2024). The funds were raised via a fully subscribed private placement of equity securities among U.S. institutional investors.

H.C. Wainwright & Co. acted as the exclusive placement agent for the Offering.

The net proceeds of the Offering will be used by the Company principally to acquire additional miners, expand infrastructure and improve its working capital position, in support of its plans to increase its hashrate in 2021 to 3.0 EH/s, then grow to 8.0 EH/s in 2022.

H.C. Wainwright & Co. received (i) a cash commission equal to 8.0% of the gross proceeds of the Offering and (ii) 1,132,076 non-transferable broker warrants (the “**Broker Warrants**”). Each Broker Warrant will entitle the holder to purchase common shares at an exercise price of USD\$5.49 per common share at any time on or before May 20, 2024.

The securities issued under the Offering are subject to customary resale restrictions in the United States with no resale restrictions in Canada.

### **Notes**

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933 and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

## About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## Forward-Looking Statements

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, including the expected expenditure of the proceeds of the private placement and the anticipated growth in its hashrate, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*



*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

#### Contacts

#### **Investor Relations:**

##### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

#### **US Media:**

##### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

##### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

#### **Québec Media:**

##### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)



## Bitfarms Announces Closing of CAD\$75.0 Million Private Placement with U.S. Institutional Investors

**Toronto, Ontario and Brossard, Québec (May 20, 2021)** - Bitfarms Ltd. ("**Bitfarms**", or the "**Company**") (TSXV:BITF) (U.S.:OTC:BFARF), one of the largest and most productive publicly listed bitcoin mining operations in the world, is pleased to announce that it has closed its previously announced private placement of equity securities (the "**Offering**"). The Offering was for gross proceeds of approximately CAD\$75 million and consisted of the sale of 14,150,944 common shares, along with warrants to purchase an aggregate of up to 10,613,208 common shares, at a purchase price of CAD\$5.30 per common share and associated warrant. The warrants have an exercise price of USD\$4.87 per common share and exercise period of three years (through May 20, 2024). The funds were raised via a fully subscribed private placement of equity securities among U.S. institutional investors.

H.C. Wainwright & Co. acted as the exclusive placement agent for the Offering.

The net proceeds of the Offering will be used by the Company principally to acquire additional miners, expand infrastructure and improve its working capital position, in support of its plans to increase its hashrate in 2021 to 3.0 EH/s, then grow to 8.0 EH/s in 2022.

H.C. Wainwright & Co. received (i) a cash commission equal to 8.0% of the gross proceeds of the Offering and (ii) 1,132,076 non-transferable broker warrants (the "**Broker Warrants**"). Each Broker Warrant will entitle the holder to purchase common shares at an exercise price of USD\$5.49 per common share at any time on or before May 20, 2024.

The securities issued under the Offering are subject to customary resale restrictions in the United States with no resale restrictions in Canada.

### Notes

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933 and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

---

## **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long- term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, including the expected expenditure of the proceeds of the private placement and the anticipated growth in its hashrate, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

**YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2021 (UNAUDITED)**

---

## INDEX

	Page
<a href="#"><u>Interim Condensed Consolidated Statements of Financial Position</u></a>	2
<a href="#"><u>Interim Condensed Consolidated Statements of Profit or Loss and Comprehensive Profit or Loss</u></a>	3
<a href="#"><u>Interim Condensed Consolidated Statements of Changes in Equity</u></a>	4
<a href="#"><u>Interim Condensed Consolidated Statements of Cash Flows</u></a>	5
<a href="#"><u>Notes to Interim Condensed Consolidated Financial Statements</u></a>	6-20

-----

---

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(In thousands of U.S. dollars)**

	<b>Note</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash		\$ 53,033	\$ 5,947
Trade receivables		1,030	1,103
Other assets	3	3,350	500
Electrical component inventory		327	169
Digital assets	4	32,428	-
Embedded derivative	6	-	1,449
<b>TOTAL CURRENT ASSETS</b>		<b>90,168</b>	<b>9,168</b>
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	5	45,438	35,793
Right-of-use assets	7	5,245	5,393
Long-term deposits and equipment prepayments	5c	22,829	973
Intangible assets		315	377
<b>TOTAL NON-CURRENT ASSETS</b>		<b>73,827</b>	<b>42,536</b>
<b>TOTAL ASSETS</b>		<b>\$ 163,995</b>	<b>\$ 51,704</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Trade payables and accrued liabilities		3,124	\$ 2,696
Current portion of long-term debt	6	46	17,171
Current portion of lease liabilities	7	6,404	3,626
Taxes payable		745	316
Warrant liability		-	4,668
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,319</b>	<b>28,477</b>
<b>NON-CURRENT LIABILITIES:</b>			
Long-term debt	6	116	174
Lease liabilities	7	9,347	7,397
Asset retirement provision		220	209
Deferred tax liability	8b	2,090	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,773</b>	<b>7,780</b>
<b>TOTAL LIABILITIES</b>		<b>22,092</b>	<b>36,257</b>
<b>EQUITY:</b>			
Share capital		156,451	32,004
Contributed surplus		10,074	5,588
Accumulated other comprehensive income		5,128	-
Accumulated deficit		(29,750)	(22,145)
<b>TOTAL EQUITY</b>		<b>141,903</b>	<b>15,447</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$ 163,995</b>	<b>\$ 51,704</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE PROFIT OR LOSS**  
(In thousands of U.S. dollars, except earnings per share data)

	Note	Three months ended March 31,	
		2021	2020
Revenues	4, 13b	\$ 28,432	\$ 9,212
Cost of sales		9,120	7,917
Gross profit		19,312	1,295
General and administrative expenses		2,819	2,805
Loss on disposition of digital assets	4	22	-
Operating income (loss)		16,471	(1,510)
Gain on disposition of property, plant and equipment		(19)	-
Net financial expenses	12a	23,425	1,022
Net loss before income taxes		(6,935)	(2,532)
Income tax expense (recovery)	8b	670	(108)
Net loss		\$ (7,605)	\$ (2,424)
Other comprehensive income			
Revaluation gain on digital assets (net of tax)	4	5,128	-
Total comprehensive loss		\$ (2,477)	\$ (2,424)
Net loss per share (in U.S. dollars):	12b		
Basic and diluted net loss per share		\$ (0.06)	\$ (0.03)
Basic and diluted weighted average number of shares		123,877,035	84,048,408

The accompanying notes are an integral part of the interim condensed consolidated financial statements.



**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In thousands of U.S. dollars, except for quantity of shares)

	Quantity of shares	Share capital	Contributed surplus	Accumulated deficit	Total	Accumulated other Comprehensive income	Total equity
<b>Balance as of January 1, 2021</b>	88,939,359	\$ 32,004	\$ 5,588	\$ (22,145)	\$ 15,447	\$ -	\$ 15,447
Net loss	-	-	-	(7,605)	(7,605)	-	(7,605)
Share-based payment (Note 11)	-	-	420	-	420	-	420
Issuance of common shares (Note 9)	26,042,398	57,483	-	-	57,483	-	57,483
Conversion of long-term debt (Note 9)	8,474,577	5,000	-	-	5,000	-	5,000
Exercise of warrants and stock options (Note 9)	21,560,530	61,964	4,066	-	66,030	-	66,030
Unrealized gain on revaluation of digital assets, net of tax (Note 4)	-	-	-	-	-	5,128	5,128
<b>Balance as of March 31, 2021</b>	<u>145,016,864</u>	<u>\$ 156,451</u>	<u>\$ 10,074</u>	<u>\$ (29,750)</u>	<u>\$ 136,775</u>	<u>\$ 5,128</u>	<u>\$ 141,903</u>
<b>Balance as of January 1, 2020</b>	83,620,630	\$ 33,944	-	\$ (5,856)	\$ 28,088	\$ -	\$ 28,088
Net loss	-	-	-	(2,424)	(2,424)	-	(2,424)
Share-based payment	500,000	-	1,010	-	1,010	-	1,010
Exercise of warrants	500,000	200	-	-	200	-	200
<b>Balance as of March 31, 2020</b>	<u>84,620,630</u>	<u>\$ 34,144</u>	<u>\$ 1,010</u>	<u>\$ (8,280)</u>	<u>\$ 26,874</u>	<u>\$ -</u>	<u>\$ 26,874</u>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands of U.S. dollars)**

		<b>Three months ended March 31,</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>			
Net loss		\$ (7,605)	\$ (2,424)
Adjustments for:			
Depreciation and amortization		3,008	2,980
Net financial expenses	12a	23,425	1,022
Digital assets mined	4	(27,190)	(8,980)
Digital assets liquidated	4	1,717	8,884
Loss on disposition of digital assets	4	22	-
Share-based payment	11	420	1,010
Interest and financial expenses paid		(564)	(1,292)
Deferred taxes, net		241	-
Gain on disposal of property, plant and equipment		(19)	-
		1,060	3,624
Changes in non-cash working capital components	14	(1,891)	239
Net cash related to operating activities		(8,436)	1,439
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment and intangible assets		(6,896)	(761)
Proceeds from sale of property, plant and equipment		33	7
Advance payments for equipment	5c	(21,883)	(107)
Net cash related to investing activities		(28,746)	(861)
<b>Cash flows from financing activities:</b>			
Issuance of common shares and warrants		57,483	-
Exercise of warrants		40,550	200
Exercise of stock options		671	-
Repayment of lease liabilities		(1,066)	(181)
Repayment of long-term debt		(13,374)	(419)
Net cash related to financing activities		84,264	(400)
Exchange rate differences on currency translation		4	(5)
Net change in cash and cash equivalents		47,086	173
Cash at the beginning of the period		5,947	2,159
Cash at the end of the period		\$ 53,033	\$ 2,332

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 1: REPORTING ENTITY, BASIS OF PRESENTATION AND LIQUIDITY**

- a. Bitfarms was incorporated under the Canada Business Corporation Act on October 11, 2018. The interim condensed financial statements of the corporation as at March 31, 2021 and 2020 comprise the accounts of Bitfarms Ltd. and its wholly owned subsidiaries (together referred to as the “Company” or “Bitfarms”). The activities of the Company are divided into two reportable segments: the cryptocurrency mining segment (referred to as “Backbone”) and the electrical services segment (referred to as “Volta”), as described in Note 13 “Reportable segments”.

Bitfarms is primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly and negatively impact the Company’s operations. In addition, adverse changes to the factors mentioned above may impact the recoverability of the Company’s digital assets and property, plant and equipment resulting in impairment charges being recorded.

The common shares of the Company are listed under the trading symbol BITF of the TSX Venture Exchange and under the trading symbol BFARF on the U.S. OTC.

- b. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34.

These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company and the notes thereto for the year ended on December 31, 2020. These interim condensed consolidated financial statements were approved by the Board of Directors on May 26, 2021.

- c. In March 2020, the World Health Organization declared COVID-19 a pandemic. The potential impacts that COVID-19 may have on the Backbone operating segment include potential increases in cryptocurrency price volatility, difficulty obtaining new financing due to a global economic slowdown, and delays in receiving future orders of mining hardware and parts sourced from overseas. The Backbone operating segment has been, and is expected to, continue operating throughout the pandemic. Volta’s services are considered to be essential by government authorities and have been, and are expected to continue, operating throughout the pandemic. No significant impacts of COVID-19 have been observed on Backbone or Volta’s operations for the three months ended March 31, 2021.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government interventions. It is not possible to reliably estimate the length and severity of these developments as well as the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 1: REPORTING ENTITY, BASIS OF PRESENTATION AND LIQUIDITY (Cont.)**

d. In these financial statements, the following terms shall have the following definitions:

1.	Backbone	Backbone Hosting Solutions Inc.
2.	Volta	9159-9290 Quebec Inc.
3.	BTC	Bitcoin
4.	BVVE	Blockchain Verification and Validation Equipment
5.	CAD	Canadian Dollars

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements have been prepared following the same accounting policies used in the audited annual consolidated financial statements for the year ended December 31, 2020.

The accounting policies have been applied consistently by the Corporation's entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

**NOTE 3: OTHER ASSETS**

	March 31, 2021	December 31, 2020
Sales taxes receivable	\$ 1,895	\$ 297
Prepaid expenses	1,455	203
	<u>\$ 3,350</u>	<u>\$ 500</u>

**NOTE 4: DIGITAL ASSETS**

Bitcoin transactions and the corresponding values for the three months ended March 31, 2021 and 2020 were as follows:

	Three months ended March 31,			
	2021		2020	
	Quantity	Value	Quantity	Value
Balance as of January 1,	-	\$ -	-	\$ -
Bitcoin mined*	598	27,190	1,087	8,980
Bitcoin exchanged for cash and services	(3)	(171)	(913)	(7,441)
Bitcoin exchanged for long-term debt repayment	(47)	(1,546)	(159)	(1,283)
Loss on disposition of Bitcoin	-	(22)	-	-
Prior period accounting policy change	-	-	-	(160)
Revaluation of digital assets**	-	6,977	-	-
Balance as of March 31,	<u>548</u>	<u>\$ 32,428</u>	<u>15</u>	<u>\$ 96</u>

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 4: DIGITAL ASSETS (Cont.)**

\* Management estimates the fair value of Bitcoin mined on a daily basis, as the quantity of cryptocurrency received multiplied by the price quoted on [www.coinmarketcap.com](http://www.coinmarketcap.com) ("Coinmarketcap") on the day it was received. Management considers the prices quoted on Coinmarketcap to be a level 2 input under IFRS 13 Fair Value Measurement

\*\* The revaluation of digital assets is presented in other comprehensive income net of \$1,849 of deferred income tax as described in Note 8b.

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

a. As at March 31, 2021, and December 31, 2020, property, plant and equipment consisted of:

	<b>BVVE and electrical components</b>	<b>Mineral assets</b>	<b>Land and buildings</b>	<b>Leasehold improvements</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost:</b>						
<b>Balance as of January 1, 2021</b>	\$ 52,676	\$ 9,000	\$ 3,263	\$ 2,707	\$ 448	\$ 68,094
Additions during the period	12,271	-	82	2	7	12,362
Dispositions during the period	(43)	-	-	-	-	(43)
<b>Balance as of March 31, 2021</b>	<u>64,904</u>	<u>9,000</u>	<u>3,345</u>	<u>2,709</u>	<u>455</u>	<u>80,413</u>
<b>Balance as of January 1, 2020</b>	54,127	9,000	2,721	2,415	381	68,644
Additions during the period	9,548	-	542	306	80	10,476
Dispositions during the period	(10,999)	-	-	(14)	(13)	(11,026)
<b>Balance as of December 31, 2020</b>	<u>52,676</u>	<u>9,000</u>	<u>3,263</u>	<u>2,707</u>	<u>448</u>	<u>68,094</u>
<b>Accumulated Depreciation:</b>						
<b>Balance as of January 1, 2021</b>	30,042	-	185	1,861	213	32,301
Depreciation	2,595	-	23	63	22	2,703
Dispositions during the period	(29)	-	-	-	-	(29)
<b>Balance as of March 31, 2021</b>	<u>32,608</u>	<u>-</u>	<u>208</u>	<u>1,924</u>	<u>235</u>	<u>34,975</u>
<b>Balance as of January 1, 2020</b>	28,976	-	101	1,641	152	30,870
Depreciation	9,762	-	84	234	68	10,148
Dispositions during the period	(8,696)	-	-	(14)	(7)	(8,717)
Transfer to assets held for sale	-	-	-	-	-	-
<b>Balance as of December 31, 2020</b>	<u>30,042</u>	<u>-</u>	<u>185</u>	<u>1,861</u>	<u>213</u>	<u>32,301</u>
<b>Net book value as of March 31, 2021</b>	<u>\$ 32,296</u>	<u>\$ 9,000</u>	<u>\$ 3,137</u>	<u>\$ 785</u>	<u>\$ 220</u>	<u>\$ 45,438</u>
<b>December 31, 2020</b>	<u>\$ 22,634</u>	<u>\$ 9,000</u>	<u>\$ 3,078</u>	<u>\$ 846</u>	<u>\$ 235</u>	<u>\$ 35,793</u>

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT (Cont.)**

b. Further details of the quantity and models of BVVE held by the Company are as follows:

	<b>Bitmain Antminer S9 (BTC)</b>	<b>Other Bitmain Antminers (BTC) *</b>	<b>Innosilicon T3 &amp; T2T (BTC) **</b>	<b>Canaan Avalon A10 (BTC)</b>	<b>MicroBT Whatsminer (BTC) ***</b>
<b>Quantity as of January 1, 2021</b>	9,497	1,747	6,446	1,024	8,394
Additions during the period	-	-	-	-	4,500
Dispositions during the period	-	(14)	-	-	-
<b>Quantity as of March 31, 2021</b>	<u>9,497</u>	<u>1,733</u>	<u>6,446</u>	<u>1,024</u>	<u>12,894</u>

\* Includes 1,334 Antminer T15 and 399 Antminer S15

\*\* Includes 5,082 T3 and 1,364 T2T

\*\*\* Includes 4,338 M20S and 8,556 M31S+

Included in the BVVE and electrical equipment listed above are right-of-use assets consisting of 7,000 Whatsminer M31S+ with a net book value of approximately \$10,677 as described in Note 7.

c. In addition to the equipment described above, the Company placed deposits on BVVE in the amount of \$21,883. These deposits are mainly for orders placed on 48,000 Whatsminer miners with expected delivery in 2022, as well as 1,500 Whatsminer miners and 700 Antminers with expected delivery in 2021. The Company has committed to paying the balance of \$2,200 in Q2 2021 to acquire the 1,500 Whatsminer miners as well as \$1,700 in Q3 2021 to acquire the 700 Antminers.

**NOTE 6: LONG-TERM DEBT**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Dominion Capital loan	\$ -	\$ 17,092
Volta note payable and vendor financing	162	253
<b>Total long-term debt</b>	<u>162</u>	<u>17,345</u>
Less current maturities of long-term debt	(46)	(17,171)
<b>Non-current maturities of long-term debt</b>	<u>\$ 116</u>	<u>\$ 174</u>

On March 15, 2019, the Group entered into a secured debt financing facility for up to \$20,000 with Dominion Capital LLC (the Lender). The debt facility was structured into four separate loan tranches of \$5,000 per tranche. Each loan tranche bore interest at 10% per annum and the term of each loan tranche was 24 months with a balloon payment for any remaining outstanding balance at the end of the term. A monthly payment equivalent to 10% of the value of cryptocurrencies mined by Backbone during the month was required in repayment of the total loan tranches drawn.

The loan contained a “make-whole” clause which stipulated that the 10% interest rate was calculated on the initial principal balance of the loan tranche and did not decrease as the principal balance was repaid.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 6: LONG-TERM DEBT (Cont.)**

The 10% interest rate was calculated over the 24-month term of each loan tranche regardless of whether the loan tranche was repaid prior to its maturity. Any unpaid interest at the time of the loan tranche's early repayment was included in the balloon payment. The loan features resulted in a loan liability measured at amortized cost, a warrant component recorded as equity, a warrant component recorded as a liability measured at fair value through profit or loss, and an embedded derivative measured at fair value through profit or loss described below.

In September 2020, the Company entered into an agreement with Dominion Capital to amend the maturity date of tranche #2 from April 2021 to November 2021. The 10% make-whole clause described below remained in effect for the 6 month extension of the second loan tranche. In addition, a conversion feature was added to tranche #3, maturing in June 2021, providing Dominion Capital with the option to convert all or a portion of the loan tranche into shares at a price of \$0.59 USD per share. The conversion feature was exercisable by Dominion Capital at any time until the loan's maturity date in June 2021. In January 2021, Dominion Capital exercised their option to convert \$5,000 of debt into 8,474,577 Common Shares. In February 2021, the Company repaid the remaining debt obligation in its entirety.

*Loan liability*

The loan liability was initially measured as the residual amount of the proceeds received, net of transaction costs and the fair value of the warrant issuance. The loan was then measured at amortized cost using the effective interest method. Management used significant judgement and estimates when determining the effective interest rate. Payment amounts were determined as 10% of the cryptocurrency mined by Backbone. In order to calculate the effective interest rate, management estimated Backbone's future cryptocurrency mining revenues in order to estimate the timing and amount of future loan repayments. Upon inception of each loan tranche, the effective interest rates were determined to be 26.93%, 30.16%, 37.10 % and 38.02% for the first, second, third and fourth tranches, respectively. Included in financial expenses for the three months ended March 31, 2021 is \$472 (three months ended March 31, 2020 - \$1,229) of interest expense related to the loan.

*Warrant issuance*

Bitfarms Ltd. also issued 1,666,667 Lender warrants, which vested upon issuance, to acquire 1,666,667 shares of Bitfarms Ltd. for each loan tranche drawn with an exercise price of \$0.40 USD per share and an expiration date of five years. As a result, an aggregate of 6,666,668 Lender warrants to acquire 6,666,668 shares have been issued, of which 1,250,000 were exercised as of December 31, 2020. The remaining 5,416,668 warrants were exercised in January and February 2021 resulting in the issuance of 5,251,223 common shares for proceeds of approximately \$1,500, see Note 9. The warrant exercises described above include the cashless exercise of 1,666,667 warrants resulting in the issuance of 1,501,222 common shares. In addition to the loan modifications described above, a cashless exercise feature was authorized for the warrants issued in connection with Tranche #2 and Tranche #3, which resulted in these warrants being reclassified from equity to a warrant liability measured at fair value through profit or loss. The Black Scholes model and the inputs below were used in determining the values of the warrants prior to their derecognition which resulted in a non-cash loss on revaluation of warrants of \$2,466 included in net financial expenses (three months ended March 31, 2020 - \$nil).

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 6: LONG-TERM DEBT (Cont.)***Embedded derivative*

The value of the “make-whole” clause described above will vary based on management’s projections of the timing of the loan repayment, which are based on Backbone’s cryptocurrency mining revenues. This interest feature has been accounted for as an embedded derivative that is measured at fair value through profit or loss. The early repayment of the loan resulted in the company recording a loss on embedded derivative of \$2,641 included in net financial expenses (three months ended March 31, 2020 gain of \$62). See Note 12a.

**NOTE 7: LEASES**

Set out below are the carrying amounts of the Company’s right-of-use assets and lease liabilities and their movements during the three month period ended March 31, 2021:

	<b>Leased premises</b>	<b>Vehicles</b>	<b>Other equipment</b>	<b>Total ROU assets</b>	<b>Lease liabilities</b>
As at January 1, 2021	\$ 5,129	\$ 180	\$ 84	\$ 5,393	\$ 11,023
Additions and extensions to ROU assets	-	98	-	98	98
Additions to property, plant and equipment	-	-	-	-	5,626
Depreciation	(223)	(20)	(7)	(250)	-
Payments	-	-	-	-	(1,490)
Interest	-	-	-	-	424
Foreign exchange	3	1	-	4	70
As at March 31, 2021	<u>\$ 4,909</u>	<u>\$ 259</u>	<u>\$ 77</u>	<u>\$ 5,245</u>	<u>\$ 15,751</u>
Less current maturities of lease liabilities					(6,404)
Non-current maturities of lease liabilities					<u>\$ 9,347</u>

As of March 31, 2021, the Company had entered into four two-year lease agreements for mining hardware with a cost of approximately \$11,701. The leases contain bargain purchase options where the Company may purchase the leased equipment for \$1.00 USD upon expiration of the lease agreement. The corresponding right-of-use assets are classified as property, plant and equipment under BVVE and electrical equipment as described in Note 5. The Company issued 336,250 warrants to the Lessor with a strike price of \$0.40 USD and expiring in November 2023. Subsequent to March 31, 2021, the Company issued an additional 468,013 warrants to the Lessor with a strike price of \$0.40 USD expiring in May 2023.



**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 8: INCOME TAXES**

## a. Deferred taxes

Deferred taxes are computed at a tax rate of 26.5%, based on tax rates expected to apply at the time of realization. Deferred taxes relate primarily to the timing differences on recognition of expenses relating to the depreciation of fixed assets and loss carryforwards. Backbone currently has federal and provincial loss carryforwards of \$13,584 and \$19,830, respectively which can be carried forward for a period of 20 years, expiring in 2040. Management has concluded that the loss carryforwards now meet the recognition criteria to recognize a deferred tax asset under IFRS.

## b. Taxes included in profit or loss:

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Current tax expense (benefit)		
Current year	\$ 429	\$ -
Prior year	-	(108)
Deferred tax expense (benefit)		
Current year	241	-
Prior year	-	-
	<u>\$ 670</u>	<u>\$ (108)</u>

In addition to the taxes included in profit or loss, a deferred tax expense of \$1,849 was calculated on the revaluation gain on digital assets included in other comprehensive income. The Company's total deferred tax liability as of March 31, 2021 is \$2,090.

