



HIVE

HIVE BLOCKCHAIN TECHNOLOGIES LTD.

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HIVE Blockchain Releases First Quarter 2019 Financial Results and Provides Management Update

Zug, Switzerland and Vancouver, Canada – HIVE Blockchain Technologies Ltd. (TSX.V:HIVE) (OTC:HVBTF) (the “Company” or “HIVE”) today announced its results for the first quarter ended June 30, 2018 (all amounts in US dollars, unless otherwise indicated).

“I remain pleased with the progress made by HIVE on the operational front and in regard to our financial position. We continue to deploy capital and have added an additional 6.8 megawatts of capacity in Sweden as well as closed the acquisition of Kolos in the quarter. Financially, HIVE generated positive cash from operations and took another step forward in growing the business.” said Harry Pokrandt, CEO and director of HIVE. “Our financial position has advanced despite challenging market conditions which have seen major cryptocurrencies come under pressure this year. We remain well capitalized and well positioned to achieve our goals of profitable deployment of capital to maintain our leadership position in the blockchain infrastructure industry.”

Quarterly Highlights

- Generated income of \$10,660,664, with a gross mining margin¹ of \$6,441,181, from mining of digital currencies;
- Mined 17,555 newly minted Ethereum during the period ended June 30, 2018, compared to fourth quarter production of 9,800 Ethereum representing an increase of 179% for the quarter;
- Earned income from digital mining since launch of operations in September 2017 of \$23,742,059 million on the deployment of \$82,284,690 million of capital;
- Commenced operation of 6.8 megawatts (“MW”) in April 2018 for Phase 3 of the Sweden GPU Data Centre bringing the Company’s digital currency mining footprint to a total of 24.2 MW since its Change of Business in September 2017 with 20.4 MW in Sweden and 3.8 MW in Iceland;
- Closed the acquisition of Kolos Norway AS (“Kolos”) which provides a critical path for growth for the Company and the potential to access a substantial amount of competitive green power in a safe jurisdiction; and
- Incurred a net loss of \$2,722,439 for the period.

(1) Gross mining margin is a non-IFRS measure; see Non-IFRS Measures in the Q1 MD&A for reconciliation

Financial Review

For the period ended June 30, 2018, HIVE’s gross mining margin was 60%, with income from mining digital currency per average megawatt of \$485,000. First quarter income from digital currency mining was produced from an average of 21.98 MW of production capacity, with Sweden Phase 3 coming online on April 30, 2018, increasing total capacity to 24.2 MW in operation as at June 30, 2018. Below is an analysis of the Company’s income and gross mining margin per MW:

	Q1 2019	Q4 2018	Q3 2018	FY 2018
Income from digital currency mining	\$ 10,660,664	\$ 9,636,390	\$ 3,274,186	\$ 13,081,395
Operating and maintenance	(4,219,483)	(1,992,105)	(891,499)	(2,941,464)
Depreciation	(4,684,456)	(2,163,625)	(954,149)	(3,197,911)
	1,756,725	5,480,660	1,428,538	6,942,020
Gross mining margin	6,441,181	7,644,285	2,382,687	10,139,931
Gross mining margin % (1)	60%	79%	73%	78%
Gross margin %	16%	57%	44%	53%
Revaluation gain (loss) of digital currencies (2)	(1,336,918)	(7,638,835)	2,373,508	(5,256,034)
Gain on sale of digital currencies	61,672	18,973	-	18,973
SBC	(98,001)	(283,356)	(1,827,024)	(4,817,019)
General Expenses	(3,017,123)	(2,708,801)	(1,456,809)	(4,955,884)
Finance expense	(38,794)	168,490	116,511	240,284
Consideration for strategic relationship with Genesis	-	-	-	(17,741,024)
Tax expense	(50,000)	258,000	(485,000)	(227,000)
Net income (loss) from continuing operations	\$ (2,722,439)	\$ (4,704,869)	\$ 149,724	(25,795,684)
Average MW for the period (3)	21.98	9.84	3.61	6.38
Income per average MW	\$ 485,017	\$ 979,308	\$ 906,977	2,050,375
Gross mining margin per average MW	\$ 293,047	\$ 776,858	\$ 660,024	1,589,331
EBITDA (4)	\$ 2,050,811	\$ (2,967,734)	\$ 1,472,362	(22,611,057)
Adjusted EBITDA (4)	\$ 3,485,730	\$ 4,954,457	\$ 925,878	5,203,020