## c. Effective tax rate:

Tax on the Group's loss before income taxes differs from the theoretical amount that would arise using the statutory tax rate applicable to net loss before income taxes as follows:

	<b>Three months ended March 31, 2021</b>
Income tax expense at statutory rate of 26.5%	\$ (1,838)
Increase (decrease) in taxes resulting from:	
Non-deductible expenses	5,910
Deferred tax asset previously not recognized and other	(3,402)
	<u>\$ 670</u>

During the three months ended March 31, 2020 the Company took a full valuation allowance on deferred tax assets.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 9: SHARE CAPITAL**

	<b>Authorized</b>	<b>Issued and outstanding at</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
		<b>Number of</b>	
		<b>shares</b>	
Common shares of no par value	Unlimited	145,016,864	88,939,359

*Dominion Capital*

As described in Note 6, the remaining 5,416,668 warrants were exercised in January and February 2021 resulting in the issuance of 5,251,223 common shares for proceeds of approximately \$1,500. The warrant exercises described above include the cashless exercise of 1,666,667 warrants resulting in the issuance of 1,501,222 common shares. In addition to the loan modifications described in Note 6, a cashless exercise feature was authorized for the warrants issued in connection with Tranche #2 and Tranche #3, which resulted in these warrants being reclassified from equity to a warrant liability measured at fair value through profit or loss. The Black Scholes model and the inputs below were used in determining the values of the warrants relating to Tranche #2 and Tranche #3, prior to their derecognition. The derecognition of warrants containing the authorized cashless exercise feature resulted in a non-cash loss on revaluation of warrants of \$2,466 included in net financial expenses (three months ended March 31, 2020 - \$nil) .

<b>Grant date</b>	<b>Remeasurement on settlement of warrant liability</b>		
	<b>January 7,</b>	<b>January 25,</b>	<b>February 11,</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>
Dividend yield (%)	-	-	-
Expected share price volatility (%)	131%	138%	136%
Risk-free interest rate (%)	0.25%	0.25%	0.25%
Expected life of stock options (years)	0.92	0.42	0.71
Share price (CAD)	3.00	3.25	4.40
Exercise price (CAD)	0.51	0.39	0.51
Fair value of warrants (USD)	2.00	2.25	3.08
Quantity of warrants exercised	250,000	1,666,667	916,667

As described in Note 6, in January 2021, Dominion Capital exercised their option to convert \$5,000 of debt into 8,474,577 Common Shares.

In January and February 2021, Dominion Capital exercised all of their remaining outstanding warrants resulting in the issuance of 5,251,223 common shares for proceeds of approximately \$1,500. The warrant exercises described above include the cashless exercise of 1,666,667 warrants resulting in the issuance of 1,501,222 common shares.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 9: SHARE CAPITAL (Cont.)***Private placements*

In January and February 2021, the Company completed three private placements for total gross proceeds of \$80,000,000 CAD in exchange for 26,036,177 Common Shares and 26,036,177 warrants to purchase Common Shares:

<b>Closing Date</b>	<b>January 7, 2021</b>	<b>January 14, 2021</b>	<b>February 10, 2021</b>
Gross proceeds (CAD)	20,000,000	20,000,000	40,000,000
Common shares issued	8,888,889	5,586,593	11,560,695
Warrants issued*	8,888,889	5,586,593	11,560,695
Warrant strike price	2.75 CAD	3.10 USD	3.01 USD
Warrant life (years)	3	3.5	3.5
Commission paid	8%	8%	8%
Broker warrants issued*	711,111	446,927	924,586
Broker warrant strike price	2.81 CAD	3.53 USD	3.39 USD
Broker warrant life (years)	3	3.5	3.5

\* All warrants issued are for the purchase of one common share in the Company

In February 2021, 8,888,889 warrants and 615,111 of the 711,111 broker warrants related to the private placement closed on January 7, 2021 were exercised resulting in the issuance of 9,504,000 common shares for proceeds of approximately \$20,611 (26,172,000 CAD).

In March 2021, 5,027,933 warrants related to the private placement closed on January 14, 2021 were exercised resulting in the issuance of 5,027,933 common shares for proceeds of approximately \$15,587. In addition, 800,000 of the 924,586 broker warrants issued in connection with the private placement on February 10, 2021 were exercised resulting in the issuance of 800,000 common shares for proceeds of \$2,712. In total, 15,331,933 warrants have been exercised resulting in the issuance of 15,331,933 common shares for total proceeds of \$38,910.

The warrants issued in connection with the private placement closed on January 7, 2021 had a strike price denominated in Canadian dollars, which is different from the Company's functional currency of the U.S. dollar. As a result, fluctuations in the Canadian to U.S. dollar exchange rate could result in the Company receiving a variable amount of cash in its functional currency in exchange for the exercise of warrants and issuance of shares. The possibility of variation in the settlement price in the Company's functional currency results in the warrants being classified as a liability that is measured at fair value through profit or loss. This accounting treatment does not apply to the broker warrants issued in Canadian dollars as warrants issued in exchange for goods or services are generally accounted for as equity with no remeasurement required. The Black Scholes model and the inputs below were used in determining the values of the warrants prior to their derecognition which resulted in a non-cash loss on revaluation of warrants of \$17,058 included in net financial expenses.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 9: SHARE CAPITAL (Cont.)**

Grant date	Initial recognition	Remeasurement on settlement of warrant liability		
	January 7, 2021	February 16, 2021	February 22, 2021	February 26, 2021
Dividend yield (%)	-	-	-	-
Expected share price volatility (%)	132%	137%	141%	141%
Risk-free interest rate (%)	0.25%	0.25%	0.25%	0.25%
Expected life of stock options (years)	0.5	0.38	0.38	0.38
Share price (CAD)	2.50	4.67	6.55	5.45
Exercise price (CAD)	2.75	2.75	2.75	2.75
Fair value of warrants (USD)	0.65	1.88	3.24	2.44
Quantity of warrants exercised	8,888,889	888,889	5,000,000	3,000,000

*Employee Stock Options*

During the three months ended March 31, 2021, employees and former employees exercised a combined total of 977,374 stock options to acquire 977,374 common shares resulting in proceeds of approximately \$653 being paid to the Company.

An additional 6,221 common shares were issued during the three months ended March 31, 2021.

**NOTE 10: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

## a. Balances with related parties:

	March 31, 2021	December 31, 2020
Trade payables:		
Directors' remuneration (included in accrued liabilities)	\$ 21	\$ 31
Lease liabilities:		
Companies controlled by directors	\$ 1,633	\$ 1,695

Amounts due to related parties, other than lease liabilities, are unsecured, non-interest bearing and payable on demand.

## b. Transactions with related parties during the three month period ended March 31, 2021:

- The Company made rent payments totaling approximately \$116 for the three month period ended March 31, 2021 (three month period ended March 31, 2020 \$108) to companies controlled by certain directors. The rent payments were classified as interest included in financial expenses and principal repayment of lease liabilities.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 10: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont.)**

2. The Company entered into consulting agreements with two of the directors. The consulting fees charged by directors totaled approximately \$124 for the three month period ended March 31, 2021 (\$60 for the three month period ended March 31, 2020).

The transactions described above were incurred in the normal course of operations. These transactions were included in consolidated statements of loss and comprehensive loss as follows:

	Three months ended March 31,	
	2021	2020
General and administrative expenses	\$ 124	60
Net financial expenses	33	38
	<u>\$ 157</u>	<u>\$ 98</u>

**NOTE 11: SHARE BASED PAYMENT**

The expense recognized in the financial statements for employee services received is shown in the following table:

	Three months ended March 31,	
	2021	2020
Equity-settled share-based payment plans	\$ 420	\$ 1,010

The share-based payment transactions entered into between the Company and its employees and service providers during the three month period ended March 31, 2021 are described below. In March 2021, the Board of Directors approved stock option grants of 65,000 options to purchase 65,000 common shares in accordance with the stock option plan adopted on June 20, 2019. All options issued to employees become exercisable when they vest and can be exercised for a period of 5 years from the date of the grant. The inputs used to value the grants using the Black-Scholes model are as follows:

Grant date	March, 2021
Dividend yield (%)	-
Expected share price volatility (%)	135%
Risk-free interest rate (%)	0.25%
Expected life of stock options (years)	3
Share price (CAD)	6.39
Exercise price (CAD)	6.39
Fair value of options (USD)	3.80
Vesting period (years)	2
Quantity of options granted	65,000

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 11: SHARE BASED PAYMENT (Cont.)**

Details of the outstanding stock options as of March 31, 2021 are as follows:

	<b>March 31, 2021</b>	
	<b>Number of</b>	<b>Weighted</b>
	<b>Options</b>	<b>Average</b>
		<b>Exercise Price</b>
		<b>(\$CAD)</b>
Outstanding, January 1	8,100,221	0.72
Granted	65,000	-
Exercised	(977,374)	0.85
Forfeited	(78,675)	1.57
Expired	-	-
Outstanding, March 31, 2021	7,109,172	0.72
Exercisable, March 31, 2021	4,060,177	1.20

The weighted average contractual life of the stock options as at March 31, 2021 was 3.7 years.

**NOTE 12: ADDITIONAL DETAILS TO THE STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE PROFIT OR LOSS**

a) Additional details on the components of net financial expenses are as follows:

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Loss on revaluation of warrants	\$ 19,524	\$ -
Loss (gain) on embedded derivative	2,641	(62)
Gain on currency exchange	(322)	(301)
Interest on long-term debt	474	1,263
Interest on lease liabilities	424	122
Warrant issuance costs	668	-
Other financial expenses	16	-
	<u>\$ 23,425</u>	<u>\$ 1,022</u>

b) Earnings per share:

For the three months ended March 31, 2021, potentially dilutive securities have not been included in the calculation of diluted earnings (loss) per share because their effect is antidilutive. The additional potentially dilutive securities that would have been included in the calculation for diluted earnings per share had their effect not been anti-dilutive, for the three months ended March 31, 2021, would have been approximately 25,142,000.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 13: REPORTABLE SEGMENTS**

## a. General:

The reporting segments are identified on the basis of information that is reviewed by the chief operating decision maker (“CODM”) to make decisions about resources to be allocated and assess its performance.

Accordingly, for management purposes, the Company is organized into operating segments based on the products and services of its business units and has reportable segments as follows:

**Backbone** Backbone operates server farms that support the validation and verification of transactions on the blockchain, earning cryptocurrency for providing these services.

**Volta** Volta provides electrician services to both commercial and residential customers in Quebec.

The segment results reported to the CODM include items that are allocated directly to the segments and items that can be allocated on a reasonable basis. Items that were not allocated, mainly corporate expenses, are managed on a group basis.

## b. Reportable segments:

	<b>Three months ended March 31, 2021</b>		
	<b>Backbone</b>	<b>Volta</b>	<b>Total</b>
Revenues*	\$ 27,736	\$ 696	\$ 28,432
Cost of sales	8,443	677	9,120
Gross profit	19,293	19	19,312
General and administrative expenses	2,684	135	2,819
Loss on disposition of digital assets	22	-	22
Gain on disposal of property, plant and equipment	(18)	(1)	(19)
Net financial expenses	23,417	8	23,425
Loss before income taxes	\$ (6,812)	\$ (123)	\$ (6,935)

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 13: REPORTABLE SEGMENTS (Cont)**

	Three months ended March 31, 2020		
	Backbone	Volta	Total
Revenues	\$ 8,724	\$ 488	\$ 9,212
Cost of sales	7,485	432	7,917
Gross profit	1,239	56	1,295
General and administrative expenses	2,582	140	2,722
Net financial expenses	1,009	13	1,022
Segment loss	\$ (2,352)	\$ (97)	\$ (2,449)
Unallocated corporate expenses			83
Loss before income taxes			\$ (2,532)

\* Included in Backbone revenues are hosting revenues of \$546 (2020 - \$nil).

**NOTE 14: ADDITIONAL DETAILS TO THE STATEMENT OF CASH FLOWS**

	Three months ended March 31,	
	2021	2020
<u>Changes in working capital components:</u>		
Decrease (increase) in trade receivables, net	\$ 73	\$ 327
Decrease (increase) in other current assets	(2,850)	242
Increase in electrical component inventory	(158)	(47)
Decrease (increase) in long-term deposits	27	(132)
Increase (decrease) in trade payables and accrued liabilities	588	(302)
Increase (decrease) in taxes payable	429	151
	(1,891)	239
<u>Significant non-cash transactions:</u>		
Addition of right-of-use assets, property, plant and equipment and related lease liabilities	\$ 5,626	\$ -
Purchase of property, plant and equipment financed by short-term credit	\$ 490	\$ 650
Extinguishment of warrant liability and long-term debt through share issuance	\$ 24,322	\$ -

Certain figures in the comparative period Interim Condensed Consolidated Statements of Cash Flows have been reclassified to meet the current presentation.



**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(In thousands of U.S. dollars, except for data relating to quantity of PPE, shares, warrants and digital assets)

**NOTE 15: SUBSEQUENT EVENTS***Acquisition of Mining Hardware and Debt Financing*

On April 23, 2021, Bitfarms and Foundry Digital LLC (“Foundry”), a wholly owned subsidiary of Digital Currency Group (DCG), jointly announced Bitfarms’ purchase of 2,465 Whatsminer M30S Bitcoin mining machines through Foundry’s financial services arm. Of the 2,465 machines, the first 1,465 were previously installed in Bitfarms’ Sherbrooke facility in Q3 2020 for hosting.

Under similar terms, Bitfarms obtained additional financing from Foundry’s financial services arm to purchase an additional 1,000 Whatsminer M30S machines with expected delivery in batches from September to November 2021.

On May 6, 2021, Bitfarms announced the purchase of 6,600 S19j Pro Antminers from Bitmain, which are scheduled to be delivered in three shipments of 2,200 units in August, September, and October of 2021.

*Nasdaq Listing*

On May 7, 2021, Bitfarms announced that its application to list its common stock on the Nasdaq Global Market® was approved by The Nasdaq Stock Market (“Nasdaq”) under the symbol “BITF”. Bitfarms will also retain its listing on the TSX Venture Exchange under the symbol “BITF”. There are still additional approvals required prior to commencing trading.

*Private Placement*

On May 20, 2021, the Company closed a private placement for gross proceeds of 75,000,000 CAD:

<b>Closing Date</b>	<b>May 20, 2021</b>
Gross proceeds (CAD)	75,000,000
Common shares issued	14,150,944
Warrants issued*	10,613,208
Warrant strike price	4.87 USD
Warrant life (years)	3
Commission paid	8%
Broker warrants issued*	1,132,076
Broker warrant strike price	5.49 USD
Broker warrant life (years)	3

\* Warrants were issued to the investors at a ratio of  $\frac{3}{4}$  warrant per common share issued. All warrants issued are for the purchase of one common share in the Company.



Management's Discussion & Analysis  
For the three months ended March 31, 2021

Q1  
2021

Contents

Introduction	2
Company Overview	2
Consolidated Results of Operations	3
Reconciliation of Non-IFRS measures	5
Reportable Segments	6
Backbone	6
Volta	7
Selected Quarterly Information	7
Liquidity and Capital Resources	8
Cash Flows	8
Working Capital	8
Capital Resources	9
Share Capital	10
Off-Balance Sheet Arrangements	10
Financial Instruments & Risks	10
Risk Factors	12
Related Party Transactions	12
Recent and Subsequent Events	13
Significant Accounting Policies	14
Caution Regarding Forward-Looking Statements	15
Caution Regarding Non-IFRS Financial Performance Measures	16
Management's Report on Internal Control Over Financial Reporting	17
Glossary of Terms.	18

## Introduction

The following Management's Discussion and Analysis ("MD&A") for Bitfarms Ltd. (together with its subsidiaries, the "Company" or "Bitfarms"), dated May 26, 2021, should be read in conjunction with the Company's first quarter 2021 unaudited interim period condensed consolidated financial statements and its accompanying notes, and the 2020 audited annual consolidated financial statements and its accompanying notes. In addition, the following MD&A should be read in conjunction with the Company's "Caution Regarding Forward-Looking Statements" section of this MD&A.

The Company's first quarter 2021 unaudited interim period condensed consolidated financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's first quarter 2021 unaudited interim period condensed consolidated financial statements are reported in US dollars, except where otherwise noted.

The Company utilizes a number of non-IFRS measures in assessing operating performance. Non-IFRS financial performance measures exclude the impact of certain items and are used internally when analyzing operating performance. Please refer to the "Caution Regarding Non-IFRS Financial Performance Measures" section of this MD&A for more information. This MD&A contains various terms related to the Company's business and industry which are defined in the Glossary of Terms section of this MD&A.

## Company Overview

The Company operates through two operating corporate subsidiaries and reportable segments: Backbone Hosting Solutions Inc. ("Backbone") and 9159-9290 Quebec Inc. (Volta Electrique, "Volta").

Backbone owns and operates server farms, comprised of computers (referred to as a "Miners") designed for the purpose of validating transactions, primarily on the Bitcoin Blockchain. The Miners operate 24 hours a day and revenue is earned from Block Rewards and transaction fees issued in the form of cryptocurrencies by the Bitcoin network to a Mining Pool from which the Company receives cryptocurrencies in return for contributing its hashrate which the Mining Pool uses to validate transactions (referred to as "mining"). Backbone accumulates its cryptocurrencies mined or exchanges them for U.S. dollars, as needed, through reputable and established cryptocurrency trading platforms.

As of the date of this MD&A, Bitfarms operates five server farm facilities in Québec, Canada, with electrical infrastructure capacity of 69 MW for Mining Bitcoin. The Company has contracts securing an aggregate of 160 MW of hydro-electric green energy in Quebec. In addition, Bitfarms owns proprietary software that is used to control, manage, report and secure Mining operations. The software scans and reports the location, computing power and temperature of all Miners at regular intervals to allow the Company to monitor performance and ensure Miners are operating at maximum capacity and up-time.

Volta provides electrician services to both commercial and residential customers in Quebec, while assisting Bitfarms in building and maintaining its server farms.

Consolidated Results of Operations

(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	28,432	9,212	19,220	209%
Cost of sales	9,120	7,917	1,203	15%
Gross profit	19,312	1,295	18,017	1391%
Gross margin	68%	14%	-	-
General and administrative expenses	2,819	2,805	14	-
Loss on disposition of digital assets	22	-	22	-
Operating income (loss)	16,471	(1,510)	17,981	1191%
Operating margin	58%	(16%)	-	-
Gain on disposition of PP&E	(19)	-	(19)	-
Net financial expenses	23,425	1,022	22,403	2192%
Net loss before income taxes	(6,935)	(2,532)	(4,403)	(174%)
Income tax expense (recovery)	670	(108)	778	720%
Net loss	(7,605)	(2,424)	(5,181)	(214%)
Basic and diluted net loss per share	(0.06)	(0.03)	-	-
Revaluation gain on digital assets (net of tax)	5,128	-	5,128	-
Total comprehensive loss	(2,477)	(2,424)	(53)	(2%)
Gross mining profit <sup>(1)</sup>	22,267	4,139	18,128	438%
Gross mining margin <sup>(1)</sup>	80%	47%	-	-
EBITDA <sup>(1)</sup>	(3,029)	1,833	(4,862)	(265%)
EBITDA margin <sup>(1)</sup>	(11%)	20%	-	-
Adjusted EBITDA <sup>(1)</sup>	19,701	2,780	16,921	609%
Adjusted EBITDA margin <sup>(1)</sup>	69%	30%	-	-

*First Quarter 2021 Financial Results and Operational Highlights:*

- Revenues of \$28.4 million; gross profit of \$19.3 million (68% gross margin), operating income of \$16.5 million (58% operating margin), and net loss of \$7.6 million;
- Gross mining profit<sup>1</sup> of \$22.3 million (80% gross mining margin);
- Adjusted EBITDA of \$19.7 million (69% adjusted EBITDA margin);
- Negative EBITDA of \$3.0 million (-11% EBITDA margin), due mainly to non-recurring non-cash financial expenses;
- Mined 598 Bitcoin with an average cost of approximately \$8,400 per Bitcoin<sup>2</sup> and retained 548 Bitcoin worth approximately \$32.4 million as of March 31, 2021;
- Received and installed 4,500 miners during the quarter adding approximately 369 PH/s.

<sup>1</sup> Gross mining profit, Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

<sup>2</sup> Represents the cost of Bitcoin based on variable cost of electricity and is calculated by taking the total electricity costs related to the Mining of Bitcoin, excluding electricity consumed by hosting clients, divided by the total number of Bitcoin mined.

### Revenues

Revenues were \$28.4 million for the three months period ended March 31, 2021 ("Q1 2021") compared to \$9.2 million for the same three months period in 2020 ("Q1 2020").

(U.S. \$ in thousands except where indicated)	Note	Bitcoin	(USD)	% Change
Revenues during the three-month period ended March 31, 2020 and Volta revenues		1,072	9,212	-
Impact of increase in average Bitfarms' Bitcoin hashrate in excess of increase in network difficulty during Q1 2021 compared to Q1 2020, adjusted for Bitcoin Halving Event	1	57	464	5%
Impact of Bitcoin Halving Event on May 11, 2020 on Bitfarms' quantity of coins mined during Q1 2021	2	(531)	(4,321)	(47%)
Impact of difference in average Bitcoin price in Q1 2021 compared to Q1 2020	3	-	22,309	242%
Other mining variance and change in Volta and hosting revenues		-	768	8%
Revenues for three months ended March 31, 2021		598	28,432	208%

### Notes

- 1 Calculated as the difference in theoretical Bitcoin mined in Q1 2021 assuming the Bitcoin Halving Event did not occur, compared to Q1 2020 multiplied by Q1 2020 average Bitcoin price
- 2 Calculated as the theoretical Bitcoin mined based on Bitfarms' actual hashrate during Q1 2021 assuming the Bitcoin Halving Event did not occur, compared to actual coins mined during the same period multiplied by average Bitcoin price
- 3 Calculated as the difference in average Bitcoin price in Q1 2021 compared to Q1 2020 multiplied by Bitcoin mined in Q1 2021 plus the reduction in Bitcoin mined as a result of the Bitcoin Halving event

The most significant factors impacting the increase to Bitfarms' revenues in Q1 2021, compared to Q1 2020, are presented in the table above. Revenues increased mostly due to the surge in average Bitcoin price and increase in Bitfarms' hashrate in excess of network difficulty, partially negated by the Bitcoin Halving Event.

### Cost of Sales

Bitfarms' cost of sales for Q1 2021 was \$9.1 million compared to \$7.9 million in Q1 2020. Cost of sales includes energy and infrastructure expenses, depreciation and amortization, electrician salaries, and purchases and net change in inventory. The increase in cost of sales was mainly due to energy and infrastructure expenses which increased by \$0.9 million, or 19%, as the Company added new Miners, which increased electrical consumption to an average of 59 MW during the quarter, compared to 51 MW for the same period in 2020.

### General & Administrative Expenses

Bitfarms' general and administrative and other expenses stood at \$2.8 million in Q1 2021, comparable to Q1 2020.

### Net financial expenses (income)

Bitfarms' net financial expenses for Q1 2021 were \$23.4 million compared to net financial expenses of \$1.0 million in Q1 2020. The \$22.4 million increase in net financial expenses was mainly related to a non-cash \$19.5 million loss recorded on revaluation of warrants in Q1 2021. The warrants issued in connection with the private placement closed on January 7, 2021 had a strike price denominated in Canadian dollars, which is different from the Company's functional currency of the U.S. dollar. As a result, fluctuations in the Canadian to U.S. dollar exchange rate could result in the Company receiving a variable amount of cash in its functional currency in exchange for the exercise of warrants and issuance of shares. The possibility of variation in the settlement price in the Company's functional currency results in the warrants being classified as a liability that is measured at fair value through profit or loss. The strong performance of the Company's share price in Q1 2021 resulted in a higher value being attributed to the warrant liability and the common shares issued in settlement of the liability, resulting in the non-cash loss described above. All warrants that were classified at fair value through profit or loss have been exercised as of Q1 2021, as a result this expense is non-recurring. In addition, there was a \$2.6 million loss on revaluation of an embedded derivative recorded in Q1 2021 due to the early retirement of the Dominion Capital loan, compared to a \$0.1 million gain on revaluation of the same embedded derivative in Q1 2020. The embedded derivative was derecognized in Q1 2021 when the Company extinguished the loan with Dominion Capital.

Reconciliation of Non-IFRS measures

Reconciliation of Net Income (loss) to EBITDA and Adjusted EBITDA  
(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Net loss before tax	(6,935)	(2,532)	(4,403)	(174%)
Interest expense	898	1,385	(487)	(35%)
Depreciation expense	3,008	2,980	28	1%
EBITDA	(3,029)	1,833	(4,862)	(265%)
Share based payment	420	1,010	(590)	(58%)
Financial expenses (income) and other	22,310	(62)	22,372	36084%
Adjusted EBITDA	19,701	2,781	16,920	608%

Calculation of Gross Mining Profit & Gross Mining Margin

(U.S. \$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	27,736	8,724	19,012	218%
Cost of sales	8,443	7,485	958	13%
Gross profit	19,293	1,239	18,054	1457%
Depreciation and amortization	2,977	2,953	24	1%
Net change in inventory and other	(3)	(53)	50	94%
Gross mining profit	22,267	4,139	18,128	438%
Gross mining margin	80%	47%	-	-

“Gross mining profit” is defined as Gross profit excluding depreciation and amortization and net change in inventory and other minor items included in cost of sales for the Backbone segment of the Company. “Gross mining margin” is defined as the percentage obtained when dividing Gross mining profit by Revenues for the Backbone segment of the Company.

Reportable Segments

Backbone

(U.S. \$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	27,736	8,724	19,012	218%
Cost of sales	8,443	7,485	958	13%
Gross profit	19,293	1,239	18,054	1457%
Gross margin	70%	14%	-	-
General and administrative expenses	2,684	2,582	102	4%
Loss on disposition of digital assets	22	-	22	-
Operating income (loss)	16,587	(1,343)	17,930	1335%
Operating margin	60%	(15%)	-	-
(Gain) on disposition of PP&E	(18)	-	(18)	-
Net financial expenses	23,417	1,009	22,408	2221%
Net loss before tax	(6,812)	(2,352)	(4,460)	(190%)
EBITDA <sup>(1)</sup>	(2,939)	1,973	(4,912)	(249%)
EBITDA margin <sup>(1)</sup>	(11%)	23%	-	-
Adjusted EBITDA <sup>(1)</sup>	19,792	2,920	16,872	578%
Adjusted EBITDA margin <sup>(1)</sup>	71%	33%	-	-

(1) EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

Reconciliation of Non-IFRS Performance Measures

(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Net loss before tax	(6,812)	(2,352)	(4,460)	(190%)
Interest expense	896	1,372	(476)	(35%)
Depreciation expense	2,977	2,953	24	1%
EBITDA	(2,939)	1,973	(4,912)	(249%)
Share based payment	420	1,010	(590)	(58%)
Financial expenses (income) and other	22,311	(63)	22,374	35514%
Adjusted EBITDA	19,792	2,920	16,872	578%



Volta

(U.S. \$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	696	488	208	43%
Cost of sales	677	432	245	57%
Gross profit	19	56	(37)	(66%)
Gross margin	3%	11%	-	-
G&A and other expenses	135	140	(5)	(4%)
Operating loss	(116)	(84)	(32)	(38%)
Operating margin	(17%)	(17%)	-	-
(Gain) on disposition of assets	(1)	-	(1)	-
Net financial expenses	8	13	(5)	(38%)
Net loss before tax	(123)	(97)	(26)	(27%)
EBITDA <sup>(1)</sup>	(90)	(57)	(33)	(58%)
EBITDA margin <sup>(1)</sup>	(13%)	(12%)	-	-
Adjusted EBITDA <sup>(1)</sup>	(91)	(57)	(34)	(60%)
Adjusted EBITDA margin <sup>(1)</sup>	(13%)	(12%)	-	-

(1) EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

#### Reconciliation of Non-IFRS Performance Measures

(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Net loss before tax	(123)	(97)	(26)	27%
Interest expense	2	13	(11)	(85%)
Depreciation expense	31	27	4	15%
EBITDA	(90)	(57)	(33)	58%
Financial expenses (income) and other	(1)	-	(1)	-
Adjusted EBITDA	(91)	(57)	(34)	60%

#### Selected Quarterly Information

(U.S. \$ in thousands except where indicated)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020*	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Revenues	28,432	11,324	6,795	7,372	9,212	10,536	9,739	8,517
EBITDA <sup>(1)</sup>	(3,029)	(500)	(276)	416	1,833	2,299	7,186	668
Adjusted EBITDA <sup>(1)</sup>	19,701	3,556	365	1,318	2,780	2,986	4,668	3,329
Net income (loss)	(7,605)	(5,374)	(4,761)	(3,730)	(2,424)	1,125	4,309	(1,320)
Basic net earnings (loss) per share	(0.06)	(0.06)	(0.06)	(0.04)	(0.03)	0.02	0.06	(0.01)

\* The Bitcoin Halving Event occurred on May 11, 2020, during Q2 2020.

(1) EBITDA and Adjusted EBITDA are non-IFRS performance measures; please refer to the Non-IFRS Financial Performance Measures section of this MD&A.

The Company is not subject to seasonality. Factors that may impact Revenues and profitability quarter over quarter include cryptocurrency pricing, network difficulty and the Company's hashrate.

## Liquidity and Capital Resources

### Cash Flows

(U.S. \$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Cash, beginning of the period	5,947	2,159	3,788	175%
Cash flows from (used in):				
Operating activities	(8,436)	1,439	(9,875)	(686%)
Investing activities	(28,746)	(861)	(27,885)	(3239%)
Financing activities	84,264	(400)	84,664	21166%
Exchange rate differences on currency translation	4	(5)	9	180%
Cash, end of the period	53,033	2,332	50,701	2174%

#### *Cash Flows from Operating Activities*

Cash flows from operating activities decreased by \$9.9 million during the three months ended March 31, 2021, compared to three months ended March 31, 2020. The decrease in net cash flows from operating activities was primarily driven by an unfavorable \$7.7 million swing in changes in cash from operating activities before changes in non-cash working capital, mainly due to the initiation of a Bitcoin retention program which led to 548 Bitcoin being held in custody at the end of the quarter rather than converting it into fiat currency. Cash flows from operating activities were also negatively impacted by an unfavorable change in non-cash working capital components.

#### *Cash Flows used in Investing Activities*

Cash flows used in investing activities increased by \$27.9 million in Q1 2021, compared to Q1 2020. This was primarily due to \$21.9 million in advanced payments made on new Mining hardware, mostly related to securing the delivery of 48,000 miners for delivery in 2022, and \$6.9 million of additions to property, plant and equipment in Q1 2021, for miners and infrastructure buildout, compared to \$0.9 million mainly related to the acquisition of new miners, in Q1 2020.

#### *Cash Flows from Financing Activities*

Cash flows from financing activities increased \$84.7 million during the three months ended March 31, 2021, compared to the three months ended March 31, 2020. This was primarily due to the \$57.5 million received from three private placements and \$40.6 million from the exercise of warrants. These proceeds were partially offset by approximately \$13.4 million of payments to retire the Dominion Capital loan and lease liability repayments of approximately \$1.1 million.

### Working Capital

As at March 31, 2021, Bitfarms had a positive working capital of \$79.9 million, compared to a working capital deficit of \$19.3 million, as at December 31, 2020. The improvement in working capital was primarily due to \$98.1 million raised in equity from US institutional investors and exercise of warrants, and the accumulation of 548 Bitcoin worth approximately \$32.4 million as of March 31, 2021. These increases were partially offset by the repayment of the Dominion Capital loan and advanced payments made to suppliers to secure orders of Mining hardware and electrical distribution equipment for infrastructure expansion plans. The remaining funds are to be used to expand infrastructure capacity, acquire additional Miners, and for working capital purposes.

## Capital Resources

Bitfarms' capital management objective is to ensure its ability to maximize the return to its shareholders. In order to achieve this objective, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risks to which the Company is exposed. The Company's strategy for achieving this objective is maintaining a strong capital base to maintain investor confidence to sustain future development of the business, maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk and preserves the ability to meet financial obligations, and ensuring sufficient liquidity to pursue organic growth.

Bitfarms may manage its capital structure by issuing equity, obtaining loan financing, adjusting capital spending, or disposing of assets.

### *Bitcoin Retention Program*

In early January 2021, the Company implemented a Bitcoin retention program, pursuant to which the Company has added approximately 1,000 Bitcoin to its balance sheet as of the date hereof.

### *Cowansville Expansion*

The Company recently began construction of Phase II at its Mining facility in Cowansville, Quebec, estimated to cost approximately \$3.1 million. This will expand the site from 4 MW to its full 16.7MW capacity and accommodate up to 4,700 new generation miners. The buildout also includes a new repair lab and operations command center and is expected to be completed in July 2021. The Company anticipates using the additional capacity at Cowansville to accommodate Mining hardware orders with expected deliveries in Q2 and Q3 2021.

### *Sherbrooke Expansion*

Bitfarms completed Phases 1 and 2 of the Sherbrooke Expansion in 2019. To complete each remaining phase of the Sherbrooke Expansion, Bitfarms will need to incur infrastructure buildout costs including exhaust structure, Mining structure and building modifications, as well as sourcing of Mining hardware and electrical components.

The capital cost for the construction of the infrastructure for Phases 3 through 6 is currently estimated at approximately \$12.5 million. The Company has commenced preliminary steps to complete Stages 3 through 6, including placing orders and deposits on longer lead-time infrastructure, such as transformers and exhaust components required for the remaining 68MW of contractually secured energy with Hydro- Sherbrooke. In addition, the Mining hardware required to fill the new infrastructure expansion is estimated to cost from \$125 million to \$150 million, based on recent hardware pricing. The Company anticipates that part of its order for 48,000 miners from MicroBT will be used to fill the new facility. These costs will be divided between the Sherwood and Leger properties, with the majority being allocated to the Leger Property.

In response to both a complaint concerning noise at the Sherwood Property and indications from officials at the municipality of Sherbrooke that they were reviewing applicable regulations, the Company met with community residents and city officials on several occasions. The Company has constructed a sound barrier wall at a cost of approximately \$0.3 million in 2020 and has invested \$0.5 million to install quieter exhaust structures and fans as well as other sound mitigating measures in 2021. The Company is currently evaluating the effectiveness of these measures and the necessity of implementing additional measures.

#### Share Capital

As of the date of this MD&A, the Company has 159,235,308 common shares, 4,060,777 vested employee stock options, 3,048,995 unvested employee stock options and 25,636,685 warrants outstanding. There are no preferred shares outstanding.

#### Off-Balance Sheet Arrangements

In March 2021, the Company entered into a purchase agreement for 48,000 Whatsminer Miners. The equipment is expected to be delivered throughout 2022 with certain payments and deposits required in 2021. In May 2021, the Company entered into a purchase agreement for 6,600 Bitmain miners with expected delivery from August to October 2021. The Company has entered into other purchase agreements for Mining hardware of smaller scope in the normal course of operations. Other than the purchase agreements described above, there are no off-balance sheet arrangements which could have an effect on current or future results or operations, or the financial condition of Bitfarms.

#### Financial Instruments & Risks

The Company's financial assets include cash, trade receivables, and other assets. The Company's financial liabilities include accounts payable, accrued liabilities, lease liabilities and long-term debt.

The Company's financial instruments expose it primarily to credit, liquidity, foreign currency, concentration and custody of digital assets risks. Refer to the Financial Instruments & Risk section of the Company's MD&A for the year ended December 31, 2020, for a description of these risks and how they are managed, as well as note 18, Financial Instruments, to the Company's consolidated financial statements for the year ended December 31, 2020, and note 4, Digital Assets, to the Company's consolidated financial statements for the period ended March 31, 2021, for a description of how fair values are determined.

During the first quarter of 2021, there were no material changes to the risks related to financial instruments and no significant changes in the financial instrument classifications, compared to year-end 2020, other than the derecognition of the Dominion Capital loan and those described below. Furthermore, the methodology used to determine the fair value of financial instruments has not changed during the first quarter of 2021.

#### *Custody of digital assets*

Backbone's digital assets, currently Bitcoin, is mined to multi-signature wallets that Backbone controls. Backbone transfers Bitcoin from its multi-signature wallets to external third-party custodians on a regular basis, specifically Gemini Trust Company, LLC ("Gemini Custody") and Coinbase Custody Trust Company, LLC ("Coinbase Custody", and together with Gemini Custody, the "Custodians"). Both Gemini Custody and Coinbase Custody are US based fiduciary and qualified custodians under New York Banking Law and are licensed by the State of New York to custody digital assets. Currently, both of the Custodians provide only custodial services to Backbone and do not use sub-custodians. Gemini Trust Company, LLC is a New York State-chartered limited purpose trust company that is authorized under Article III § 96 of the New York Banking Law to provide certain custodial services, and it is a "Qualified Custodian" as defined by the New York Codes, Rules and Regulations Title 23, Part 200.2(n). Coinbase Custody is a fiduciary § 100 of the New York Banking Law and is licensed to custody its clients' digital assets in trust on their behalf. Coinbase Custody is a qualified custodian for purposes of § 206 (4) -2(d)(6) of the Advisers Act.

In early January 2021, the Company implemented a Bitcoin retention program, pursuant to which the Company has added approximately 1,000 Bitcoin to its balance sheet as of the date hereof. As of the date of this MD&A, 100% of the Company's Bitcoin are held in custody.

Gemini Custody maintains an insurance policy of \$200 million for its cold storage. Gemini Custody recently announced in excess of \$20 billion in cryptocurrencies under custody. As a result, if Gemini Custody were to experience a loss of cryptocurrency assets in excess of \$200 million, it is likely that a portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. Coinbase Custody maintains an insurance policy of \$255 million for hot, warm and cold storage and recently announced in excess of \$90 billion in assets on their platform, of which more than 50% are under custody. As a result, if Coinbase Custody were to experience a loss of cryptocurrency assets in excess of \$255 million, it is likely that a portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. The Company is unaware of any security breaches that have occurred involving Gemini Custody or Coinbase Custody which have resulted in crypto assets being lost or stolen. Regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that crypto assets will not be defalcated through hacking or other forms of theft.

#### *Counterparty Risk*

Counterparty risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations, including long-term deposits and equipment prepayments. The Company is exposed to counterparty risk through its significant deposits with suppliers of cryptocurrency Mining hardware in the course of its expansion plans in order to secure orders and delivery dates. The risk of a supplier failing to meet its contractual obligations may result in late deliveries or long-term deposits and equipment prepayments that are not realized. The Company attempts to mitigate this risk by dealing with major suppliers of cryptocurrency equipment and routinely maintaining strong relationships with these suppliers and evaluating the Mining hardware market.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay its financial obligations when they are due. The Company's policy is to monitor its cash balances and planned cash flows generated from operations to ensure, as far as possible, that it maintains sufficient liquidity in order to pay its projected financial liabilities. The Company has entered into agreements with Mining hardware manufacturers that require significant deposits in advance of receiving the revenue generating equipment. The Company may manage its capital structure by issuing equity, obtaining loan financing, adjusting capital spending, or disposing of assets in order to maintain liquidity to meet its contractual obligations with Mining hardware manufacturers.

Lease liabilities includes financial obligations with contractual maturities as follows, inclusive of interest, as of March 31, 2021, are as follows:

	March 31, 2021
2021	6,060
2022	7,032
2023	1,739
2024	1,030
2024 and thereafter	3,254
	<u>\$ 19,115</u>

#### Risk Factors

The Company is subject to a number of risks and uncertainties and is affected by several factors which could have a material adverse effect on the Company's business, financial condition, operating results, and/or future prospects. These risks should be considered when evaluating an investment in the Company and may, among other things, cause a decline in the price of the Corporation's shares.

The risks and uncertainties which Management considers as the most material to the Corporation's business are described in the section entitled, "Other Risks", of the Company's MD&A for the year-ended December 31, 2020 dated March 24, 2021. Other than the disclosure above, these risks and uncertainties have not materially changed and are hereby incorporated by reference.

#### Related Party Transactions

During the three months periods ended March 31, 2021, the Company had the following transactions with related parties:

1. Bitfarms made rent payments totaling approximately \$116,000 for the three months period ended March 31, 2021 (three months ended March 31, 2020 - \$108,000) to companies controlled by certain directors.
2. Bitfarms entered into consulting agreements with two of the directors. The consulting fees charged by directors totaled approximately \$124,000 for the three months period ended March 31, 2021 (three months period ended March 31, 2020 - \$60,000).

The transactions listed above were incurred in the normal course of operations.

## Recent and Subsequent Events

### *Acquisition of Mining Hardware and Debt Financing*

On April 23, 2021, Bitfarms and Foundry Digital LLC ("Foundry"), a wholly owned subsidiary of Digital Currency Group (DCG), jointly announced Bitfarms' purchase of 2,465 Whatsminer M30S Bitcoin Mining machines through Foundry's financial services arm. Of the 2,465 machines, the first 1,465 were previously installed in Bitfarms' Sherbrooke facility in Q3 2020 for hosting.

Under similar terms, Bitfarms obtained additional financing from Foundry's financial services arm to purchase an additional 1,000 Whatsminer M30S machines with expected delivery in batches from September to November 2021.

On May 6, 2021, Bitfarms announced the purchase of 6,600 S19j Pro Antminers from Bitmain, which are scheduled to be delivered in three shipments of 2,200 units in August, September, and October of 2021.

### *Nasdaq Listing*

On May 7, 2021, Bitfarms announced that its application to list its common stock on the Nasdaq Global Market® was approved by The Nasdaq Stock Market ("Nasdaq") under the symbol "BITF". Bitfarms will also retain its listing on the TSX Venture Exchange under the symbol "BITF". There are still additional approvals required prior to commencing trading.

### *Private Placement*

On May 20 2021, the Company closed a private placement for gross proceeds of 75,000,000 CAD:

<b>Closing Date</b>	<b>May 20, 2021</b>
Gross proceeds (CAD)	75,000,000
Common shares issued	14,150,944
Warrants issued*	10,613,208
Warrant strike price	4.87 USD
Warrant life (years)	3
Commission paid	8%
Broker warrants issued*	1,132,076
Broker warrant strike price	5.49 USD
Broker warrant life (years)	3

\* Warrants were issued to the investors at a ratio of ¾ warrant per common share issued. All warrants issued are for the purchase of one common share in the Company.

## Significant Accounting Policies

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board and are based on the same accounting policies as those used in the preparation of the Corporation's audited consolidated financial statements for the year ended December 31, 2020.

Please refer note 2, Significant accounting policies and note 3, Change in accounting policy, to the Company's 2020 audited consolidated financial statements for more information about the significant accounting principles. Also refer to note 4, of the Company's 2020 audited consolidated financial statements for more information about significant accounting judgments and estimates used to prepare the unaudited interim condensed consolidated financial statements.



## Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives, future liquidity, and planned capital investments. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include:

- Bitcoin halving event;
- COVID 19 pandemic;
- Counterparty risk;
- the availability of financing opportunities and risks associated with economic conditions, including Bitcoin price and Bitcoin network difficulty;
- the speculative and competitive nature of the technology sector;
- dependency in continued growth in blockchain and cryptocurrency usage;
- limited operating history and share price fluctuations;
- cybersecurity threats and hacking;
- controlling shareholder risk;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- economic dependence on regulated terms of service and electricity rates
- permits and licenses;
- server failures;
- global financial conditions;
- tax consequences;
- environmental regulations and liability;
- erroneous transactions and human error;
- facility developments;
- non-availability of insurance;
- loss of key employees;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;
- political and regulatory risk; and
- other factors beyond the Company's control.

The above is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian Securities Authorities, including the Company's annual MD&A dated March 24, 2021. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### Caution Regarding Non-IFRS Financial Performance Measures

This MD&A makes reference to certain measures that are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. The Company uses non-IFRS measures including "EBITDA," "EBITDA margin," "Adjusted EBITDA," "Adjusted EBITDA margin," "Gross mining profit," and "Gross mining margin" as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective.

EBITDA and EBITDA margin are common measures used to assess profitability before the impact of different financing methods, income taxes, depreciation of capital assets and amortization of intangible assets. Adjusted EBITDA and Adjusted EBITDA margin are measures used to assess profitability before the impact of all of the items in calculating EBITDA in addition to certain other non-cash expenses. Gross mining profit and Gross mining margin are measures used to assess profitability after power costs in cryptocurrency production, the largest variable expense in Mining. Management uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets.

"EBITDA" is defined as net income (loss) before: (i) interest expense; (ii) income tax expense; and (iii) depreciation and amortization. "EBITDA margin" is defined as the percentage obtained when dividing EBITDA by Revenues. "Adjusted EBITDA" is defined as EBITDA adjusted to exclude: (i) share-based compensation; (ii) non-cash finance expenses; (iii) asset impairment charges; and (iv) other non-cash expenses. "Adjusted EBITDA margin" is defined as the percentage obtained when dividing Adjusted EBITDA by Revenues. "Gross mining profit" is defined as Revenues minus energy and infrastructure expenses for the Backbone segment of the Company. "Gross mining margin" is defined as the percentage obtained when dividing Gross mining profit by Revenues for the Backbone segment of the Company.

These measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Reconciliations from IFRS measures to non-IFRS measures are included throughout this MD&A.

#### Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures.

## Glossary of Terms

**ASIC:** ASIC stands for Application Specific Integrated Circuit and refers primarily to specific computer devices designed to solve the SHA-256 algorithm, as well as other machines used in the Mining of Litecoin which use the Script algorithm.

**Bitcoin:** Bitcoin is a decentralized digital currency that is not controlled by any centralized authority (e.g. a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. Bitcoin is created when the Bitcoin network issues Block Rewards through the Mining process.

**Block Reward:** A Bitcoin block reward refers to the new bitcoin that are awarded by the Blockchain network to eligible cryptocurrency miners for each block they successfully mine. The current block reward is 6.25 Bitcoin per block.

**Blockchain:** A Blockchain is a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete.

**Hash:** A hash is a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.

**Hashrate:** Hashrate refers to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency.

**Megawatt:** A megawatt is 1,000 kilowatts of electricity and, in the industry of cryptocurrency Mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.

**Miners:** ASICs used by the Company to perform Mining.

**Mining:** Mining refers to the process of using specialized computer hardware, and in the case of the Company, ASICs, to perform mathematical calculations to confirm transactions and increase security for the Bitcoin Blockchain. As a reward for their services, Bitcoin Miners collect transaction fees for the transactions they confirm, along with newly created Bitcoin as Block Rewards.

**Mining Pool:** A Mining pool is a group of cryptocurrency miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the Bitcoin Blockchain. Mining pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block.

**Network Difficulty:** Network difficulty is a unitless measure of how difficult it is to find a hash below a given target. The Bitcoin network protocol automatically adjusts Network Difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin Mining to solve the previous 2,016 blocks such that the average time to solve each block is ten minutes.

**Network Hashrate:** Network Hashrate refers to the total global Hashrate (and related computing power) used in Mining for a given cryptocurrency.

**Petahash:** One quadrillion (1,000,000,000,000,000) hashes per second or one thousand Terahash

**SHA-256:** SHA stands for Secure Hash Algorithm. The SHA-256 algorithm was designed by the US National Security Agency and is the cryptographic hash function used within the Bitcoin network to validate transactions on the Bitcoin Blockchain

**Terahash:** One trillion (1,000,000,000,000) hashes per second.

**FORM 52-109FV2**  
**CERTIFICATION OF INTERIM FILINGS**  
**VENTURE ISSUER BASIC CERTIFICATE**

I, Emiliano Grodzki, Chief Executive Officer of Bitfarms Ltd., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Bitfarms Ltd. (the “issuer”) for the interim period ended March 31, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: May 26, 2021

“Emiliano Grodzki”

---

Emiliano Grodzki  
 Chief Executive Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**FORM 52-109FV2**  
**CERTIFICATION OF INTERIM FILINGS**  
**VENTURE ISSUER BASIC CERTIFICATE**

I, Mauro Ferrara, Chief Financial Officer of Bitfarms Ltd., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Bitfarms Ltd. (the “issuer”) for the interim period ended March 31, 2021.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: May 26, 2021

“Mauro Ferrara ”

Mauro Ferrara

Chief Financial Officer

**NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

May 26, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated on May 26, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

May 26, 2021.

---





## Bitfarms Reports Q1 2021 Financial Results

**Toronto, Ontario and Brossard, Québec (May 26, 2021)** - Bitfarms Ltd. ("Bitfarms", or the "Company") (TSXV: BITF/OTC: BFARF) today announced its financial results for the first quarter ended March 31, 2021. All financial references are denominated in US dollars, unless otherwise noted.

### Q1 2021 Key Events

- In January and February 2021, the Company closed 3 private placements with US institutional investors for combined gross proceeds of CAD\$80 million. The net proceeds provided the Company the financial leverage to expedite its infrastructure expansion plans, make deposits for miners and provide working capital flexibility;
- On March 2<sup>nd</sup>, 2021, the Company placed its biggest order of mining rigs in its history; 48,000 best in class miners with MicroBT. Deliveries are anticipated to start in January 2022. When all miners are received and installed by the end of 2022, the Company anticipates its hash rate to reach 8 EH/s;
- On March 24<sup>th</sup>, Bitfarms' installed hashrate hit 1.2 EH/s, in line with expectations for the end of the quarter

### Q1 2021 Financial Results and Operational Highlights

- Revenues of \$28.4 million, gross profit of \$19.3 million (68% gross margin), operating income of \$16.4 million (58% operating margin), and net loss of \$7.6 million;
- Gross mining profit<sup>1</sup> of \$22.3 million (80% gross mining margin<sup>1</sup>);
- Adjusted EBITDA<sup>1</sup> of \$19.7 million (69% adjusted EBITDA margin<sup>1</sup>);
- Negative EBITDA<sup>1</sup> of \$3.0 million (-11% EBITDA margin<sup>1</sup>), due mainly to non-recurring, non-cash financial expenses;
- Mined 598 Bitcoins with an average cost of approximately \$8,400 per Bitcoin<sup>2</sup>, and retained 548 Bitcoin worth approximately \$32.4 million as of March 31, 2021;
- 4,500 miners were received and installed during the quarter adding approximately 369 PH/s

"As anticipated, increases in our hash rate and Bitcoin price significantly, and positively, impacted most of our Q1 2021 key financial metrics. Operationally, we added 4,500 miners, thus reaching 1.2 EH/s in computing power as of the end of the first quarter 2021. Financially, equity raises totalling CAD\$80 million provided us the leverage to begin our infrastructure buildout for an additional 80MW of power in Quebec, fully repay our Dominion Capital loan, implement a BTC retention program and place orders for 48,000 miners anticipated for delivery starting in 2022.