- (1) Gross mining margin equates to income from digital mining less operating and maintenance costs and is a non-IFRS measure; see Non-IFRS Measures in the Q1 MD&A for reconciliation
- (2) Revaluation is calculated as the change in value (gain or loss) on the coin inventory. When coins are sold, the net difference between the proceeds and the carrying value of the digital currency (including the revaluation), is recorded as a gain (loss) on the sale of digital currencies
- (3) Average MW for a period is calculated based on the computing capacity in production on a daily basis for each period
- (4) EBITDA and Adjusted EBITDA are non-IFRS measures; see Non-IFRS Measures in the Q1 MD&A for reconciliation

Management Update

HIVE announces Harry Pokrandt is retiring from his full time role as President, CEO and Director effective August 31, 2018. Frank Holmes, the Company's Chairman, will act as Interim Executive Chairman and Olivier Roussy Newton, a Director of the Company, will act as Interim President to ensure a smooth transition of management duties. The Board of Directors has begun a search for a new CEO and will take due care and appropriate time in finding the right candidate to propel HIVE into its next phase of growth and development.

Mr. Pokrandt has led HIVE since June 2017 through its tremendous start and oversaw the raising of over C\$200 million in financing and securing 44.2MW of digital currency mining capacity.

"On behalf of the Board of Directors, I would like to thank Harry for his dedication and leadership through the extraordinary launch and critical growth period of the Company's development. Harry has pioneered this emerging industry and has been instrumental in completing our first phase of intensive operational development. I look forward to our continued relationship," said Frank Holmes.

"Coming out of retirement as interim CEO for HIVE this past year has been both exciting and demanding. I've enjoyed the experience and remain a strong supporter and large shareholder of the Company. I look forward to supporting Olivier and Frank in the transition moving forward," said Harry Pokrandt.

Financial Statements and MD&A

The Company's Financial Statements and Management's Discussion and Analysis (MD&A) for the three months ended June 30, 2018 will be accessible on SEDAR at www.sedar.com under HIVE's profile and on the Company's website at www.HIVEblockchain.com.

Webcast Details

Management will host a webcast on Thursday, August 30, 2018 at 8:30am Eastern Time to discuss the financial results for the three months ended June 30, 2018. Presenting on the webcast will be Harry Pokrandt, CEO, President and Director and Jessica Van Den Akker, Chief Financial Officer. Analysts and interested investors may [register for the webcast](#) or visit www.HIVEblockchain.com for more information.

About HIVE Blockchain Technologies Ltd.

HIVE Blockchain Technologies Ltd. is a growth oriented, TSX.V-listed company building a bridge from the blockchain sector to traditional capital markets. HIVE is strategically partnered with Genesis Mining Ltd. to build the next generation of blockchain infrastructure. HIVE owns state-of-the-art GPU-based digital currency mining facilities in Iceland and Sweden, which produce newly minted digital currencies like Ethereum continuously, and provides shareholders with exposure to the operating margins of digital currency mining as well as a growing portfolio of crypto-coins.

For more information and to register to HIVE's mailing list, please visit www.HIVEblockchain.com. Follow [@HIVEblockchain](#) on Twitter and subscribe to [HIVE's YouTube channel](#).

On Behalf Of HIVE Blockchain Technologies Ltd.

"Frank Holmes"

Interim Executive Chairman

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. "Forward-looking information" in this news release includes information about the Company's goals of profitable deployment of capital; the potential to access a substantial amount of competitive green power in Norway; the search for a new CEO of the Company; long term growth of the Company; the business goals and objectives of the Company, and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms thereon.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the Company may not complete its planned goals in the timeframe or on the terms currently contemplated, or at all; construction and operation of the data centre in Norway (and access to green power) may not occur as currently planned, or at all; the ongoing partnership with Genesis; the digital currency market; the Company's ability to successfully mine digital currency; the Company may not be able to profitably liquidate its current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on the Company's operations; the volatility of digital currency prices; and other related risks as more fully set out in the Filing Statement of the Company and other documents disclosed under the Company's filings at www.sedar.com.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information

contained in this news release, the Company has made assumptions about the Company's ability to complete the construction of digital currency operations in Norway; the Company will be able to profitably liquidate its digital currency inventory as required; the Company's ongoing partnership with Genesis; historical prices of digital currencies and the ability of the Company to mine digital currencies will be consistent with historical prices; and there will be no regulation or law that will prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

This news release also contains "financial outlook" in the form of gross mining margins, which is intended to provide additional information only and may not be an appropriate or accurate prediction of future performance, and should not be used as such. The gross mining margins disclosed in this news release are based on the assumptions disclosed in this news release and the Company's Management Discussion and Analysis for the first quarter June 30, 2018, which assumptions are based upon management's best estimates but are inherently speculative and there is no guarantee that such assumptions and estimates will prove to be correct.

Readers are cautioned not to place undue reliance on forward-looking information or financial outlook, which speak only as of the date hereof. We undertake no obligation to publicly release the results of any revisions to forward-looking information or financial outlook that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events except as required by law.