Since the end of the first quarter, we have continued to add to our BTC inventory which now stands at approximately 1,000 Bitcoin, valued at approximately \$40 million,” commented Mauro Ferrara, Interim Chief Financial Officer and Corporate Secretary.

Emiliano Grodzki, Chief Executive Officer of Bitfarms added, “In addition to reporting an outstanding operational and financial first quarter, we are proud to have been approved for listing on the Nasdaq Global Market tier and await final clearance to begin trading. Having its shares trading on the Nasdaq will provide Bitfarms exposure to new capital markets and a broader investing community. As well, on May 20<sup>th</sup>, we closed our fourth private placement, this time for a sum of CAD\$75 million, thus providing us with additional liquidity to continue marching towards our 3 EH/s target for the end of 2021, and our 8 EH/s target by the end of 2022. With our expansion plans firmly in place and in motion for the year, we are very excited about our future prospects.”

#### **Financial Results for the Quarter ended March 31, 2021**

In Q1 2021, the Corporation generated revenues of \$28.4 million, up \$19.2 million, or 209%, compared to the same period in 2020, driven by organic growth, as we increased our average hash rate by approximately 39%, and a significant increase in Bitcoin price. The average Bitcoin price for the quarter stood at approximately \$45,000 compared to approximately \$8,300 for the same period in 2020.

Q1 2021 gross mining profit and gross mining margin stood at \$22.3 million and 80%, respectively, compared to \$4.1 million and 47% in Q1 2020. The increase in both metrics was mainly attributable to the same factors as the increase in revenues.

Our average cost of production per Bitcoin stood at approximately \$8,400 for the quarter, driven by our operating efficiencies and competitive hydro electricity rates.

For the quarter, adjusted EBITDA and adjusted EBITDA margin stood at \$19.7 million and 69%, respectively, compared to \$2.8 million and 30% in Q1 2020. The increases in adjusted EBITDA and adjusted EBITDA margin were mainly attributable to the same factors as for the increases in gross mining profit and gross mining margin.

The Company’s Q1 2021 EBITDA was negative \$3.0 million, resulting in an EBITDA margin of negative 11% compared to an EBITDA of \$1.8 million and EBITDA margin of 20% in Q1 2020. The EBITDA metric in Q1 2021 was negatively impacted by the non-cash nature of both warrants related expenses, and debt retirement embedded derivative related expenses, totaling approximately \$22.8 million for the quarter.

Looking at our cashflows, the January and February private placement equity raises with US institutional investors totaling CAD\$80 million allowed us to institute several transformative changes to our Company. With the funds raised, we retired all our Dominion Capital outstanding debt, we started executing on our infrastructure plans at a number of locations, both in Quebec and in South America, we put into motion a Bitcoin retention program, and we placed orders for 48,000 miners for delivery starting in 2022.

The Company ended the quarter with approximately \$53.0 million in cash and total liquidity, defined as cash and bitcoin holdings, of approximately \$85.5 million.

**Conference Call to be held Wednesday, May 26, 2021 at 5:30pm ET**

Management will host a conference call on Wednesday, May 26, 2021 at 5:30 p.m. ET to review financial results. Following management's formal remarks there will be a question-and-answer session where management will address pre-submitted questions.

Participants are asked to pre-register for the call through the following link:

<https://dpre register.com/sreg/10156341/e85e3388ed>

Please note that registered participants will receive their dial in number upon registration and will dial directly into the call without delay. Those without internet access or unable to pre- register may dial in by calling: 1-866-777-2509 (domestic), 1-412-317-5413 (international). All callers should dial in approximately 10 minutes prior to the scheduled start time and ask to be joined into the Bitfarms call.

The conference call will also be available through a live webcast found here:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=PgMEVu3T>

A webcast replay of the call will be available approximately one hour after the end of the call through August 26, 2021 at the above webcast link. A telephonic replay of the call will be available through June 2, 2021 and may be accessed by calling 1-877-344-7529 (domestic) or 1-412-317- 0088 (international) or Canada (toll free) 855-669-9658 and using access code 10156341.

A presentation of the Q1 2021 results will be accessible on Wednesday, May 26, 2021, after market close, under the "Investors" section of the Bitfarms' website.

**About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

PH/s: Petahash per second.

EH/s: Exahash per second.

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to listing and trading on the Nasdaq and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labor and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

**Investor and Media Contact:**

Mauro Ferrara  
Interim Chief Financial Officer and Corporate Secretary  
Bitfarms Ltd.  
+1.514.691-6228  
[MFerrara@bitfarms.com](mailto:MFerrara@bitfarms.com)

**Investor Relations Contact:**

CORE IR  
[investors@bitfarms.com](mailto:investors@bitfarms.com)  
+1.516.222-2560

**Bitfarms Ltd. Consolidated Results of Operations (Unaudited)**

(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	28,432	9,212	19,220	209%
Cost of sales	9,120	7,917	1,203	15%
Gross profit	19,312	1,295	18,017	1391%
Gross margin	68%	14%	-	-
General and administrative expenses	2,819	2,805	14	-
Loss on disposition of digital assets	22	-	22	-
Operating income (loss)	16,471	(1,510)	17,981	1191%
Operating margin	58%	(16%)	-	-
Gain on disposition of PP&E	(19)	-	(19)	-
Net financial expenses	23,425	1,022	22,403	2192%
Net loss before income taxes	(6,935)	(2,532)	(4,403)	(174%)
Income tax expense (recovery)	670	(108)	778	720%
Net loss	(7,605)	(2,424)	(5,181)	(214%)
Basic and diluted net loss per share	(0.06)	(0.03)	-	-
Revaluation gain on digital assets (net of tax)	5,128	-	5,128	-
Total comprehensive loss	(2,477)	(2,424)	(53)	(2%)
Gross mining profit <sup>(1)</sup>	22,267	4,139	18,128	438%
Gross mining margin <sup>(1)</sup>	80%	47%	-	-
EBITDA <sup>(1)</sup>	(3,029)	1,833	(4,862)	(265%)
EBITDA margin <sup>(1)</sup>	(11%)	20%	-	-
Adjusted EBITDA <sup>(1)</sup>	19,701	2,780	16,921	609%
Adjusted EBITDA margin <sup>(1)</sup>	69%	30%	-	-

(1) Gross mining profit, Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA, and Adjusted EBITDA margin, are non-IFRS performance measures; please refer to the Caution Regarding Non-IFRS Financial Performance Measures section of Bitfarms' Q1 2021 Management Discussion and Analysis (MD&A).

(2) Represents the average cost of Bitcoin based on variable cost of electricity and is calculated by taking the total electricity costs related to the Mining of Bitcoin, excluding electricity consumed by hosting clients, divided by the total number of Bitcoin mined.



## Bitfarms Reports Q1 2021 Financial Results

**Toronto, Ontario and Brossard, Québec (May 26, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BTF/OTC: BFARF](#)) today announced its financial results for the first quarter ended March 31, 2021. All financial references are denominated in US dollars, unless otherwise noted.

### Q1 2021 Key Events

- In January and February 2021, the Company closed 3 private placements with US institutional investors for combined gross proceeds of CAD\$80 million. The net proceeds provided the Company the financial leverage to expedite its infrastructure expansion plans, make deposits for miners and provide working capital flexibility;
- On March 2<sup>nd</sup>, 2021, the Company placed its biggest order of mining rigs in its history; 48,000 best in class miners with MicroBT. Deliveries are anticipated to start in January 2022. When all miners are received and installed by the end of 2022, the Company anticipates its hash rate to reach 8 EH/s;
- On March 24<sup>th</sup>, Bitfarms’ installed hashrate hit 1.2 EH/s, in line with expectations for the end of the quarter

### Q1 2021 Financial Results and Operational Highlights

- Revenues of \$28.4 million, gross profit of \$19.3 million (68% gross margin), operating income of \$16.4 million (58% operating margin), and net loss of \$7.6 million;
- Gross mining profit<sup>1</sup> of \$22.3 million (80% gross mining margin<sup>1</sup>);
- Adjusted EBITDA<sup>1</sup> of \$19.7 million (69% adjusted EBITDA margin<sup>1</sup>);
- Negative EBITDA<sup>1</sup> of \$3.0 million (-11% EBITDA margin<sup>1</sup>), due mainly to non-recurring, non-cash financial expenses;
- Mined 598 Bitcoins with an average cost of approximately \$8,400 per Bitcoin<sup>2</sup>, and retained 548 Bitcoin worth approximately \$32.4 million as of March 31, 2021;
- 4,500 miners were received and installed during the quarter adding approximately 369 PH/s

“As anticipated, increases in our hash rate and Bitcoin price significantly, and positively, impacted most of our Q1 2021 key financial metrics. Operationally, we added 4,500 miners, thus reaching 1.2 EH/s in computing power as of the end of the first quarter 2021. Financially, equity raises totalling CAD\$80 million provided us the leverage to begin our infrastructure buildout for an additional 80MW of power in Quebec, fully repay our Dominion Capital loan, implement a BTC retention program and place orders for 48,000 miners anticipated for delivery starting in 2022. Since the end of the first quarter, we have continued to add to our BTC inventory which now stands at approximately 1,000 Bitcoin, valued at approximately \$40 million,” commented Mauro Ferrara, Interim Chief Financial Officer and Corporate Secretary.

Emiliano Grodzki, Chief Executive Officer of Bitfarms added, “In addition to reporting an outstanding operational and financial first quarter, we are proud to have been approved for listing on the Nasdaq Global Market tier and await final clearance to begin trading. Having its shares trading on the Nasdaq will provide Bitfarms exposure to new capital markets and a broader investing community. As well, on May 20<sup>th</sup>, we closed our fourth private placement, this time for a sum of CAD\$75 million, thus providing us with additional liquidity to continue marching towards our 3 EH/s target for the end of 2021, and our 8 EH/s target by the end of 2022. With our expansion plans firmly in place and in motion for the year, we are very excited about our future prospects.”

#### **Financial Results for the Quarter ended March 31, 2021**

In Q1 2021, the Corporation generated revenues of \$28.4 million, up \$19.2 million, or 209%, compared to the same period in 2020, driven by organic growth, as we increased our average hash rate by approximately 39%, and a significant increase in Bitcoin price. The average Bitcoin price for the quarter stood at approximately \$45,000 compared to approximately \$8,300 for the same period in 2020.

Q1 2021 gross mining profit and gross mining margin stood at \$22.3 million and 80%, respectively, compared to \$4.1 million and 47% in Q1 2020. The increase in both metrics was mainly attributable to the same factors as the increase in revenues.

Our average cost of production per Bitcoin stood at approximately \$8,400 for the quarter, driven by our operating efficiencies and competitive hydro electricity rates.

For the quarter, adjusted EBITDA and adjusted EBITDA margin stood at \$19.7 million and 69%, respectively, compared to \$2.8 million and 30% in Q1 2020. The increases in adjusted EBITDA and adjusted EBITDA margin were mainly attributable to the same factors as for the increases in gross mining profit and gross mining margin.

The Company’s Q1 2021 EBITDA was negative \$3.0 million, resulting in an EBITDA margin of negative 11% compared to an EBITDA of \$1.8 million and EBITDA margin of 20% in Q1 2020. The EBITDA metric in Q1 2021 was negatively impacted by the non-cash nature of both warrants related expenses, and debt retirement embedded derivative related expenses, totaling approximately \$22.8 million for the quarter.

Looking at our cashflows, the January and February private placement equity raises with US institutional investors totaling CAD\$80 million allowed us to institute several transformative changes to our Company. With the funds raised, we retired all our Dominion Capital outstanding debt, we started executing on our infrastructure plans at a number of locations, both in Quebec and in South America, we put into motion a Bitcoin retention program, and we placed orders for 48,000 miners for delivery starting in 2022.

The Company ended the quarter with approximately \$53.0 million in cash and total liquidity, defined as cash and bitcoin holdings, of approximately \$85.5 million.



## **Conference Call to be held Wednesday, May 26, 2021 at 5:30pm ET**

Management will host a conference call on Wednesday, May 26, 2021 at 5:30 p.m. ET to review financial results. Following management's formal remarks there will be a question-and-answer session where management will address pre-submitted questions.

Participants are asked to pre-register for the call through the following link:

<https://dpre register.com/sreg/10156341/e85e3388ed>

Please note that registered participants will receive their dial in number upon registration and will dial directly into the call without delay. Those without internet access or unable to pre- register may dial in by calling: 1-866-777-2509 (domestic), 1-412-317-5413 (international). All callers should dial in approximately 10 minutes prior to the scheduled start time and ask to be joined into the Bitfarms call.

The conference call will also be available through a live webcast found here:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=PgMEVu3T>

A webcast replay of the call will be available approximately one hour after the end of the call through August 26, 2021 at the above webcast link. A telephonic replay of the call will be available through June 2, 2021 and may be accessed by calling 1-877-344-7529 (domestic) or 1-412-317- 0088 (international) or Canada (toll free) 855-669-9658 and using access code 10156341.

A presentation of the Q1 2021 results will be accessible on Wednesday, May 26, 2021, after market close, under the "Investors" section of the Bitfarms' website.

## **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Defined Terms**

PH/s: Petahash per second. EH/s: Exahash per second.

## **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to listing and trading on the Nasdaq and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward- looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labor and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

### **Investor and Media Contact:**

Mauro Ferrara  
Interim Chief Financial Officer and Corporate Secretary  
Bitfarms Ltd.  
+1.514.691-6228  
[MFerrara@bitfarms.com](mailto:MFerrara@bitfarms.com)

### **Investor Relations Contact:**

CORE IR  
[investors@bitfarms.com](mailto:investors@bitfarms.com)  
+1.516.222-2560

**Bitfarms Ltd. Consolidated Results of Operations (Unaudited)**

(U.S.\$ in thousands except where indicated)

For the periods ended as indicated	Three months ended		\$ Change	% Change
	March 31 2021	March 31 2020		
Revenues	28,432	9,212	19,220	209%
Cost of sales	9,120	7,917	1,203	15%
Gross profit	19,312	1,295	18,017	1391%
Gross margin	68%	14%	-	-
General and administrative expenses	2,819	2,805	14	-
Loss on disposition of digital assets	22	-	22	-
Operating income (loss)	16,471	(1,510)	17,981	1191%
Operating margin	58%	(16%)	-	-
Gain on disposition of PP&E	(19)	-	(19)	-
Net financial expenses	23,425	1,022	22,403	2192%
Net loss before income taxes	(6,935)	(2,532)	(4,403)	(174%)
Income tax expense (recovery)	670	(108)	778	720%
Net loss	(7,605)	(2,424)	(5,181)	(214%)
Basic and diluted net loss per share	(0.06)	(0.03)	-	-
Revaluation gain on digital assets (net of tax)	5,128	-	5,128	-
Total comprehensive loss	(2,477)	(2,424)	(53)	(2%)
Gross mining profit <sup>(1)</sup>	22,267	4,139	18,128	438%
Gross mining margin <sup>(1)</sup>	80%	47%	-	-
EBITDA <sup>(1)</sup>	(3,029)	1,833	(4,862)	(265%)
EBITDA margin <sup>(1)</sup>	(11%)	20%	-	-
Adjusted EBITDA <sup>(1)</sup>	19,701	2,780	16,921	609%
Adjusted EBITDA margin <sup>(1)</sup>	69%	30%	-	-

(1) Gross mining profit, Gross mining margin, EBITDA, EBITDA margin, Adjusted EBITDA, and Adjusted EBITDA margin, are non-IFRS performance measures; please refer to the Caution Regarding Non-IFRS Financial Performance Measures section of Bitfarms' Q1 2021 Management Discussion and Analysis (MD&A).

(2) Represents the average cost of Bitcoin based on variable cost of electricity and is calculated by taking the total electricity costs related to the Mining of Bitcoin, excluding electricity consumed by hosting clients, divided by the total number of Bitcoin mined.

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1      Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2      Date of Material Change**

May 28, 2021.

**Item 3      News Release**

The press release attached as Schedule “A” was disseminated on May 28, 2021.

**Item 4      Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5      Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6      Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Nicolas Bonta  
Executive Chairman & Director Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9      Date of Report**

May 28, 2021.

---

## Bitfarms Mines 1,000<sup>th</sup> Bitcoin with Hydroelectricity This Year

**Toronto, Ontario and Brossard, Québec (May 28, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BITF](#) // [OTC:BFARF](#)), today provides a Bitcoin production update.

### Bitcoin Production Update

Year-to-date, Bitfarms has mined and deposited in custody 1,006 Bitcoin, currently valued at approximately US\$39 million, or approximately 5.5% of the Company’s market capitalization as of the close of trading yesterday, May 27, 2021. Bitfarms achieved this milestone a full 9 days ahead of the schedule reported on April 16, 2021.

Based on public information of other publicly traded cryptocurrency mining companies, Bitfarms has mined and accumulated one of the largest reported amount of Bitcoin from mining activities in North America, year-to-date; and has done so with 100% hydroelectricity.

Since starting its Bitcoin Inventory Pilot Program in early January, Bitfarms has quickly climbed the ranks of publicly traded companies with Bitcoin on their balance sheet and has now earned the 13th spot for publicly traded companies on [bitcointreasuries.org](#).

With approximately 1% of the Bitcoin network, Bitfarms is currently mining and adding approximately 7.8 Bitcoins a day to inventory at a cost of approximately US\$9,500 per Bitcoin as of May 27, 2021. This means that Bitfarms is both adding Bitcoin to its balance sheet at one of the fastest rates and with some of the lowest costs in the world.

“Since inception, we have worked at building a world-class and vertically-integrated mining company achieving high levels of efficiency. This year Bitfarms is experiencing our fastest rate of growth ever. We expect to more than double our installed hydropower infrastructure in Québec, triple our operational hashrate in 2021 and be trading on both the TSX Venture Exchange and Nasdaq soon,” said Emiliano Grodzki, Bitfarms’ Chief Executive Officer.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### ***Defined Terms Cautionary Statement***

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### ***Forward-Looking Statements***

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

#### Contacts

#### **Investor Relations:**

##### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

#### **US Media:**

##### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

##### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

#### **Québec Media:**

##### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)



## Bitfarms Mines 1,000th Bitcoin with Hydroelectricity This Year

TORONTO, Ontario and BROSSARD, Québec, May 28, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BITE // OTC:BFARF), today provides a Bitcoin production update.

### Bitcoin Production Update

Year-to-date, Bitfarms has mined and deposited in custody 1,006 Bitcoin, currently valued at approximately US\$39 million, or approximately 5.5% of the Company’s market capitalization as of the close of trading yesterday, May 27, 2021. Bitfarms achieved this milestone a full 9 days ahead of the schedule reported on April 16, 2021.

Based on public information of other publicly traded cryptocurrency mining companies, Bitfarms has mined and accumulated one of the largest reported amount of Bitcoin from mining activities in North America, year-to-date; and has done so with 100% hydroelectricity.

Since starting its Bitcoin Inventory Pilot Program in early January, Bitfarms has quickly climbed the ranks of publicly traded companies with Bitcoin on their balance sheet and has now earned the 13<sup>th</sup> spot for publicly traded companies on [bitcointreasuries.org](https://bitcointreasuries.org).

With approximately 1% of the Bitcoin network, Bitfarms is currently mining and adding approximately 7.8 Bitcoins a day to inventory at a cost of approximately US\$9,500 per Bitcoin as of May 27, 2021. This means that Bitfarms is both adding Bitcoin to its balance sheet at one of the fastest rates and with some of the lowest costs in the world.

“Since inception, we have worked at building a world-class and vertically-integrated mining company achieving high levels of efficiency. This year Bitfarms is experiencing our fastest rate of growth ever. We expect to more than double our installed hydropower infrastructure in Québec, triple our operational hashrate in 2021 and be trading on both the TSX Venture Exchange and Nasdaq soon,” said Emiliano Grodzki, Bitfarms’ Chief Executive Officer.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](https://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Defined Terms

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*



## **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

## **Contacts**

### **Investor Relations:**

#### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

### **US Media:**

#### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

#### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

### **Québec Media:**

#### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)

---



## Bitfarms Ltd. to Present at the LD Micro Virtual Invitational Conference on June 9, 2021

TORONTO, Ontario and BROSSARD, Québec, June 01, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BITF // OTC:BFARE), announced today that Ben Gagnon, Director of Mining will present a corporate overview at the three-day LD Micro Virtual Invitational Conference being held on June 8 – 10, 2021.

Mr. Gagnon will deliver his corporate presentation on June 9 at 10:00am ET, Track 4.

Investors can register to watch the presentation here: <https://ldmicrojune2021.mysequire.com/>.

Investors interested in scheduling a meeting with management should contact [assistant@ldmicro.com](mailto:assistant@ldmicro.com).

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms’ events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### Defined Terms

### Cautionary Statement

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

---

## **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms’ ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company’s operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

## **Contacts**

### **Investor Relations:**

#### **CORE IR**

+1 516 222 2560

[Investors@bitfarms.com](mailto:Investors@bitfarms.com)

### **US Media:**

#### **CORE IR**

Jules Abraham, Director of Public Relations

[julesa@coreir.com](mailto:julesa@coreir.com)

#### **YAP Global**

Mia Grodsky, Account Executive

[mia@yapglobal.com](mailto:mia@yapglobal.com)

### **Québec Media:**

#### **Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

[marc@ryanap.com](mailto:marc@ryanap.com)

---

## FORM 51-102F3

## MATERIAL CHANGE REPORT

**Item 1      Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King St. E, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2      Date of Material Change**

June 3, 2021.

**Item 3      News Release**

The press release attached as Schedule “A” was disseminated on June 3, 2021.

**Item 4      Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5      Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6      Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9      Date of Report**

June 3, 2021.

---

## **Bitfarms Announces Appointment of Chief Financial Officer, Management Promotions and Grant of Options**

**Toronto, Ontario and Brossard, Québec (June 3, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) (TSXV: BITF // OTC:BFARE), today announces the appointment of Jeffrey Lucas as Chief Financial Officer, effective June 14, 2021, as well as two management promotions.

Mr. Lucas brings to Bitfarms extensive international financial and operational experience with public companies listed on the NYSE and Nasdaq. He will be responsible for the oversight of the finance, accounting, and reporting functions with the mandate to raise capital, enhance our corporate communications, expand our investor relations activities, increase analyst coverage, and support and integrate acquisitions as part of building a higher level of financial and operational excellence throughout the Company.

Prior to his corporate roles, Mr. Lucas worked in high yield investment banking with L. F. Rothschild and in institutional money management as a securities analyst with Wells Capital Management. He is a Chartered Financial Analyst and Certified Public Accountant, having received that certification while with PricewaterhouseCoopers as a member of their technology and industrials practices. Mr. Lucas earned an MBA with emphasis on finance from Harvard Business School and a BA in Economics from Tufts University and studied at the London School of Economics.

“Jeff’s experience in leading and driving operational change at high growth, transformational industrial and technology companies will enable him to make an immediate impact at Bitfarms as we expand internationally and prepare for our expected upcoming listing on Nasdaq. We look forward to Jeff’s strong leadership and he will be an excellent addition to our executive management team,” said Emiliano Grodzki, Bitfarms’ CEO. “In addition, I wish to thank Mauro Ferrara, our interim CFO, for his contributions to Bitfarms over the past seven months. He stepped into our Company at a challenging time in which the industry was experiencing significant change and evolution. “We are pleased that Mauro will help us in transition, with a possible ongoing role as part of our finance staff to be determined. We look forward to our continued work with Mauro and wish him the very best for his career.”

Further strengthening our executive team, Director of Mining Operations, Ben Gagnon, has been named as the Company’s Chief Mining Officer and Nathaniel Port, Director of Finance has been named Senior Vice President of Finance and Accounting, both effective June 1, 2021.

“I am particularly pleased to announce the promotions of Nathaniel and Ben,” said Mr. Grodzki, “We are fortunate to have this caliber of talent on our team. Each has contributed significantly to Bitfarms’ growth and development and will be instrumental to achieving our strategic growth plans for 2021 and beyond.”

Mr. Gagnon has been working in the Bitcoin mining industry since 2015. His considerable mining and international experience includes establishing mining operations in China, Canada, and the United States, as well as founding multiple Bitcoin companies and developing technologies, including mining as a service, negative emissions mining (otherwise referred to as turn-key flare gas mitigation) and immersion cooling technology.

Mr. Gagnon joined Bitfarms in December 2019 as Director of Business Development. Recognizing his extensive experience and early contributions to Bitfarms, he was promoted to Director of Mining Operations, where he played a pivotal role in developing and managing our mining strategy and operations.

Mr. Gagnon has a B.Sc. in Economics and International Business from the Kelley School of Business at Indiana University and an M.Sc. in Internet Computing and E-commerce with a specialty in Cyber Security from Hong Kong University.

Mr. Port joined Bitfarms in 2018 as one of its earliest employees. He is responsible for Bitfarms' financial reporting and working capital management and serves as the primary interface with the Company's Big Four audit firm. Mr. Port was instrumental in developing Bitfarms' finance function and contributed significantly towards the Company's strategic financial objectives, notably Bitfarms' listing as the first cryptocurrency company on the TSX Venture Exchange to complete a long-form prospectus with the Ontario Securities Commission, and the Company's anticipated upcoming listing on the Nasdaq Global Market.

Prior to joining Bitfarms, Mr. Port worked in public accounting managing audit engagements for clients primarily in the manufacturing and technology sectors. He graduated with distinction from Concordia University's John Molson School of Business and placed on CPA Canada's National Honour Roll.

The Company has granted Mr. Lucas 364,050 incentive stock options, pursuant to the Company's Stock Option Plan (the "Options"). The Options are exercisable into one common share of the Company at a price of \$5.45, for a period of five years from the date of grant and are subject to vesting conditions.

#### **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*



Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560

Investors@bitfarms.com

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations

julesa@coreir.com

**YAP Global**

Mia Grodsky, Account Executive

mia@yapglobal.com

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

marc@ryanap.com



## Bitfarms Announces Appointment of Chief Financial Officer, Management Promotions and Grant of Options

TORONTO, Ontario and BROSSARD, Québec, June 03, 2021 (GLOBE NEWSWIRE) -- Bitfarms Ltd. ("**Bitfarms**", or the "**Company**") (TSXV: BTF // OTC:BFARE), today announces the appointment of Jeffrey Lucas as Chief Financial Officer, effective June 14, 2021, as well as two management promotions.

Mr. Lucas brings to Bitfarms extensive international financial and operational experience with public companies listed on the NYSE and Nasdaq. He will be responsible for the oversight of the finance, accounting, and reporting functions with the mandate to raise capital, enhance our corporate communications, expand our investor relations activities, increase analyst coverage, and support and integrate acquisitions as part of building a higher level of financial and operational excellence throughout the Company.

Prior to his corporate roles, Mr. Lucas worked in high yield investment banking with L. F. Rothschild and in institutional money management as a securities analyst with Wells Capital Management. He is a Chartered Financial Analyst and Certified Public Accountant, having received that certification while with PricewaterhouseCoopers as a member of their technology and industrials practices. Mr. Lucas earned an MBA with emphasis on finance from Harvard Business School and a BA in Economics from Tufts University and studied at the London School of Economics.

"Jeff's experience in leading and driving operational change at high growth, transformational industrial and technology companies will enable him to make an immediate impact at Bitfarms as we expand internationally and prepare for our expected upcoming listing on Nasdaq. We look forward to Jeff's strong leadership and he will be an excellent addition to our executive management team," said Emiliano Grodzki, Bitfarms' CEO. "In addition, I wish to thank Mauro Ferrara, our interim CFO, for his contributions to Bitfarms over the past seven months. He stepped into our Company at a challenging time in which the industry was experiencing significant change and evolution. "We are pleased that Mauro will help us in transition, with a possible ongoing role as part of our finance staff to be determined. We look forward to our continued work with Mauro and wish him the very best for his career."

Further strengthening our executive team, Director of Mining Operations, Ben Gagnon, has been named as the Company's Chief Mining Officer and Nathaniel Port, Director of Finance has been named Senior Vice President of Finance and Accounting, both effective June 1, 2021.

"I am particularly pleased to announce the promotions of Nathaniel and Ben," said Mr. Grodzki, "We are fortunate to have this caliber of talent on our team. Each has contributed significantly to Bitfarms' growth and development and will be instrumental to achieving our strategic growth plans for 2021 and beyond."

Mr. Gagnon has been working in the Bitcoin mining industry since 2015. His considerable mining and international experience includes establishing mining operations in China, Canada, and the United States, as well as founding multiple Bitcoin companies and developing technologies, including mining as a service, negative emissions mining (otherwise referred to as turn-key flare gas mitigation) and immersion cooling technology.

Mr. Gagnon joined Bitfarms in December 2019 as Director of Business Development. Recognizing his extensive experience and early contributions to Bitfarms, he was promoted to Director of Mining Operations, where he played a pivotal role in developing and managing our mining strategy and operations.

Mr. Gagnon has a B.Sc. in Economics and International Business from the Kelley School of Business at Indiana University and an M.Sc. in Internet Computing and E-commerce with a specialty in Cyber Security from Hong Kong University.

Mr. Port joined Bitfarms in 2018 as one of its earliest employees. He is responsible for Bitfarms' financial reporting and working capital management and serves as the primary interface with the Company's Big Four audit firm. Mr. Port was instrumental in developing Bitfarms' finance function and contributed significantly towards the Company's strategic financial objectives, notably Bitfarms' listing as the first cryptocurrency company on the TSX Venture Exchange to complete a long- form prospectus with the Ontario Securities Commission, and the Company's anticipated upcoming listing on the Nasdaq Global Market.

Prior to joining Bitfarms, Mr. Port worked in public accounting managing audit engagements for clients primarily in the manufacturing and technology sectors. He graduated with distinction from Concordia University's John Molson School of Business and placed on CPA Canada's National Honour Roll.

The Company has granted Mr. Lucas 364,050 incentive stock options, pursuant to the Company's Stock Option Plan (the "Options"). The Options are exercisable into one common share of the Company at a price of \$5.45, for a period of five years from the date of grant and are subject to vesting conditions.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Defined Terms**

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560

Investors@bitfarms.com

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations

julesa@coreir.com

**YAP Global**

Mia Grodsky, Account Executive

mia@yapglobal.com

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

marc@ryanap.com



**Bitfarms Ltd.**  
(the "Corporation")

# FORM OF PROXY ("PROXY")

Annual General and Special Meeting  
June 25, 2021 at 1:30 p.m. (Toronto Time)  
Virtual meeting platform at URL: <https://virtual-meetings.tsxtrust.com/1118>  
(the "Meeting")

**RECORD DATE:** April 28, 2021  
**CONTROL NUMBER:**  
**SEQUENCE #:**  
**FILING DEADLINE FOR PROXY:** June 23, 2021 at 1:30 p.m. (Toronto Time)

## VOTING METHOD

<b>INTERNET</b>	Go to <a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a> and enter the 12 digit control number above
<b>FACSIMILE</b>	416-595-9593
<b>MAIL</b>	TSX Trust Company 301 - 100 Adelaide Street West Toronto, Ontario, M5H 4H1

The undersigned hereby appoints **Emiliano Joel Grodzki**, whom failing **Nicolas Bonta (the "Management Nominees")**, or instead of any of them, the following Appointee

*Please print appointee name*

as proxyholder on behalf of the undersigned with the power of substitution to attend, act and vote for and on behalf of the undersigned in respect of all matters that may properly come before the Meeting and at any adjournment(s) or postponement(s) thereof, to the same extent and with the same power as if the undersigned were personally present at the said Meeting or such adjournment(s) or postponement(s) thereof in accordance with voting instructions, if any, provided below.

- SEE VOTING GUIDELINES ON REVERSE -

**RESOLUTIONS – MANAGEMENT VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT ABOVE THE BOXES**

<b>1. Election of Directors</b>		<b>FOR</b>	<b>WITHHOLD</b>
a)	Emiliano Joel Grodzki	<input type="checkbox"/>	<input type="checkbox"/>
b)	Nicolas Bonta	<input type="checkbox"/>	<input type="checkbox"/>
c)	Brian Howlett	<input type="checkbox"/>	<input type="checkbox"/>
d)	Pierre Seccareccia	<input type="checkbox"/>	<input type="checkbox"/>
e)	Andres Finkielsztain	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Appointment of Auditor</b>		<b>FOR</b>	<b>WITHHOLD</b>
Appointment of <b>PricewaterhouseCoopers LLP</b> as Auditor of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration.		<input type="checkbox"/>	<input type="checkbox"/>
<b>3. Approval of By-Law No. 3</b>		<b>FOR</b>	<b>AGAINST</b>
At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 3, in respect of the advance notice requirements for nominations of directors by Shareholders in certain circumstances.		<input type="checkbox"/>	<input type="checkbox"/>
<b>4. Approval of By-Law No. 4</b>		<b>FOR</b>	<b>AGAINST</b>
At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the by-law no. 4, in respect of the forum for complaints asserting a cause of action under the U.S. Securities Act of 1933.		<input type="checkbox"/>	<input type="checkbox"/>
<b>5. Approval of Long Term Incentive Plan</b>		<b>FOR</b>	<b>AGAINST</b>
At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Corporation's 10% rolling long term incentive plan for the ensuing year.		<input type="checkbox"/>	<input type="checkbox"/>
<b>6. Continuance under the Business Corporations Act (Ontario)</b>		<b>FOR</b>	<b>AGAINST</b>
At the Meeting, Shareholders will be asked to consider, and if thought advisable, pass, with or without variation, a special resolution authorizing the Corporation to make an application for the continuance of the Corporation under the Business Corporations Act (Ontario).		<input type="checkbox"/>	<input type="checkbox"/>

This proxy revokes and supersedes all earlier dated proxies and **MUST BE SIGNED**

<i>PLEASE PRINT NAME</i>	<i>Signature of registered owner(s)</i> <span style="float: right;"><i>Date (MM/DD/YYYY)</i></span>
--------------------------	-----------------------------------------------------------------------------------------------------

## Proxy Voting – Guidelines and Conditions

1. **THIS PROXY IS SOLICITED BY MANAGEMENT OF THE CORPORATION.**
2. **THIS PROXY SHOULD BE READ IN CONJUNCTION WITH THE MEETING MATERIALS PRIOR TO VOTING.**
3. **If you appoint the Management Nominees to vote your securities, they will vote in accordance with your instructions or, if no instructions are given, in accordance with the Management Voting Recommendations highlighted for each Resolution on the reverse. If you appoint someone else to vote your securities, they will also vote in accordance with your instructions or, if no instructions are given, as they in their discretion choose.**
4. This proxy confers discretionary authority on the person named to vote in his or her discretion with respect to amendments or variations to the matters identified in the Notice of the Meeting accompanying the proxy or such other matters which may properly come before the Meeting or any adjournment or postponement thereof.
5. **Each security holder has the right to appoint a person other than the Management Nominees specified herein to represent them at the Meeting or any adjournment or postponement thereof.** Such right may be exercised by inserting in the space labeled “*Please print appointee name*”, the name of the person to be appointed, who need not be a security holder of the Corporation.
6. To be valid, this proxy must be signed. Please date the proxy. If the proxy is not dated, it is deemed to bear the date of its mailing to the security holders of the Corporation.
7. To be valid, this proxy must be filed using one of the ***Voting Methods*** and ***must be received by TSX Trust Company*** before the ***Filing Deadline for Proxies***, noted on the reverse or in the case of any adjournment or postponement of the Meeting not less than 48 hours (Saturdays, Sundays and holidays excepted) before the time of the adjourned or postponed meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.
8. If the security holder is a corporation, the proxy must be executed by an officer or attorney thereof duly authorized, and the security holder may be required to provide documentation evidencing the signatory’s power to sign the proxy.
9. Guidelines for proper execution of the proxy are available at [www.stac.ca](http://www.stac.ca). Please refer to the Proxy Protocol.

### Investor inSite

TSX Trust Company offers at no cost to security holders, the convenience of secure 24-hour access to all data relating to their account including summary of holdings, transaction history, and links to valuable security holder forms and Frequently Asked Questions.

To register, please visit  
[www.tsxtrust.com/investorinsite](http://www.tsxtrust.com/investorinsite)

Click on, “*Register*” and complete the registration form. Call us toll free at 1-866-600-5869 with any questions.

[www.tsxtrust.com](http://www.tsxtrust.com)

VANCOUVER CALGARY TORONTO MONTRÉAL

### Request for Financial Statements

In accordance with securities regulations, security holders may elect to receive Annual Financial Statements and MD&A.

**Instead of receiving the financial statements by mail, you may choose to view these documents on SEDAR at [www.sedar.com](http://www.sedar.com).**

**I am currently a security holder of the Corporation and as such request the following:**

#### **Annual Financial Statements with MD&A**

- ☐ **(Mark this box to NOT receive Annual Financial Statements and related MD&A)**

If you are casting your vote online and wish to receive financial statements, please complete the online request for financial statements following your voting instructions.

If the cut-off time has passed, please fax this side to 416-595-9593

Bitfarms Ltd.  
 2021

**TSX TRUST COMPANY****VIA ELECTRONIC TRANSMISSION**

June 7, 2021

**TO ALL APPLICABLE EXCHANGES AND COMMISSIONS:****RE: BITFARMS LTD.**

We are pleased to confirm that copies of the following proxy-related materials were mailed on June 4, 2021 to the Registered Securityholders and to the Non-Objecting Beneficial Owners (“NOBO”):

- 1 Proxy with Request for Financial Statements - Registered Securityholders
- 2 Voting Instruction Form with Request for Financial Statements - NOBOs
- 3 Notice of Meeting Combined with Information Circular
- 4 Virtual Meeting Guide Form
- 5 Proxy Return Envelope

Yours truly,

**TSX Trust Company***“Kieran Webb”*

Relationship Manager

kieran.webb@tmx.com

**VANCOUVER**

650 West Georgia Street,  
Suite 2700  
Vancouver, BC V6B 4N9

T 604 689-3334

**CALGARY**

300-5th Avenue SW, 10th floor  
Calgary, AB T2P 3C4

T 403 218-2800

**TORONTO**

301 - 100 Adelaide Street West  
Toronto ON M5H 4H1

**Toll Free** 1-866-600-5869

T 416 361-0930

**MONTRÉAL**

1800 - 1190, avenue des Canadiens-  
de-Montréal, C. P. 37 Montréal  
(Québec) H3B 0G7

T 514 395-5964



**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company****Bitfarms Ltd. (“Bitfarms” or the “Company”)**

18 King Street East, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

June 9, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was released on June 9, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

June 9, 2021.

---

## Bitfarms Provides Corporate Update

**Toronto, Ontario and Brossard, Québec (June 09, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BITF](#) // [OTC:BFARF](#)), today provides a corporate update.

### Expansion of Mining Fleet

Bitfarms is pleased to announce that it is scheduled to receive and deploy the previously announced 1,500 M31S+ order from MicroBT next week. These new miners are expected to increase the Company’s installed hashrate by 120 PH/s to a total of 1.54 EH/s, among the largest installed Bitcoin hashrates currently reported in North America by a public company. As with all the Company’s current mining infrastructure, the new miners will be powered with 100% hydroelectricity. Bitfarms is also scheduled to receive an identical order of 1,500 M31S+ from MicroBT in July that will increase our installed hashrate to approximately 1.66 EH/s. This new equipment will be installed in our existing infrastructure as well as our new Cowansville expansion set to be completed within the next four weeks.

### Nasdaq Update and Change in Escrow Release Schedule

On May 7, 2021, Bitfarms announced its application to list its common shares on the Nasdaq Global Market® was approved by The Nasdaq Stock Market (“Nasdaq”) under the symbol “BITF”. The Company is pleased to announce that the final steps to listing on Nasdaq are expected to be completed shortly. The Company also announces that, as a result of the Company’s listing on Nasdaq, the Company will become an “established issuer” pursuant to the terms of an escrow agreement among the Company, TSX Trust Company and certain securityholders of the Company, dated June 12, 2019, which was entered into at the time of listing the Company’s common shares on the TSX Venture Exchange (the “Escrow Agreement”). Pursuant to the terms of the Escrow Agreement, the release schedule for the securities subject to escrow shall change upon the Company becoming an “established issuer”. Under the new release schedule, the 28,327,212 common shares and 4,341,576 options to purchase common shares currently held in escrow shall be released from escrow immediately upon completion of the Nasdaq listing.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Defined Terms**

## **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future delivery and deployment of mining infrastructure, escrowed shares, and about future plans and objectives of the Company, including in respect of listing and trading on Nasdaq, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560

Investors@bitfarms.com

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations

julesa@coreir.com

**YAP Global**

Mia Grodsky, Account Executive

mia@yapglobal.com

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

marc@ryanap.com

## Bitfarms Provides Corporate Update

**Toronto, Ontario and Brossard, Québec (June 09, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BTF](#) // [OTC:BFARF](#)), today provides a corporate update.

### Expansion of Mining Fleet

Bitfarms is pleased to announce that it is scheduled to receive and deploy the previously announced 1,500 M31S+ order from MicroBT next week. These new miners are expected to increase the Company’s installed hashrate by 120 PH/s to a total of 1.54 EH/s, among the largest installed Bitcoin hashrates currently reported in North America by a public company. As with all the Company’s current mining infrastructure, the new miners will be powered with 100% hydroelectricity. Bitfarms is also scheduled to receive an identical order of 1,500 M31S+ from MicroBT in July that will increase our installed hashrate to approximately 1.66 EH/s. This new equipment will be installed in our existing infrastructure as well as our new Cowansville expansion set to be completed within the next four weeks.

### Nasdaq Update and Change in Escrow Release Schedule

On May 7, 2021, Bitfarms announced its application to list its common shares on the Nasdaq Global Market® was approved by The Nasdaq Stock Market (“Nasdaq”) under the symbol “BTF”. The Company is pleased to announce that the final steps to listing on Nasdaq are expected to be completed shortly. The Company also announces that, as a result of the Company’s listing on Nasdaq, the Company will become an “established issuer” pursuant to the terms of an escrow agreement among the Company, TSX Trust Company and certain securityholders of the Company, dated June 12, 2019, which was entered into at the time of listing the Company’s common shares on the TSX Venture Exchange (the “Escrow Agreement”). Pursuant to the terms of the Escrow Agreement, the release schedule for the securities subject to escrow shall change upon the Company becoming an “established issuer”. Under the new release schedule, the 28,327,212 common shares and 4,341,576 options to purchase common shares currently held in escrow shall be released from escrow immediately upon completion of the Nasdaq listing.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021, Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

---

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **Defined Terms**

## **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future delivery and deployment of mining infrastructure, escrowed shares, and about future plans and objectives of the Company, including in respect of listing and trading on Nasdaq, are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

Contacts

**Investor Relations:**

**CORE IR**

+1 516 222 2560

Investors@bitfarms.com

**US Media:**

**CORE IR**

Jules Abraham, Director of Public Relations

julesa@coreir.com

**YAP Global**

Mia Grodsky, Account Executive

mia@yapglobal.com

**Québec Media:**

**Ryan Affaires publiques**

Marc Duchesne, Directeur / Director

marc@ryanap.com

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“Bitfarms” or the “Company”)  
18 King Street East, Suite 902  
Toronto, Ontario M5C 1C4

**Item 2 Date of Material Change**

June 10, 2021.

**Item 3 News Release**

The press release attached as Schedule “A” was released on June 10, 2021.

**Item 4 Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5 Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Nicolas Bonta  
Executive Chairman & Director  
Bitfarms Ltd.  
nbonta@bitfarms.com

**Item 9 Date of Report**

June 10, 2021.

---



## Bitfarms Provides Mining Operations Update

**Toronto, Ontario and Brossard, Québec (June 10, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BITE](#) // [OTC:BFARF](#)), today provides a Bitcoin production update.

### Bitcoin Production Update

Since Bitfarms’ founding in 2017, Bitfarms has mined over 11,300 Bitcoin with 100% renewable hydropower in North America. Based on public information of other publicly traded cryptocurrency mining companies, Bitfarms estimates that it has mined the largest amount of Bitcoin with renewable energy, which is a testament to its long-standing operational history and early focus on ESG.

Since starting its Bitcoin Inventory Pilot Program in early January this year, Bitfarms has been adding almost all newly mined Bitcoins to its balance sheet. In 2021, through the close of business on June 9, Bitfarms has added 1,114 mined Bitcoin to treasury. This Bitcoin is currently worth over US\$41 million based on a Bitcoin price of US\$37,000.

Notably, recent developments in China restricting Bitcoin mining in certain provinces have been beneficial to Bitfarms. As the hashrate of Chinese miners falls, Bitfarms has earned higher transaction fees and increased its share of the total Bitcoin network hashrate. As a result, Bitfarms has been earning more Bitcoin for the same amount of computational power and operational cost.

“Since our inception, we have worked at building an institutional grade and vertically-integrated mining company with high levels of Bitcoin production at minimal costs. This year Bitfarms is experiencing its fastest rate of growth ever, while benefitting from declining network hashrates due to developments in China. Due to the addition of new and more efficient miners to our fleet, we expect to more than double our installed hashrate from now until the end of the year.” said Emiliano Grodzki, Bitfarms’ Chief Executive Officer.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

ESG is the acronym for Environmental, Social, and (Corporate) Governance

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory, Bitcoin network hashrate and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.

This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company’s limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms’ normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

## Contacts

### Investor Relations:

#### CORE IR

+1 516 222 2560

Investors@bitfarms.com

### US Media:

#### CORE IR

Jules Abraham, Director of Public Relations

julesa@coreir.com

#### YAP Global

Mia Grodsky, Account Executive

mia@yapglobal.com

### Québec Media:

#### Ryan Affaires publiques

Marc Duchesne, Directeur / Director

marc@ryanap.com

## Bitfarms Provides Mining Operations Update

**Toronto, Ontario and Brossard, Québec (June 10, 2021)** - Bitfarms Ltd. (“**Bitfarms**”, or the “**Company**”) ([TSXV: BITF // OTC:BFARE](#)), today provides a Bitcoin production update.

### Bitcoin Production Update

Since Bitfarms’ founding in 2017, Bitfarms has mined over 11,300 Bitcoin with 100% renewable hydropower in North America. Based on public information of other publicly traded cryptocurrency mining companies, Bitfarms estimates that it has mined the largest amount of Bitcoin with renewable energy, which is a testament to its long-standing operational history and early focus on ESG.

Since starting its Bitcoin Inventory Pilot Program in early January this year, Bitfarms has been adding almost all newly mined Bitcoins to its balance sheet. In 2021, through the close of business on June 9, Bitfarms has added 1,114 mined Bitcoin to treasury. This Bitcoin is currently worth over US\$41 million based on a Bitcoin price of US\$37,000.

Notably, recent developments in China restricting Bitcoin mining in certain provinces have been beneficial to Bitfarms. As the hashrate of Chinese miners falls, Bitfarms has earned higher transaction fees and increased its share of the total Bitcoin network hashrate. As a result, Bitfarms has been earning more Bitcoin for the same amount of computational power and operational cost.

“Since our inception, we have worked at building an institutional grade and vertically-integrated mining company with high levels of Bitcoin production at minimal costs. This year Bitfarms is experiencing its fastest rate of growth ever, while benefitting from declining network hashrates due to developments in China. Due to the addition of new and more efficient miners to our fleet, we expect to more than double our installed hashrate from now until the end of the year.” said Emiliano Grodzki, Bitfarms’ Chief Executive Officer.

### About Bitfarms Ltd.

Founded in 2017, Bitfarms is a Bitcoin mining company, running vertically integrated mining operations with onsite technical repair, proprietary data analytics and Company-owned electrical engineering and installation services to deliver high operational performance and uptime.

Having demonstrated rapid growth and stellar operations, Bitfarms became the first Bitcoin mining company to complete its long form prospectus with the Ontario Securities Commission and started trading on the TSX-V in July 2019. On February 24, 2021 Bitfarms was honoured to be announced as a Rising Star by the TSX-V.

Bitfarms has a diversified production platform with five industrial scale facilities located in Québec. Each facility is 100% powered with environmentally friendly hydro power and secured with long-term power contracts. Bitfarms is currently the only publicly traded pure-play mining company audited by a Big Four audit firm.

---

To learn more about Bitfarms' events, developments, and online communities:

Website: [www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

### **Defined Terms**

ESG is the acronym for Environmental, Social, and (Corporate) Governance

### **Cautionary Statement**

*Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*This news release contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") that are based on expectations, estimates and projections as at the date of this news release. The information in this release regarding expectations in respect to the future level of Bitcoin inventory, Bitcoin network hashrate and about future plans and objectives of the Company are forward-looking information. Other forward-looking information includes, but is not limited to, information concerning: the intentions, plans and future actions of the Company, as well as Bitfarms' ability to successfully mine digital currency, revenue increasing as currently anticipated, the ability to profitably liquidate current and future digital currency inventory, volatility of network difficulty and digital currency prices and the potential resulting significant negative impact on the Company's operations, the construction and operation of expanded blockchain infrastructure as currently planned, and the regulatory environment for cryptocurrency in the applicable jurisdictions.*

*Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the global economic climate; dilution; the Company's limited operating history; future capital needs and uncertainty of additional financing; the competitive nature of the industry; currency exchange risks; the need for the Company to manage its planned growth and expansion; the effects of product development and need for continued technology change; protection of proprietary rights; the effect of government regulation and compliance on the Company and the industry; network security risks; the ability of the Company to maintain properly working systems; reliance on key personnel; global economic and financial market deterioration impeding access to capital or increasing the cost of capital; and volatile securities markets impacting security pricing unrelated to operating performance. In addition, particular factors that could impact future results of the business of Bitfarms include, but are not limited to: the construction and operation of blockchain infrastructure may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions, the ability to complete current and future financings, any regulations or laws that will prevent Bitfarms from operating its business; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to the effects of COVID-19 on the price of digital currencies, capital market conditions, restriction on labour and international travel and supply chains; and, the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company's filings on [www.SEDAR.com](http://www.SEDAR.com) including the annual information form for the year ended December 31, 2020, filed on April 7, 2021. The Company has also assumed that no significant events occur outside of Bitfarms' normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*

## Contacts

### Investor Relations:

#### CORE IR

+1 516 222 2560

Investors@bitfarms.com

### US Media:

#### CORE IR

Jules Abraham, Director of Public Relations

julesa@coreir.com

#### YAP Global

Mia Grodsky, Account Executive

mia@yapglobal.com

### Québec Media:

#### Ryan Affaires publiques

Marc Duchesne, Directeur / Director

marc@ryanap.com



*A copy of this amended and restated preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the final short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This amended and restated preliminary short form prospectus is a base shelf prospectus. This amended and restated preliminary short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in respect of any sales pursuant to an "at-the-market" distribution as contemplated by National Instrument 44-102 – Shelf Distributions.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated preliminary short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The securities offered under this amended and restated preliminary short form prospectus may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and applicable state securities laws, or pursuant to exemptions from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. See "Plan of Distribution".*

*Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.*

*Information has been incorporated by reference in this amended and restated preliminary short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Bitfarms Ltd. at 18 King St. E, Suite 902, Toronto, ON M5C 1C4 (Telephone 647 259-1790), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

**AMENDED AND RESTATED PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS,  
AMENDING AND RESTATED THE PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS  
DATED MARCH 12, 2021**

New Issue

June 11, 2021

**BITFARMS LTD.**



US\$500,000,000

Common Shares  
Warrants  
Subscription Receipts  
Units  
Debt Securities  
Share Purchase Contracts

This amended and restated preliminary short form base shelf prospectus relates to the offering for sale from time to time, during the 25-month period commencing March 12, 2021, that this prospectus, including any amendments hereto, remains effective, of the securities of Bitfarms Ltd. (the "**Company**", "**Bitfarms**", "**we**" or "**our**") listed above in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to **US\$500,000,000** (or the equivalent thereof in Canadian dollars or one or more foreign currencies or composite currencies). The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement.

In addition, the securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the securities separately, a combination of securities or any combination of, among other things, securities, cash and the assumption of liabilities.

The common shares of the Company (“**Common Shares**”) are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “**BITF**” as well as on the OTC under “**BFARF**”. On June 11, 2021, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the TSXV was C\$4.91.

Unless otherwise specified in an applicable prospectus supplement, debt securities, subscription receipts, units, warrants and share purchase contracts will not be listed on any securities or stock exchange or on any automated dealer quotation system. **There is currently no market through which the Company’s securities, other than the Common Shares, may be sold and purchasers may not be able to resell such securities purchased under this short form prospectus. This may affect the pricing of the Company’s securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of the Company’s securities and the extent of issuer regulation. See “Risk Factors”.**

**Prospective investors should be aware that the acquisition of the Company’s securities described herein may have tax consequences in both Canada and/or the United States. This prospectus or any applicable prospectus supplement may not describe these tax consequences fully. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully in the applicable Prospectus Supplement. You should read the tax discussion in any applicable prospectus supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.**

**No underwriter has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.**

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the securities in such jurisdiction. All applicable information permitted under securities legislation to be omitted from this prospectus that has been so omitted will be contained in one or more prospectus supplements that will, except in respect of any sales pursuant to an “at-the-market” distribution as contemplated by National Instrument 44-102 – Shelf Distributions (“**NI 44-102**”), be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the securities to which the prospectus supplement pertains. You should read this prospectus and any applicable prospectus supplement carefully before you invest in any securities issued pursuant to this prospectus. The Company’s securities may be sold pursuant to this prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be an “at-the-market” distributions as contemplated by 44-102 and as permitted by applicable law, including sales made directly on the TSXV or other existing trading markets for the Securities, and as set forth in a prospectus supplement for such purpose. See “*PLAN OF DISTRIBUTION*”.

A prospectus supplement will set out the names of any underwriters, dealers or agents involved in the sale of the Company’s securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such securities are sold and the compensation of such underwriters, dealers or agents.

**Investment in the securities being offered is highly speculative and involves significant risks that you should consider before purchasing such securities. You should carefully review the risks outlined in this prospectus (including any prospectus supplement) and in the documents incorporated by reference as well as the information under the heading “Cautionary Note Regarding Forward-Looking Statements” and consider such risks and information in connection with an investment in the securities. See “*RISK FACTORS*”.**

The specific terms of the securities with respect to a particular offering will be set out in one or more prospectus supplements and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the offering price, the designation, number and terms of the Common Shares or debt securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the number of subscription receipts being offered, the offering price, the procedures for the exchange of the subscription receipts for Common Shares, debt securities or warrants, as the case may be, and any other specific terms; (iv) in the case of debt securities, the specific designation, the aggregate principal amount, the currency or the currency unit for the debt securities being offered, the maturity, the interest provisions, the authorized denominations, the offering price, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt securities are secured, affiliate-guaranteed, senior or subordinated and any other terms specific to the debt securities being offered; (v) in the case of units, the designation, number and terms of the Common Shares, warrants, subscription receipts, share purchase contracts or debt securities comprising the units; and (vi) in the case of share purchase contracts, whether the share purchase contracts obligate the holder to purchase or sell or both purchase and sell Common Shares, whether the share purchase contracts are to be prepaid or not or paid in instalments, any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied, whether the share purchase contracts are to be settled by delivery, any provisions relating to the settlement of the share purchase contracts, the date or dates on which the sale or purchase must be made, whether the share purchase contracts will be issued in fully registered or global form and the material income tax consequences of owning, holding and disposing of the share purchase contracts. Where required by statute, regulation or policy, and where securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the securities will be included in the prospectus supplement describing the securities.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. One of the Company's subsidiaries, namely Bitfarms Ltd. (Israel), is incorporated under the laws of Israel and some of the Company's directors, namely: Emiliano Joel Grodzki, Nicolas Bonta, and Andres Finkielstein reside outside of Canada and have appointed the Company at its registered office set forth below as their agent for service of process in Canada.

**The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of Canada, that some of its officers and directors are residents of Canada, that some or all of the underwriters or experts that may be named in a registration statement on Form F-10 (the "Registration Statement") to be filed by the Company with the SEC (as defined below) may be residents of a foreign country, and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**This offering is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system ("MJDS") adopted by the United States and Canada, to prepare this prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and may be subject to foreign auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.**

The Company's registered office is located at 18 King St. E, Suite 902, Toronto, ON M5C 1C4.

Investors should rely only on the information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this prospectus (including any applicable prospectus supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. We will not make an offer of these securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date on the face page of this prospectus, the date of any applicable prospectus supplement or the date of any documents incorporated by reference herein.

## TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	5
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	5
DOCUMENTS INCORPORATED BY REFERENCE	8
THE COMPANY	11
PROMOTERS	14
RISK FACTORS	15
USE OF PROCEEDS	20
CONSOLIDATED CAPITALIZATION	21
PRIOR SALES	22
TRADING PRICE AND VOLUME	22
EARNINGS COVERAGE	22
DESCRIPTION OF SHARE CAPITAL	22
DESCRIPTION OF DEBT SECURITIES	23
DESCRIPTION OF WARRANTS	27
DESCRIPTION OF UNITS	30
DESCRIPTION OF SUBSCRIPTION RECEIPTS	30
DESCRIPTION OF SHARE PURCHASE CONTRACTS	32
PLAN OF DISTRIBUTION	33
CERTAIN INCOME TAX CONSIDERATIONS	34
LEGAL MATTERS	34
AUDITORS, TRANSFER AGENT AND REGISTRAR	34
AGENT FOR SERVICE OF PROCESS	35
EXEMPTIONS UNDER SECURITIES LAWS	35
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	35
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE PROMOTERS	C-2

## ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy the securities offered pursuant to this prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus and any applicable prospectus supplement is accurate only as of the date on the front of such document and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or any applicable prospectus supplement or of any sale of the Company's securities pursuant thereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus and any applicable prospectus supplement, and the documents incorporated by reference in this prospectus and any applicable prospectus supplement, were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

In this prospectus and any prospectus supplement, unless otherwise indicated, all dollar amounts and references to "US\$" or "\$" are to U.S. dollars and references to "C\$" are to Canadian dollars. This prospectus and the documents incorporated by reference contain translations of certain US dollar amounts into Canadian dollars solely for your convenience. See "Currency Presentation and Exchange Rate Information".

In this prospectus and in any prospectus supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Bitfarms" or the "Company", refer to Bitfarms Ltd. together, where context requires, with its subsidiaries and affiliates.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and other information contained in this prospectus constitute "forward-looking information" under Canadian Securities Laws and "forward-looking statements" under U.S. securities laws (collectively "forward-looking statements"). Such forward-looking statements include, but are not limited to:

- the future price of cryptocurrencies, such as Bitcoin and the other types of digital assets which Bitfarms and its subsidiaries mine, hold and trade;
- the Company's intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in the businesses of the Company and its subsidiaries;
- the liquidity and market price of the Common Shares;
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the absence of a market through which the Company's securities, other than Common Shares, may be sold;

- changes to governmental laws and regulations; and
- effects of the novel coronavirus (“COVID-19”) outbreak as a global pandemic.

These forward-looking statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “future”, “continue” or similar expressions or the negatives thereof.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and such forward-looking statements included in this prospectus should not be unduly relied upon. These statements speak only as of the date of this prospectus.

The forward-looking statements in this document are based on what the Company currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Company (such documents are available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com)). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the business and economic conditions affecting the Company’s operations in their current state, including, general levels of economic activity, regulations, taxes and interest rates;
- the Company’s ability to profitably generate cryptocurrencies;
- the Company’s ability to successfully acquire and maintain required regulatory licenses and qualifications;
- historical prices of cryptocurrencies;
- the emerging cryptocurrency and blockchain markets and sectors;
- the Company’s ability to maintain good business relationships;
- the Company’s ability to manage and integrate acquisitions;
- the Company’s ability to identify, hire and retain key personnel;
- the Company’s ability to raise sufficient debt or equity financing to support the Company’s continued growth;
- economic dependence on regulated terms of service and electricity rates;
- the technology, proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the cryptocurrencies and digital asset sector is able to be relied upon to conduct the Company’s business;
- the Company does not suffer a material impact or disruption from a cybersecurity incident, cyber-attack or theft of digital assets;
- continued maintenance and development of cryptocurrency mining facilities;
- continued growth in usage and in the blockchain for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- the absence of adverse regulation or law; and
- the absence of material changes in the legislative, regulatory or operating framework for the Company’s existing and anticipated business.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the risks that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- The Company's limited operating history.
- Future capital needs and uncertainty of additional financing.
- Share price fluctuations.
- The need for the Company to manage its planned growth and expansion.
- Cybersecurity threats and hacking.
- Possibility of cessation of monetization of cryptocurrencies.
- Limited history of de-centralized financial system.
- Technological obsolescence and difficulty in obtaining hardware.
- Price volatility of cryptocurrencies.
- The Bitcoin Halving Events.
- Cryptocurrency network difficulty and impact of increased global computing power.
- Economic dependence on regulated terms of service and electricity rates risks.
- Future profits/losses and production revenues/expenses.
- Cryptocurrency exchanges are new and mostly unregulated.
- Discretion regarding by the Company of available funds.
- Political and regulatory risk.
- Permits and licenses.
- Server failures.
- Global financial conditions.
- Tax consequences.
- Environmental regulations.
- Environmental liability.
- Erroneous transactions and human error.
- The continued development of existing and planned facilities.
- Risks of non-availability of insurance.
- Competition.
- Reliance on key personnel.
- Credit risk.
- Uncertainty of widespread use of cryptocurrency.
- Interest rate risk.
- Fluctuations in currency exchange rates.
- Controlling shareholder risk.
- COVID-19 pandemic risk.
- Forward looking statements.
- Discretion over use of proceeds.
- Absence of a public market for certain of the securities.

- Unsecured debt securities.
- Effect of changes in interest rates on debt securities.
- Effect of fluctuations in foreign currency markets on debt securities.
- Trading price of Common Shares and volatility.

Additional information on these and other factors is discussed under the heading “*RISK FACTORS*” in this prospectus and in the documents incorporated by reference herein including in the 2020 MD&A (as defined herein) under the headings “Financial Instruments and Risks” and “Other Risks” and in the 2020 AIF (as defined herein) under the heading “Risk Factors”, as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this prospectus.



The forward-looking statements contained in this prospectus are expressly qualified by this cautionary statement. Except as required by law, the Company does not undertake any obligation to publicly update or revise any forward- looking statements.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this amended and restated preliminary short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada and filed with, or furnished to, the SEC.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Bitfarms at 18 King St. E, Suite 902, Toronto, ON M5C 1C4 (Telephone 647 259-1790) Attn: Chief Financial Officer or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR"), at [www.sedar.com](http://www.sedar.com) or in the United States through EDGAR at the website of the SEC at [www.sec.gov](http://www.sec.gov). The filings of the Corporation through SEDAR and EDGAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this amended and restated preliminary short form base shelf prospectus:

- the Company's annual management's discussion and analysis for the year ended December 31, 2019 and 2018, dated as at April 29, 2020 and filed on April 29, 2020 (the "**2019 MD&A**");
- the Company's annual information form for the year ended December 31, 2020, dated as at April 7, 2021 and filed on April 7, 2021 (the "**2020 AIF**");
- the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019 the notes thereto and the independent auditors' reports thereon, filed on April 13, 2021 (the "**2020 Annual Financial Statements**");
- the Company's annual management's discussion and analysis for the year ended December 31, 2020, dated as at March 24, 2021 and filed on March 25, 2021 (the "**2020 MD&A**");
- the information circular dated January 2, 2020 with respect to a special meeting of Shareholders held on February 4, 2020, filed on January 13, 2020;
- the material change report dated January 4, 2021 relating to the announcement of a brokered private placement in the United States for aggregate gross proceeds of C\$20,000,000;
- the material change report dated January 7, 2021 relating to the closing of a brokered private placement in the United States for aggregate gross proceeds of C\$20,000,000;
- the material change report dated January 11, 2021 relating to the announcement of a brokered private placement in the United States for aggregate gross proceeds of C\$20,000,000;
- the material change report dated January 14, 2021 relating to the closing of a brokered private placement in the United States for aggregate gross proceeds of C\$20,000,000;
- the material change report dated January 14, 2021 relating to the resignation of Mathieu Vachon as Chief Information Officer and a Director of the Company;
- the material change report dated February 4, 2021 relating to the corporate update of the Company's computing power expansion and other activity;
- the material change report dated February 8, 2021 relating to the announcement of a brokered private placement in the United States for aggregate gross proceeds of C\$40,000,000;
- the material change report dated February 10, 2021 relating to the closing of a brokered private placement in the United States for aggregate gross proceeds of C\$40,000,000;

- the material change report dated February 18, 2021 relating to the installation of cryptocurrency mining equipment;
- the material change report dated February 23, 2021 relating to the update of the Company's operating hash rate and full repayment of term loan;
- the material change report dated March 2, 2021 relating to the purchase of cryptocurrency mining equipment;
- the material change report dated March 12, 2021 relating to the entering into a marketing and consulting agreement with CORE IR;
- the material change report dated March 24, 2021 relating to the entering into of a hosting agreement with Blockware Solutions LLC and Blockware Mining LLC in the United States;
- the material change report dated March 25, 2021 relating to the filing of the 2020 Annual Financial Statements;
- the material change report dated April 1, 2021 relating to the appointment of Mr. Darcy Donelle as Vice President of Corporate Development and the grant of stock options;
- the material change report dated April 16, 2021 relating to the acquisition of equipment, its cryptocurrency inventory, and the application to list the Company's common shares on the Nasdaq Stock Market;
- the material change report dated April 19, 2021 relating to the Company's expansion project in South America;
- the material change report dated April 23, 2021 relating to the Company's acquisition of 2,465 Whatsminer M30S Bitcoin mining machines through its strategic partnership with Foundry Digital LLC;
- the material change report dated April 26, 2021 relating to the Company's update of its expansion plans in the Province of Quebec;
- the material change report dated May 6, 2021 relating to the purchase of 6,600 S19j Pro Antminers;
- the material change report dated May 7, 2021 relating to the approval of the Company's application to list the Common Shares on the Nasdaq Global Market®;
- the material change report dated May 12, 2021 relating to the Company's strategic relationship with MicroBT, one of the leading manufacturers of Bitcoin mining equipment in the world;
- the material change report dated May 17, 2021 relating to the announcement of a brokered private placement in the United States for aggregate gross proceeds of C\$75,000,000;
- the material change report dated May 20, 2021 relating to the closing of a brokered private placement in the United States for aggregate gross proceeds of C\$75,000,000;
- the Company's management's discussion and analysis for the three months ended March 31, 2021 and filed on May 26, 2021;
- the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021 and filed on May 26, 2021;
- the material change report dated May 26, 2021 relating to the Company's report on the results of its first quarter of the 2021 financial year;
- the material change report dated May 28, 2021 relating to the announcement of the Company's mining and deposit into custody of its 1000<sup>th</sup> Bitcoin;
- the material change report dated June 3, 2021 relating to the appointment of Jeffrey Lucas as Chief Financial Officer, effective as of June 14, 2021, and the promotion of certain members of management of the Company and the grant of options to purchase Common Shares;
- the information circular dated April 28, 2021 with respect to an annual general and special meeting of Shareholders to be held on June 25, 2021, filed on June 4, 2021;
- the material change report dated June 9, 2021 relating to the receipt and deployment of the previously announced 1,500 M31S+ Miners and the approval of the listing of the Common Shares on the Nasdaq Global Market® listing;
- the material change report dated June 10, 2021 relating to an update to the Company's Bitcoin production.

Any documents of the type described in Section 11.1 of Form 44-101F1 Short Form Prospectuses filed by the Company with a securities commission or similar authority in any province or territory of Canada subsequent to the date of this amended and restated preliminary short form base shelf prospectus and prior to the expiry of this prospectus, or the completion of the issuance of securities pursuant hereto, will be deemed to be incorporated by reference into this prospectus. To the extent that any document or information incorporated by reference into this Prospectus is included in a report that is filed with or furnished to the SEC pursuant to the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), such document or information shall also be deemed to be incorporated by reference as an exhibit to the Registration Statement (in the case of a report on Form 6-K, if and to the extent expressly provided in such report).

A prospectus supplement containing the specific terms of any offering of the Company’s securities will be delivered to purchasers of the Company’s securities together with this prospectus and will be deemed to be incorporated by reference in this prospectus as of the date of the prospectus supplement and only for the purposes of the offering of the Company’s securities to which that prospectus supplement pertains.

**Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, in any prospectus supplement hereto or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.**

Upon the Company’s filing of a new annual information form and the related annual financial statements and management’s discussion and analysis with applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and management’s discussion and analysis and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company’s financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of the Company’s securities under this prospectus. Upon interim consolidated financial statements and the accompanying management’s discussion and analysis being filed by us with the applicable securities regulatory authorities during the duration of this prospectus, all interim consolidated financial statements and the accompanying management’s discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities under this prospectus. Upon a new annual information form being filed by us with the applicable securities regulatory authorities during the term of this prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by us and incorporated by reference into this prospectus, such business acquisition report shall no longer be deemed to be incorporated into this prospectus for the purpose of future offers and sales of the securities hereunder. Upon a new information circular of the Company prepared in connection with an annual general meeting of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous information circular of the Company, if prepared in connection with solely an annual general meeting of the Company, shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

References to the Company’s website in any documents that are incorporated by reference into this prospectus do not incorporate by reference the information on such website into this prospectus, and we disclaim any such incorporation by reference.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

The high, low, average and closing rates for the US dollar in terms of Canadian dollars for each of the financial periods indicated below, as quoted by the Bank of Canada, were as follows:

	Three Months ended March 31, 2021	Three Months ended March 31, 2020	Year ended December 31, 2020	Year ended December 31, 2019
			(expressed in Canadian dollars)	
High	1.2828	1.4496	1.4496	1.3600
Low	1.2455	1.2970	1.2718	1.2988
Average	1.2660	1.3449	1.3415	1.3269
Closing	1.2575	1.4187	1.2732	1.2988

On June 11, 2021, the daily exchange rate for the US dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was \$1.00 = C\$1.2148.

## DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been, or will be, filed with the SEC as part of the Registration Statement, of which this Prospectus forms a part: (1) the documents listed under “DOCUMENTS INCORPORATED BY REFERENCE”; (2) the consent of Kost Forer Gabby & Kasierer; (3) the consent of PricewaterhouseCoopers LLP; (4) powers of attorney from certain of the Corporation’s directors and officers; and (5) the form of indenture relating to the debt securities.

## AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Exchange Act and applicable Canadian requirements and, in accordance therewith, files reports and other information with the SEC and with securities regulatory authorities in Canada. Under the multijurisdictional disclosure system adopted by the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. As a foreign private issuer, the Company is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and the Company’s officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. Reports and other information filed by the Company with, or furnished to, the SEC may be obtained on EDGAR at the SEC’s website: [www.sec.gov](http://www.sec.gov).

## THE COMPANY

The following description of the Company is, in some instances, derived from selected information about us contained in the documents incorporated by reference into this prospectus. This description does not contain all of the information about us and our business that you should consider before investing in any securities. You should carefully read the entire prospectus and the applicable prospectus supplement, including the section entitled “Risk Factors”, as well as the documents incorporated by reference into this prospectus and the applicable prospectus supplement, before making an investment decision.

### Name, Address and Incorporation

The Company was incorporated under the *Canada Business Corporations Act* on October 11, 2018.

The Company has its registered and head office located at 18 King St. E, Suite 902, Toronto, ON M5C 1C4.

The Company’s Common Shares are listed for trading on the TSX Venture Exchange (the “TSXV”) under the trading symbol “BITF” as well as on the OTC under “BFARF”.

### Subsidiaries

The table below lists the principal subsidiaries of the Company as of the date hereof.

Name	Jurisdiction	Assets Held
Bitfarms Ltd.	Israel	Holding company
Backbone Hosting Solutions Inc.	Canada	Computer equipment
9159-9290 Québec Inc. (operating under the name "Volta Électronique Inc.")	Quebec	Provides professional electrical services to Backbone Hosting Solutions Inc. and outside customers

### Summary Description of the Business

The Company's primary business is the mining of cryptocurrency coins and tokens. Backbone Hosting Solutions Inc. ("**Backbone**") owns and operates server farms, comprised of computers (each herein referred to as, a "**Miner**") primarily configured for the purpose of validating transactions on cryptocurrency network blockchains, and predominately the Bitcoin network blockchain. Backbone's server farms currently mine Bitcoin and in the past have also mined Litecoin, Bitcoin Cash, Dash and Ethereum. Income is earned from the transaction fees it receives in return for securing and processing transactions during all hours of the day (herein referred to as, "**Mining**"), and the cryptocurrencies rewarded for validating a "block" of transactions. Backbone exchanges cryptocurrencies mined into U.S. dollars, as needed, through reputable cryptocurrency trading platforms. In the description of the business of the Company in this amended and restated preliminary short form base shelf prospectus:

"**Bitcoin**" shall refer to a decentralized digital currency that is not controlled by any centralized authority (e.g. a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. Bitcoin is created when the Bitcoin network issues Block Rewards through the Mining process;

"**Block Reward**" shall refer to the new bitcoins that are awarded by the Blockchain network to eligible cryptocurrency miners for each block they successfully mine. The current block reward is 6.25 Bitcoin per block;

"**Blockchain**" shall refer to a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete;

"**Hash**" shall refer to a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of Bitcoin transactions is the SHA-256 algorithm.

"**Hashrate**" shall refer to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency;

"**Mining Pool**" shall refer to a group of cryptocurrency miners who pool their computational resources, or Hashrate, in order to increase the probability of finding a block on the Bitcoin Blockchain. Mining pools administer regular payouts to mitigate the risk of Miners operating for a prolonged period of time without finding a block; and

"**MW**" shall refer to a megawatt, which is 1,000 kilowatts of electricity and, in the industry of cryptocurrency mining, is typically a reference to the number of megawatts of electricity per hour that is available for use.

The Company operates through two operating corporate subsidiaries and reportable segments: Backbone and 9159-9290 Quebec Inc. (Volta Electrique, “**Volta**”). Backbone owns and operates server farms, comprised of Miners designed for the purpose of validating transactions, primarily on the Bitcoin Blockchain. The Miners operate 24 hours a day and revenue is earned from Block Rewards and transaction fees issued in the form of cryptocurrencies by the Bitcoin network to a Mining Pool from which the Company receives cryptocurrencies in return for contributing its hashrate which the Mining Pool uses to validate transactions (referred to as “**Mining**”).

The Company operates five server farm facilities in Québec, Canada, with electrical infrastructure capacity of 69 MW for Mining Bitcoin. The Company has contracts securing an aggregate of 160 MW of hydro-electric green energy in Quebec. In addition, Bitfarms owns proprietary software that is used to control, manage, report and secure mining operations. The software scans and reports the location, computing power and temperature of all Miners at regular intervals to allow the Company to monitor performance and ensure Miners are operating at maximum capacity and up-time.

Volta assists the Company in building and maintaining its server farms, while also providing electrician services to both commercial and residential customers in Québec.

The Company’s operating and maintenance expenses are comprised of electricity to power its computing equipment as well as cooling and lighting and other aspects of operating computer equipment. Other site expenses include leasing costs for the facilities, personnel salaries, internet access, equipment maintenance and software optimization, and facility security, maintenance and management.

The Company’s facilities are strategically located in geographical locations where electricity costs are low due to an abundance of green energy such as hydro power.

## **Operations**

The estimated working capital of the Company as at May 31, 2021 is approximately \$70 million. The Company raised capital in the first quarter of 2021 through private placement financing and the exercise of outstanding warrants. The increase in the Company’s working capital through 2021 is also attributable to a significant increase in the price of Bitcoin. As of the date hereof, the Company holds over 1,100 Bitcoins.

The Company anticipates that it will be able to continue its operations for the foreseeable future given that it is has proven to be a profitable business. The Company anticipates that additional funding will be required for the Company’s expansion plans.

As of the date of this prospectus, the Company has raised approximately C\$155 million in the 2021 financial year through private placements as well as approximately \$40 million from the exercise of warrants. In addition, the Company may be able to raise an additional approximately \$97 million from the exercise of outstanding warrants to purchase Common Shares. In addition to the foregoing and the proceeds of any financing pursuant to this prospectus, the Company intends to finance its business objectives in part from cash generated from operations and in part from equipment finance debt facilities from existing and new lenders to the Company.

More detailed information regarding the business of the Company as well as its mining operations can be found in the 2020 AIF under the heading “*DESCRIPTION OF THE BUSINESS – Description of the Business*”, the 2020 MD&A and the Interim MD&A, all of which are incorporated by reference herein.

## Custody of Crypto Assets

Backbone's crypto assets, currently Bitcoin, is mined to multi-signature wallets that Backbone controls. Backbone transfers Bitcoin from its multi-signature wallets to external third-party custodians on a regular basis, specifically Gemini Trust Company, LLC ("**Gemini Custody**") and Coinbase Custody Trust Company, LLC ("**Coinbase Custody**", and together with Gemini Custody, the "**Custodians**"). Both Gemini Custody and Coinbase Custody are US based fiduciary and qualified custodians under New York Banking Law and are licensed by the State of New York to custody digital assets. Currently, both of the Custodians provide only custodial services to Backbone and do not use sub-custodians at this time. Gemini Trust Company, LLC is a New York State-chartered limited purpose trust company that is authorized under Article III § 96 of the New York Banking Law to provide certain custodial services, and it is a "Qualified Custodian" as defined by the New York Codes, Rules and Regulations Title 23, Part 200.2(n). Coinbase Custody is a fiduciary § 100 of the New York Banking Law and is licensed to custody its clients' digital assets in trust on their behalf. Coinbase Custody is a qualified custodian for purposes of § 206 (4) -2(d)(6) of the Advisers Act.

In early January 2021, the Company implemented a pilot Bitcoin retention program, pursuant to which the Company has added over 1,100 Bitcoin to its balance sheet as of the date hereof. See the 2020 AIF under the heading "*Risk Factors – Possibility of Less Frequent or Cessation of Monetization of Cryptocurrencies*". As of the date of this Prospectus, the Company currently holds 100% of its cryptocurrency holdings in custody.

Gemini Custody maintains an insurance policy of \$200 million for its cold storage. Gemini Custody recently announced in excess of \$20 billion in cryptocurrencies under custody. As a result, if Gemini Custody were to experience a loss of cryptocurrency assets in excess of \$200 million, it is likely that a significant portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. Coinbase Custody maintains an insurance policy of \$255 million for hot, warm and cold storage and recently announced in excess of \$90 billion in assets on their platform, of which more than 50% are under custody. As a result, if Coinbase Custody were to experience a loss of cryptocurrency assets in excess of \$255 million, it is likely that a significant portion of the Company's cryptocurrency under custody would not be covered by this insurance policy. The Company is unaware of any security breaches that have occurred involving Gemini Custody or Coinbase Custody which have resulted in crypto assets being lost or stolen. Regardless of efforts made by the Company to securely store and safeguard assets, there can be no assurance that crypto assets will not be defalcated through hacking or other forms of theft. See "*RISK FACTORS*".

## Update to Cowansville Facility

The expansion of the Company's facility located in Cowansville, Quebec (the "**Cowansville Facility**") began in February 2021, with the placing of orders for transformers, racking and other building related materials/items and remains on schedule. As of the date hereof, the Company has spent approximately \$650,000 on the expansion and intends to spend the remaining planned amount of \$2,500,000 on further expansion work.

The Company anticipates completing the remaining work in the second and third quarter of the 2021 financial year, in time to accommodate miners which are expected to arrive in July 2021. The total cost of the infrastructure buildout, excluding miners, is estimated at between \$3,000,000 and \$3,500,000. The Cowansville Facility is expected to operate approximately 17 MW of mining hardware with similar operating margins as the Company's other facilities.

## PROMOTERS

The following table sets forth the Promoters of the Company:

Name	Class of Securities Owned	Quantity of Securities Owned	% of Class <sup>(3)</sup>
Emiliano Joel Grodzki <sup>(1)</sup>	Bitfarms Canada Shares	11,820,772	7.40%
Nicolas Bonta <sup>(2)</sup>	Bitfarms Canada Shares	11,210,706	7.02%
Total		23,031,478	14.42%

### Notes:

- (1) In addition to the Bitfarms Canada Shares noted in the table above, Mr. Grodzki holds 154,900 options to purchase Bitfarms Canada Shares at a price of CAD\$1.76 per Bitfarms Canada Share.
- (2) In addition to the Bitfarms Canada Shares noted in the table above, Mr. Bonta holds 154,900 options to purchase Bitfarms Canada Shares at a price of CAD\$1.76 per Bitfarms Canada Share.
- (3) A total of 159,752,683 Bitfarms Canada Shares are issued and outstanding.

Certain Promoters have entered into certain non-arm's length transactions with Backbone. See the 2020 AIF under the heading "*INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS - Transactions with Related Parties*".

No Promoter was within the 10 years before the date of this Prospectus a director, CEO, or CFO of a person or company that was subject to an order while or after that Promoter was acting in that capacity.

## RISK FACTORS

Investing in the Company's securities is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially and adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business or financial results, each of which could cause purchasers of the Company's securities to lose part or all of their investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. You should also refer to the other information set forth or incorporated by reference in this prospectus or any applicable prospectus supplement, including the Company's 2020 AIF and the 2020 MD&A and annual financial statements, and the related notes. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this prospectus.

Discussions of certain risks affecting the Company in connection with the Company's business are provided in our annual and interim disclosure documents filed with the various securities regulatory authorities which are incorporated by reference in this prospectus.

### **Risks Related to the Business of the Company**

#### ***Bitfarms Canada's Cryptocurrency Inventory may be exposed to Cybersecurity Threats and Hacking***

Malicious actors may seek to exploit vulnerabilities within cryptocurrency programming codes. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money occur somewhat regularly. For example, hackers have been able to gain unauthorized access to digital wallets and cryptocurrency exchanges.

The computer network operated by the Company may further be vulnerable to intrusions by hackers who could interfere with and introduce defects to the mining operation. Private keys which enable holders to transfer funds may also be lost or stolen, resulting in irreversible losses of cryptocurrencies.

In addition, the Company uses third party custodians for its cryptocurrency assets. In the event of theft or a cybersecurity attack on its custodians in respect of which the custodians' insurance is insufficient to satisfy all of its creditors, the Company may not be able to recover part or all of the cryptocurrency under the custody of such custodians, which in each case could result in a material adverse effect on the Company. See "*THE COMPANY – Custody of Crypto Assets*".

#### ***Possibility of Less Frequent or Cessation of Monetization of Cryptocurrencies***

In early January 2021, the Company announced that it had implemented a pilot program pursuant to which the Company would begin retaining some of the Bitcoin it mines. As of the date of this prospectus the Company had retained approximately 1,100 Bitcoin. While the Company has implemented internal controls and custody arrangements to minimize the risk of loss or theft, ceasing immediate monetization of cryptocurrencies or to monetizing cryptocurrencies less frequently can increase the risk of cryptocurrencies held decreasing in value and the risk of loss or theft of cryptocurrencies.

#### ***Limited History of De-Centralized Financial System***

Compared with traditional and existing centralized financial systems, the cryptocurrency financial system is relatively new and has only limited history. Online cryptocurrency exchanges and trades therein operate with comparatively little regulation and are particularly liable to platform failures and fraudulent activities, which may have an effect on underlying prices of cryptocurrencies. In fact, many of the largest online cryptocurrency exchanges have been compromised by hackers.

Traditional banks and banking services may limit or refuse the provision of banking services to businesses that supply cryptographic or cryptocurrencies as payment and may refuse to accept money derived from cryptocurrency-related businesses. This may make management of bank accounts held by companies operating in the field difficult.

#### ***Risk related to technological obsolescence and difficulty in obtaining hardware***

To remain competitive, the Company will continue to monitor the state of the technology available and invest in hardware and equipment required for maintaining the Company's operations. The Company's hardware and software may become obsolete and require substantial capital to replace. There can be no assurance that mining hardware will be readily available when the need is identified.



Moreover, there can be no assurance that new and unforeseeable technology, either hardware-based or software-based, will not disrupt the existing cryptocurrency industry. For example, the arrival of quantum computers, which are capable of solving certain types of mathematical problems fundamental to cryptocurrency more quickly and efficiently than traditional computers may have a significant effect on the cryptocurrency industry.

### ***Valuation and Price Volatility of Cryptocurrencies***

The profitability of the Company's operations will be significantly affected by changes in prices of cryptocurrencies. Cryptocurrency prices are highly volatile, can fluctuate substantially and are affected by numerous factors beyond the Company's control, including hacking, demand, inflation and expectations with respect to the rate of inflation, global or regional political or economic events. If cryptocurrency prices should decline and remain at low market levels for a sustained period while network difficulty does not decrease proportionally, the Company could determine that it is not economically feasible to continue activities.

Cryptocurrencies may be subject to momentum pricing, which is typically associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value proposition of the Company.

Volatility may have an impact on the value of the Company's inventory of currencies. The Company will act to reduce this risk by managing working capital through combining sales of cryptographic currencies and converting part of the balance of the excess profits into U.S. dollars, Canadian dollars, and/or other investment assets, and a number of cryptocurrencies that will ensure coverage of current operating expenses (Opex) and capital expenditures (Capex) in order to hedge the risk of volatility with regard to the Company's expenses.

### ***Bitcoin Halving Events***

In May 2020, the Bitcoin block reward decreased from 12.5 to 6.25 Bitcoins per block (the "**Bitcoin Halving**"), and consequently the number of new Bitcoin issued to miners has been reduced to approximately 900 per day, excluding transaction fees.

The Bitcoin Halving had a significant impact on the Company's profitability. Given that profitability is required for self-acting agents to perform mining to continue to support the validation of transactions, the expected impact of the Bitcoin Halving is that market variables of Bitcoin price will adjust over time to ensure that mining remains profitable. The period of market normalization after the Bitcoin Halving to incentivizing profitability levels is unknown.

Management believes that revenue per Terahash will continue to normalize to levels that would allow miners with competitive electricity pricing, sufficient scale of efficient mining operations, recent generation mining hardware and access to capital to remain profitable. If Bitcoin price and difficulty do not maintain or continue their trend of adjusting to pre-Bitcoin Halving profitability levels over time, or the period of market normalization after the Bitcoin Halving to pre-Bitcoin Halving profitability levels is too long, there is a risk that the Bitcoin Halving will render the Company unprofitable for a sustained time period such that it could be unable to continue as a going concern. The next Bitcoin Halving is expected to occur on or around May 2024.

### ***Cryptocurrency Network Difficulty and Impact of Increased Global Computing Power***

Network difficulty is a measure of how difficult it is to solve the cryptographic hash that is required to validate a block of transactions and earn a cryptocurrency reward from mining. If the network difficulty increased at a significantly higher rate than the Company's hashrate and the price of cryptocurrency did not increase at the same rate as network difficulty, then the profitability of the Company's operations would be significantly affected. There can be no assurance that cryptocurrency prices will increase in proportion to the rate of increase of network difficulty as network difficulty is subject to volatility in growth.

### ***Economic Dependence on Regulated Terms of Service and Electricity Rates Risks***

The Company's operations are dependent on its ability to maintain reliable and economical sources of power to run its cryptocurrency mining assets. Presently, the Company conducts mining in the Province of Québec. As a result of operations in a single jurisdiction, the Company's current and future operations, anticipated growth, and sustainability of hydroelectricity at economical prices for the purposes of cryptocurrency mining in the Province of Québec poses certain risks. These risks as well as the supply of electrical power, electricity rates, terms of service and regulatory regime in the Province of Québec are described in the 2020 AIF under the heading "*DESCRIPTION OF BUSINESS –Supply of Electrical Power, Electricity Rates, Terms of Service and the Régie de l'Énergie*". These risks may be summarized as follows:

- Currently, the Company sources its energy from Hydro-Québec, Hydro-Sherbrooke and Hydro-Magog (as those terms are defined in the 2020 AIF). The Province of Québec mandates electrical service providers to supply their customers under an obligation to serve power delivery regime; consequently, the Company believes these power suppliers are reliable. Any suspension of power or failure of electrical networks, however, could result in a material adverse effect on the Company.
- The price of electricity supplied directly by Hydro-Québec is set by a provincial administrative tribunal, the Régie (as that term is defined in the 2020 AIF). Hydro-Québec supplies power to certain of the Company's facilities, and to the Municipal Electrical Networks for the Magog and Sherbrooke server farms, under an obligation to serve power delivery regime. The rates imposed on Hydro-Québec by the Régie are subject to change. There are no long-term arrangements. Although power is supplied by the Municipal Networks to the Company under the long-term power contracts, the rates in those contracts are adjusted in response to tariff changes imposed by the Régie. Accordingly, there is no assurance that future electricity rates will remain stable or economical. Accordingly, there is no assurance that future electricity rates will remain stable or economical. In particular, on June 14, 2018, Hydro-Québec requested the Régie to set rates and service conditions specifically for enterprises involved in cryptocurrency mining as a result of increased electricity demand from cryptocurrency miners. The Régie has undertaken regulatory proceedings to establish a framework for the provision of electricity for cryptocurrency mining in Québec in three Phases:

Phase 1: On July 13, 2018, the Régie provisionally ordered that a new tariff be established for cryptocurrency miners and on July 19, 2018, the Régie approved a provisional tariff of CAD\$0.15/kWh on cryptocurrency mining facilities built after that date. Under Phase 1, the new tariff cannot be applied to any cryptocurrency contracts entered into prior to June 7, 2018 or facilities constructed prior to July 19, 2018. Therefore, Phase 1 is not expected to have an impact on the Company's pre-existing operations and secures existing rates until the completion of Phase 3.

Phase 2: On April 29, 2019, the Régie rendered its decision on Phase 2 of the request filed by Hydro-Québec. The Régie decided to create a new class of energy consumers called Electricity consumer class for cryptographic use applied to blockchain. It decided to allocate to this new class an aggregate supply of 300 megawatts of electricity, with the requirement to curtail electricity use during peak hours at Hydro-Québec's request (up to a maximum of 300 hours a year). Cryptocurrency mining projects will be required to submit tenders to consume electricity from the 300 megawatts block based exclusively on economic development and environmental criteria. The Régie rejected Hydro-Québec's proposal to launch a tariff auction as part of the call for tenders and determined that the applicable tariff of the energy component, in ¢/kWh, will correspond to the M or LG tariff in force, as the case may be. In order for the Company to be able to procure electricity for future Quebec expansion projects (excluding those currently planned by the Company such as the Additional Server Farms (as that term is defined in the 2020 AIF)), it will be required to participate to the call for tenders process which is expected to launch shortly by Hydro-Québec. However, the Régie's decision also means that the Company's pre-existing operations at the Current Facilities (as that term is defined in the 2020 AIF) and Additional Server Farms will remain subject to the M or LG tariff in force, as the case may be, and they are exempt from the tender process as well as the provisional tariff of CAD\$0.15/kWh which had been requested by Hydro-Québec. The provisional tariff will apply to energy consumption not authorized under cryptocurrency contracts, to those cryptocurrency contracts entered into after June 7, 2018 and to any substitution of use or any increase of capacity for crypto miners not already under authorized cryptocurrency contracts. The decision of the Régie does impose the potential requirement to curtail electricity use (of up to 95%) during peak hours at Hydro-Québec's request (up to a maximum of 300 hours a year) under all cryptocurrency contracts including those at our pre-existing operations at the Current Facilities and Additional Server Farms. A shut down of 95% of operations for the maximum of 300 hours could result in a revenue decrease of approximately 3.3%.

Phase 3: On January 28, 2021, the Régie rendered its decision on Phase 3 of the request filed by Hydro-Québec. The Régie decided that the existing subscriptions on the Hydro-Québec network will be subject to non-firm service, starting in Winter 2021-2022. The non-firm service will apply for a maximum of 300 hours/year, without any monetary compensation. In considering the financial consequences of this conclusion the Régie requested that Hydro-Québec implement the non-firm service for existing clients during a three-year period through progressive implementation. The Régie did not provide any guidance to Hydro-Québec on how to proceed. The Régie provided the following reasons to justify this conclusion:

- (a) existing clients, such as the Company, have already executed agreements with municipal electricity networks with non-firm service (without financial compensation) for at least 300 hours per year;
- (b) new clients entering the market through the call for tenders process will be subject to non-firm service, without financial compensation. The treatment of those new clients must be fair and equitable with existing clients; and
- (c) load shedding for 300 hours represents only 3.4% of the 8760 hours in a year. The Régie does not consider this request unreasonable considering the risks that cryptocurrency clients represent for Hydro-Québec.

In accordance with the Phase 3 decision, it is presently anticipated that the Company's operations will continue on a non-firm service basis for at least 300 hours per year. The Company has undertaken a challenge to the Phase 3 decision through an administrative review process.

- Electricity supplied by Hydro-Québec and the Municipal Electrical Networks may be set at Preferential Rates in an effort to encourage investment and development in particular regions. Hydro-Québec and Municipal Electrical Networks (as that term is defined in the 2020 AIF) may offer a discretionary Preferential Rate (as that term is defined in the 2020 AIF) to certain customers, such rate being lower than the rate set by the Régie, notwithstanding that the Hydro-Québec and the Municipal Electric Networks may suffer a financial loss on the supply of electricity to those customers. If a Preferential Rate is changed or no longer available to the Company, its operations and profitability may experience a material adverse effect. In addition, although power is supplied by the Municipal Networks to the Company under the long-term power contracts, the rates in those contracts are adjusted in response to tariff changes imposed by the Régie.

#### ***Future Profits/Losses and Production Revenues/Expenses***

Further development and acquisitions of server farms and the ongoing operation of the existing mining facilities will require additional capital and monthly expenses. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with the maintenance of the existing mining facilities and any other mining facilities the Company may acquire are added. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

The amount and timing of expenditures will depend on the progress of ongoing development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and other factors, many of which are beyond the Company's control. The Company's management tested and studied the cryptocurrency marketplace before developing its financial projections. The Company's forecasts and plans are built upon data available on the profitability of cryptocurrency, a new and unstable field. Despite the Company's confidence in achieving its projections, it may fail to meet the objectives and milestones set forth in this Prospectus. See "**USE OF PROCEEDS – Business Objectives and Milestones**".

***Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure***

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. In the past several years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and “malware” (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

**Risks Related to the Offering of Securities**

***Discretion over use of proceeds.***

The Company intends to allocate the net proceeds it will receive from an offering as described under “Use of Proceeds” in this prospectus and the applicable prospectus supplement; however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in “Use of Proceeds” in this prospectus and the applicable prospectus supplement if the Company believes it would be in the Company’s best interests to do so. The Company’s investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

***Absence of a public market for certain of the securities.***

There is no public market for the debt securities, warrants, subscription receipts, securities purchase contracts or units and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of the debt securities, warrants, subscription receipts, securities purchase contracts or units on any securities exchanges. If the debt securities, warrants, subscription receipts, securities purchase contracts or units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company’s financial condition. There can be no assurance as to the liquidity of the trading market for the debt securities, warrants, subscription receipts, share purchase contracts or units, or that a trading market for these securities will develop at all.

***Unsecured debt securities.***

The Company carries on its business through corporate subsidiaries, and the majority of its assets are held in corporate subsidiaries. The Company’s results of operations and ability to service indebtedness, including the debt securities, are dependent upon the results of operations of these subsidiaries and the payment of funds by these subsidiaries to the Company in the form of loans, dividends or otherwise. Unless otherwise indicated in the applicable prospectus supplement, the Company’s subsidiaries will not have an obligation to pay amounts due pursuant to any debt securities or to make any funds available for payment on debt securities, whether by dividends, interest, loans, advances or other payments. In addition, the payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable prospectus supplement, the indenture governing the Company’s debt securities is not expected to limit the Company’s ability or the ability of its subsidiaries to incur indebtedness. Unless otherwise indicated in the applicable prospectus supplement, such indebtedness of the Company’s subsidiaries would be structurally senior to the debt securities. As such, in the event of the liquidation of any subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any debt securities. See “DESCRIPTION OF DEBT SECURITIES”.

***Effect of changes in interest rates on debt securities.***

Prevailing interest rates will affect the market price or value of any debt securities. The market price or value of any debt securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

***Effect of fluctuations in foreign currency markets on debt securities.***

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

***Trading price of Common Shares and volatility.***

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur, and the trading price of the Company's shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

***Forward looking statements.***

Some statements contained in this prospectus are not historical facts, but rather are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Without limiting the generality of the foregoing, such risks and uncertainties include interpretation of results, accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in production, delays in development activities, political risks, the inherent uncertainty or production fluctuations and failure to obtain adequate financing on a timely basis.

**USE OF PROCEEDS**

Unless we otherwise indicate in a prospectus supplement relating to a particular offering, we currently intend to use the net proceeds from the sale of our securities for general corporate purposes, including to fund ongoing operations and/or working capital requirements, to repay indebtedness outstanding from time to time, to complete future acquisitions or for other corporate purposes as set forth in the prospectus supplement relating to the offering of the securities.

More detailed information regarding the use of proceeds from the sale of securities, including any determinable milestones at the applicable time, will be described in a prospectus supplement. We may also, from time to time, issue securities otherwise than pursuant to a prospectus supplement to this prospectus. All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such securities, unless otherwise stated in the applicable prospectus supplement.

During the 2020 financial year, the Company had positive annual cash flow from operations. However, the Company expects cash flow from operations to potentially be unstable due to the volatile nature of the cryptocurrency markets. The Company's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In the event that Company experiences negative operating cash flow, among other things (i) the Company may reduce expenses, or (ii) the Company may sell some of its assets to generate sufficient cash to meet its and the Company's obligations as they come due.

As of May 31, 2021 the Company has cash and cryptocurrency on hand of approximately USD\$86 million. The Company's capital expenditure plans over the next 24 months are anticipated to be approximately USD\$450 million to USD\$500 million. The majority of the proceeds raised under this prospectus to satisfy the Company's commitments in connection with its orders for 48,000 new machines as well as infrastructure buildout and working capital. See "CONSOLIDATED CAPITALIZATION".

In addition, the operations of the Company may be adversely impacted by COVID-19 and the Company may exercise its discretion in the use of proceeds. In particular, COVID-19 has reduced the availability of and affected the timing of delivery of mining equipment. It has also reduced the mobility of the Company's technical personnel and access to the Company's data centres. Further, when mining equipment does become available, the Company anticipates that it may be subject to increased equipment costs and increased shipping costs, in each case attributable to supply chain disruption caused by COVID-19. As of the date hereof, the Company's operations have not been materially effected and the Company has not experienced any unreasonable delays in procuring or deploying mining equipment. See "*Risk Factors – Risks Related to the Offering of Securities – Discretion over use of proceeds.*"

### **Business Objectives and Milestones**

The Company's business objectives are to increase shareholder value and continue its operations as one of the largest publicly traded cryptocurrency mining and data centre companies in the world. Specifically, the Company intends to expand its operations through the purchase of newer generations of cryptocurrency mining equipment and in greater quantities, while simultaneously scaling up the capacity of its existing facilities and exploring the establishment of new facilities. Due to the nature of the Company's operations, management of the Company believes that it can scale up its operations in response to the financing it is able to generate.

The following are the milestones set out by the Company as of the date hereof:

- Obtain the Company's target of having 3.0 Exahash of computing power by the end of 2021;
- Obtain the Company's target of having 8.0 Exahash of computing power by the end of 2022, for an aggregate increase of computing power of approximately 6.5 Exahash. At the prevailing cost of computing power, the Company anticipates that it may cost from \$450 million to \$500 million to increase its computing power by 6.5 Exahash. These figures may change based on prevailing Bitcoin price and network difficulty;
- Complete the buildout of an additional 78 MW of electrical infrastructure in Quebec in the second half of 2021 at an estimated cost of approximately \$15,000,000;
- Maintain the Company's Bitcoin retention program to grow the quantity of Bitcoin maintained on the Company's balance sheet;
- Perform studies in the first half of 2021 to explore the costs and feasibility of exploiting the 210 MW non-binding memorandum of understanding entered into with a South American energy producer at \$0.022/KWh; and
- Engage with the Quebec government as well as other government and private sector energy suppliers to locate a site capable of housing a 50MW or larger mining facility.

### **CONSOLIDATED CAPITALIZATION**

Subsequent to the date of the 2020 Annual Financial Statements, the Company has entered into four private placements for total gross proceeds of \$155,000,000 CAD in exchange for the issuance of 40,187,121 Common Shares and 36,649,385 warrants to purchase Common Shares. Further details to these transactions can be found in the material change reports dated January 7, 2021, January 14, 2021, February 10, 2021 and May 20, 2021 as well as the Company's 2020 AIF incorporated by reference. In addition, in January 2021 Dominion Capital exercised their option to convert \$5,000,000 of debt into 8,474,576 Common Shares. The Company has used the proceeds from these financings to: (i) acquire equipment, including 10,300 miners in the first quarter of 2021 with deliveries scheduled in 2021 in addition to the placement of orders and deposits for an additional 48,000 miners; and (ii) retire the Company's term loan indebtedness to Dominion Capital. All warrants issued to Dominion Capital have been exercised.

There have been no material changes to the Company's consolidated capitalization since the date of the 2020 Annual Financial Statements which have not been disclosed in this Prospectus or the documents incorporated by reference. The applicable prospectus supplement will describe any material changes, and the effect of such material changes on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to each prospectus supplement.

## PRIOR SALES

Information in respect of the Company's Common Shares that we issued within the previous twelve month period, including Common Shares that we issued upon the exercise of stock options of the Company ("**Options**") will be provided as required in a prospectus supplement with respect to the issuance of securities pursuant to such prospectus supplement.

## TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSXV under the symbol "**BITF**". Trading price and volume information for the Company's securities will be provided as required in each prospectus supplement to this prospectus. The Common Shares are also listed and posted for trading on the OTC Bulletin Board under the symbol "BFARF."

## EARNINGS COVERAGE

If the Company offers debt securities having a term to maturity in excess of one year under this prospectus and any applicable prospectus supplement, the applicable prospectus supplement will include earnings coverage ratios giving effect to the issuance of such securities.

## DESCRIPTION OF SHARE CAPITAL

### Overview

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As of the date hereof, there are 159,752,683 Common Shares and no preferred shares issued and outstanding.

As of the date of this Prospectus, there were: (i) 6,933,372 Common Shares issuable upon the exercise of outstanding stock options of the Company ("**Options**") at a weighted average exercise price of C\$1.43 and (ii) 25,636,685 Common Shares reserved for issuance on exercise of 25,636,685 issued and outstanding Common Share purchase warrants of the Company with a weighted average exercise price of USD\$3.80, for a total of 32,570,057 Common Shares on a fully-diluted basis.

### Common Shares

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote).

Each Common Share carries the right to one vote. Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company, or upon any distribution of the assets of the Company among shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of the Common Shares are entitled to share equally.

Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, the holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares.

Any alteration of the rights attached to our Common Shares must be approved by at least two-thirds of the Common Shares voted at a meeting of our shareholders. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Company's articles and in the *Canada Business Corporations Act*.

### Preferred Shares

Preferred shares of the Company do not give the holders any right to receive notice of or vote at general or special meetings of the Company. As of the date of this Prospectus, no preferred shares were issued and outstanding.

## DESCRIPTION OF DEBT SECURITIES

In this section describing the debt securities, the terms “Company” and “Bitfarms” refer only to Bitfarms Ltd. without any of its subsidiaries.

The following description of the terms of debt securities sets forth certain general terms and provisions of debt securities in respect of which a prospectus supplement may be filed. The particular terms and provisions of debt securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such debt securities. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the following information.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of debt securities pursuant to this prospectus. Convertible debt securities offered under this prospectus may only be convertible into other securities of the Company.

The Company will deliver, along with this prospectus, an undertaking to the securities regulatory authority in each province and territory of Canada that the Company will, if any debt securities are distributed under this prospectus and for so long as such debt securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any prospectus supplement offering guaranteed debt securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of NI 41-101.

The debt securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the debt securities and is not intended to be complete. The particular terms and provisions of the debt securities and a description of how the general terms and provisions described below may apply to the debt securities will be included in the applicable prospectus supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedar.com](http://www.sedar.com).

### General

The applicable Trust Indenture will not limit the aggregate principal amount of debt securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue debt securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the debt securities of any series and, unless otherwise provided in the applicable prospectus supplement, a series of debt securities may be reopened for issuance of additional debt securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the debt securities previously issued and to issue that increased principal amount.



Any prospectus supplement for debt securities supplementing this prospectus will contain the specific terms and other information with respect to the debt securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such debt securities;
- the percentage of principal amount at which the debt securities will be issued;
- whether payment on the debt securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the debt securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the debt securities and the portion (if less than the principal amount) of debt securities to be payable upon a declaration of acceleration of maturity;
- whether the debt securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where debt securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the debt securities, and whether and on what terms the Company will have the option to redeem the debt securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the debt securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the debt securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered debt securities;
- the currency or currency units for which debt securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the debt securities will be made by delivery of Common Shares or other property;
- whether payments on the debt securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the debt securities, any payment of any interest on such debt securities or any repayment of the principal owing upon the maturity of such debt securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the debt securities will be issued as global securities (defined below) and, if so, the identity of the depository (defined below) for the global securities;
- whether the debt securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the debt securities prior to maturity and the price or prices of which, and the currency or currency units in which, the debt securities are payable;
- any events of default or covenants applicable to the debt securities;
- any terms under which debt securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of debt securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the debt securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of Disqualified Holders or otherwise;
- rights, if any, on a change of control;

- provisions as to modification, amendment or variation of any rights or terms attaching to the debt securities;
- the Trustee under the Trust Indenture pursuant to which the debt securities are to be issued; whether the Company will undertake to list the debt securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the debt securities being offered which do not apply generally to other debt securities, or any covenants or events of default generally applicable to the debt securities which do not apply to a particular series of the debt securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to the debt securities which are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the debt securities described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such debt securities.

Unless stated otherwise in the applicable prospectus supplement, no holder of debt securities will have the right to require the Company to repurchase the debt securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue debt securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the debt securities for a foreign currency or currency unit, and payments on the debt securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, the Company may issue debt securities with terms different from those of debt securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of debt securities and issue additional debt securities of such series.

Original purchasers of debt securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such debt security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the debt security and the amount paid upon conversion or exchange, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

#### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable prospectus supplement, the debt securities will be direct unsecured obligations of the Company. The debt securities will be senior or subordinated indebtedness of the Company as described in the applicable prospectus supplement. If the debt securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the debt securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. The Company reserves the right to specify in a prospectus supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The Board may establish the extent and manner, if any, to which payment on or in respect of a series of debt securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any security.

## Registration of Debt Securities

### *Debt Securities in Book Entry Form*

Unless otherwise indicated in an applicable prospectus supplement, debt securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of debt securities to be represented by a Global Security will, to the extent not described herein, be described in the prospectus supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the debt securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (“**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the debt securities or by the Company if such debt securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the debt securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of debt securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the debt securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the debt securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such debt securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a debt security or otherwise take action with respect to such holder’s interest in a debt security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for debt securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to discharge properly its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the debt securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry debt securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depositary may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying prospectus supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depositary relating to beneficial ownership interests in the debt securities held by the Depositary or the book-entry accounts maintained by the Depositary, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depositary and contained in this prospectus or in any prospectus supplement or Trust Indenture with respect to the rules and regulations of the Depositary or at the direction of Participants.

Unless otherwise stated in the applicable prospectus supplement, CDS Clearing and Depositary Services Inc. or its successor will act as Depositary for any debt securities represented by a Global Security.

#### *Debt Securities in Certificated Form*

A series of the debt securities may be issued in definitive form, solely as registered securities, solely as unregistered securities or as both registered securities and unregistered securities. Unless otherwise indicated in the applicable prospectus supplement, unregistered securities will have interest coupons attached.

In the event that the debt securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable prospectus supplement, payment of principal, premium, if any, and interest, if any, on the debt securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable prospectus supplement, payment of interest, if any, will be made to the persons in whose name the debt securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of debt securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable prospectus supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable prospectus supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable prospectus supplement may indicate the places to register a transfer of the debt securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the debt securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

## **DESCRIPTION OF WARRANTS**

### **General**

This section describes the general terms that will apply to any warrants for the purchase of Common Shares, or equity warrants, or for the purchase of debt securities, or debt warrants.

We may issue warrants independently or together with other securities, and warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under one or more warrant agency agreements to be entered into by us and one or more banks or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute warrants that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such prospectus supplement containing the specific terms of the warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the warrants will be distributed.

This summary of some of the provisions of the warrants is not complete. The statements made in this prospectus relating to any warrant agreement and warrants to be issued under this prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. You should refer to the warrant indenture or warrant agency agreement relating to the specific warrants being offered for the complete terms of the warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering of warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

The applicable prospectus supplement relating to any warrants that we offer will describe the particular terms of those warrants and include specific terms relating to the offering.

Original purchasers of warrants (if offered separately) will have a contractual right of rescission against us in respect of the exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights, or consult with a legal advisor.

## **Equity Warrants**

The particular terms of each issue of equity warrants will be described in the applicable prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of equity warrants;
- the price at which the equity warrants will be offered;
- the currency or currencies in which the equity warrants will be offered;
- the date on which the right to exercise the equity warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity warrant;

- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity warrants;
- whether we will issue fractional shares;
- whether we have applied to list the equity warrants or the underlying shares on a stock exchange;
- the designation and terms of any securities with which the equity warrants will be offered, if any, and the number of the equity warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity warrants and the related securities will be transferable separately;
- whether the equity warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity warrants; and
- any other material terms or conditions of the equity warrants.

## Debt Warrants

The particular terms of each issue of debt warrants will be described in the related prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of debt warrants;
- the price at which the debt warrants will be offered;
- the currency or currencies in which the debt warrants will be offered;
- the designation and terms of any securities with which the debt warrants are being offered, if any, and the number of the debt warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt warrants and the related securities will be transferable separately;
- the principal amount and designation of debt securities that may be purchased upon exercise of each debt warrant and the price at which and currency or currencies in which that principal amount of debt securities may be purchased upon exercise of each debt warrant;
- the date on which the right to exercise the debt warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt warrants that may be exercised at any one time;
- whether the debt warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt warrants;
- whether we have applied to list the debt warrants or the underlying debt securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt warrants; and
- any other material terms or conditions of the debt warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities subject to the warrants.

## DESCRIPTION OF UNITS

Bitfarms may issue units, which may consist of one or more of Common Shares, warrants or any other security specified in the relevant prospectus supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the securities included in the unit. In addition, the relevant prospectus supplement relating to an offering of units will describe all material terms of any units offered, including, as applicable:

- the designation and aggregate number of units being offered;
- the price at which the units will be offered;
- the designation, number and terms of the securities comprising the units and any agreement governing the units;
- the date or dates, if any, on or after which the securities comprising the units will be transferable separately;
- whether we will apply to list the units or any of the individual securities comprising the units on any exchange;
- material Canadian income tax consequences of owning the units, including, how the purchase price paid for the units will be allocated among the securities comprising the units; and
- any other material terms or conditions of the units.

## DESCRIPTION OF SUBSCRIPTION RECEIPTS

We may issue subscription receipts separately or in combination with one or more other securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Common Shares, warrants, debt securities or any combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable prospectus supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant prospectus supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any subscription receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the subscription receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of subscription receipts that may be issued hereunder and is not intended to be complete. The statements made in this prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific subscription receipts being offered for the complete terms of the subscription receipts. We will file a copy of any Subscription Receipt Agreement relating to an offering of subscription receipts with the applicable securities regulatory authorities in Canada after it has been entered into it.

### General

The prospectus supplement and the Subscription Receipt Agreement for any subscription receipts that we may offer will describe the specific terms of the subscription receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of subscription receipts being offered;
- the price at which the subscription receipts will be offered;
- the designation, number and terms of the Common Shares, warrants and/or debt securities to be received by the holders of subscription receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of subscription receipts to receive, for no additional consideration, the Common Shares, warrants and/or debt securities;
- the procedures for the issuance and delivery of the Common Shares, warrants and/or debt securities to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the Common Shares, warrants and/or debt securities upon satisfaction of the Release Conditions;

- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, warrants and/or debt securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price of their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event that this prospectus, the prospectus supplement under which such subscription receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of Bitfarms to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether we will issue the subscription receipts as Global Securities and, if so, the identity of the Depositary for the Global Securities;
- whether we will issue the subscription receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the subscription receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, warrants or other Bitfarms securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company’s assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether we will apply to list the subscription receipts on any exchange;
- material Canadian federal income tax consequences of owning the subscription receipts; and
- any other material terms or conditions of the subscription receipts.

Original purchasers of subscription receipts will have a contractual right of rescission against us in respect of the conversion of the subscription receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the subscription receipts upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the subscription receipts under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the subscription receipts under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

#### **Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions**

The holders of subscription receipts will not be, and will not have the rights of, Shareholders. Holders of subscription receipts are entitled only to receive Common Shares, warrants and/or debt securities on exchange of their subscription receipts, plus any cash payments, if any, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and their pro rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement, all as provided in the Subscription Receipt Agreement.



## **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the subscription receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the subscription receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of subscription receipts will receive a refund of all or a portion of the subscription price for their subscription receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, warrants and or debt securities may be held in escrow by the Escrow Agent and will be released to the holders of subscription receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

## **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the subscription receipts issued thereunder may be made by way of a resolution of holders of subscription receipts at a meeting of such holders or consent in writing from such holders. The number of holders of subscription receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the subscription receipts without the consent of the holders of the subscription receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding subscription receipts or as otherwise specified in the Subscription Receipt Agreement.

## **DESCRIPTION OF SHARE PURCHASE CONTRACTS**

We may issue share purchase contracts, representing contracts obligating holders to purchase from or sell to us a specified number of Common Shares, as applicable, at a future date or dates.

The price per Common Share and the number of Common Shares, as applicable, may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula or method set forth in the share purchase contracts. We may issue share purchase contracts in accordance with applicable laws and in such amounts and in as many distinct series as we may determine.

The share purchase contracts may be issued separately or as part of units consisting of a share purchase contract and beneficial interests in debt securities, or debt obligations of third parties, including U.S. treasury securities or obligations of the subsidiaries, securing the holders' obligations to purchase the Common Shares under the share purchase contracts, which we refer to in this prospectus as share purchase units. The share purchase contracts may require the Company to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded and may be paid on a current or on a deferred basis. The share purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

Holders of share purchase contracts are not shareholders of Bitfarms. The particular terms and provisions of share purchase contracts offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the prospectus supplement filed in respect of such share purchase contracts. This description will include, where applicable: (i) whether the share purchase contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares, as applicable, and the nature and amount of those securities, or the method of determining those amounts; (ii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied; (iii) whether the share purchase contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares; (iv) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts; (v) the date or dates on which the sale or purchase must be made, if any; (vi) whether the share purchase contracts will be issued in fully registered or global form; (vii) the material income tax consequences of owning, holding and disposing of the share purchase contracts; and (viii) any other material terms and conditions of the share purchase contracts including, without limitation, transferability and adjustment terms and whether the share purchase contracts will be listed on a stock exchange.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute share purchase contracts that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such prospectus supplement containing the specific terms of the share purchase contracts to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the share purchase contracts will be distributed.

Original purchasers of share purchase contracts will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such share purchase contract. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

## PLAN OF DISTRIBUTION

The Company may sell the securities of the Company offered by this prospectus (collectively, the “**Securities**”), separately or together, to or through underwriters or dealers purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each prospectus supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102), and the proceeds to the Company from the sale of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a reasonable effort to sell all of the Securities at the initial offering price fixed in the applicable prospectus supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such prospectus supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the TSXV or other existing trading markets for the Common Shares. Sales of Common Shares under an “at-the-market distribution”, if any, will be made pursuant to an accompanying prospectus supplement. The volume and timing of any “at-the-market distributions” will be determined at the Company’s sole discretion.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in the relevant prospectus supplement, in connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. No underwriter involved in an “at-the-market distribution”, no affiliate of such an underwriter and no person or company acting jointly or in concert with such an underwriter may over-allot Common Shares in connection with the distribution or may effect any other transactions that are intended stabilize or maintain the market price of the Common Shares in connection with an “at-the-market distribution” including selling an aggregate number or principal amount of securities that would result in the underwriter creating an over-allocation position in the securities.

The Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to exemptions from, or in transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each prospectus supplement with respect to the Company's securities being offered will set forth the terms of the offering, including:

- the person offering the securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, our securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

#### **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable prospectus supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Company's securities offered thereunder. Investors should read the tax discussion in any prospectus supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

The applicable Prospectus Supplement may also describe certain U.S. federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered thereunder by an initial investor who is a U.S. person (within the meaning of the U.S. Internal Revenue Code of 1986, as amended), including, to the extent applicable, such consequences relating to debt securities payable in a currency other than the U.S. dollar, issued at an original issue discount for U.S. federal income tax purposes or containing early redemption provisions or other special items. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

#### **LEGAL MATTERS**

Certain legal matters related to the Company's securities offered by this prospectus will be passed upon on the Company's behalf by Peterson McVicar LLP, with respect to matters of Canadian law. Certain legal matters relating to United States law related to the Company's securities offered by this prospectus will be passed upon on behalf of the Company by Katten Muchin Rosenman LLP. In addition, certain legal matters in connection with any offering of securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents.]

#### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditor of the Company is PricewaterhouseCoopers LLP ("PWC") at its offices located at PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5. PWC was appointed as auditor of the Company on June 18, 2020. PWC audited the financial statements of the Company for the twelve months ended December 31, 2020 and has prepared the Independent Auditors Report in respect of such financial statements, incorporated by reference herein.

Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, located at 144 Menachem Begin Road, Building A, Tel-Aviv 6492102, Israel, is the former auditor of the Company and has prepared the Independent Auditors Report and audited the financial statements of the Company for the twelve months ended December 31, 2019 incorporated by reference herein.

The transfer agent and registrar of the Company is TSX Trust Company at its offices located at 100 Adelaide St W #301, Toronto, ON M5H 1S3.

#### AGENTS FOR SERVICE OF PROCESS

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Certain directors of the Company reside outside of Canada. Emiliano Joel Grodzki, Nicolas Bonta, and Andres Finkielsztain have appointed the following agents for service of process:

Name of Person	Name and Address of Agent
Emiliano Joel Grodzki	Bitfarms Ltd. 18 King St. E, Suite 902 Toronto, ON M5C 1C4
Nicolas Bonta	
Andres Finkielsztain	

The Company will file with the SEC, concurrently with the Registration Statement, an appointment of agent for service of process on Form F-X. Under the Form F-X, the Company will appoint CT Corporation System, with an address at 111 Eighth Avenue, New York, NY 10011 USA, as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against or involving the Company in a United States court, arising out of or related to or concerning the offering of Securities under this Prospectus.

#### EXEMPTIONS UNDER SECURITIES LAWS

Pursuant to a decision of the Autorité des Marchés Financiers, the securities regulatory authority in the Province of Québec, dated January 25, 2021, the Company was granted relief from the requirement that this Prospectus and all documents incorporated by reference herein, as well as any prospectus supplement that relates to any future “at-the- market” distribution, must be in both the French and English languages. The Company is not required to file French versions of this Prospectus, the documents incorporated by reference herein or any prospectus supplement relating to an “at-the-market” distribution. This exemption was granted on the condition that this prospectus, together with any prospectus supplement, and any documents incorporated by reference in the prospectus or any prospectus supplement, be translated into French if the Company offers securities to Québec purchasers in connection with an offering other than in relation to an “at-the-market” distribution.

#### STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by Bitfarms do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by Bitfarms may have against Bitfarms or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

In an offering of warrants, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the prospectus or a prospectus supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

Original purchasers of warrants, or other convertible securities, will have a contractual right of rescission against us in respect of the exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the warrant or the convertible security, as applicable, the total of the amount paid on original purchase of the warrant or the convertible security, as applicable and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

## CERTIFICATE OF THE COMPANY

Dated: June 11, 2021

This amended and restated preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

*(Signed) "Emiliano Joel Grodzki"*

*Emiliano Joel Grodzki  
Chief Executive Officer*

*(Signed) "Mauro Ferrara"*

*Mauro Ferrara  
Interim Chief Financial Officer*

On Behalf of the Board of Directors

*(Signed) "Nicolas Bonta"*

*Nicolas Bonta  
Director*

*(Signed) "Brian Howlett"*

*Brian Howlett  
Lead Director*

## CERTIFICATE OF THE PROMOTERS

Dated: June 11, 2021

This amended and restated preliminary short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

*(Signed) "Emiliano Joel Grodzki"*

*Emiliano Joel Grodzki*

*(Signed) "Nicolas Bonta"*

*Nicolas Bonta*

**Consent of Independent Auditor**

We hereby consent to the incorporation by reference in the Amendment No. 1 to the Registration Statement on Form 40-F (Form 40-F/A) of Bitfarms Ltd. of our report dated March 24, 2021 relating to the consolidated financial statements, which is filed as Exhibit 99.112 to the Form 40-F/A. We also consent to the reference to us under the heading, “Experts” in the Annual Information Form, which is filed as Exhibit 99.123 to the Form 40-F/A.

/s/ Pricewaterhouse Coopers LLP

Chartered Professional Accountants, Licensed Public  
Accountants

Oakville, Ontario, Canada

June 16, 2021



**Consent of Independent Auditors**

We consent to the use in this Registration Statement on Form 40-F of the following reports:

- Our report dated April 29, 2020, with respect to the consolidated statements of financial position of Bitfarms Ltd. (the Company) as at December 31, 2019 and 2018 and the consolidated statements of profit or loss and comprehensive income (loss), changes in equity and cash flows for each of the years in the two-year period ended December 31, 2019, which is filed as Exhibit 99.14 to this Registration Statement on Form 40-F; and
- Our report dated April 29, 2020 with respect to the consolidated statement of financial position of Bitfarms Ltd. (the Company) as at December 31, 2019 and the consolidated statements of profit or loss and comprehensive income (loss), changes in equity and cash flows for the year ended December 31, 2019, which is filed as Exhibit 99.112 to this Registration Statement on Form 40-F.
- We also consent to reference to us under the heading, “Experts” in the Annual Information Form of the Company dated April 7, 2021, which is filed as Exhibit 99.123 to this Registration Statement on Form 40-F.

/s/ KOST FORER GABBAY & KASIERER

KOST FORER GABBAY & KASIERER  
A Member of Ernst & Young Global

Tel Aviv, Israel  
June 16, 2021