

CAPRICORN BUSINESS ACQUISITIONS INC. ANNOUNCES QUALIFYING TRANSACTION WITH BITCOIN MINING COMPANY, CANADA COMPUTATIONAL UNLIMITED INC.

TORONTO, ON – May 25, 2021 – Capricorn Business Acquisitions Inc. (TSX.V:CAK.H) (the “**Company**” or “**Capricorn**”) is pleased to announce that it has entered into an arrangement agreement on this date (the “**Agreement**”) with Canada Computational Unlimited Inc. doing business as CCU.ai (“**CCU.ai**”), a bitcoin mining center located in the Province of Québec, Canada.

The Agreement outlines the principal terms and conditions which will result in a reverse takeover of Capricorn by CCU.ai (the “**Transaction**”). As a condition precedent to the Transaction, CCU.ai will carry out a non-brokered private placement by way of the issuance of subscription receipts (“**Subscription Receipts**”) for gross proceeds of at least \$3,450,000 (the “**Concurrent Financing**”).

Capricorn is a Capital Pool Company currently trading on the NEX board of the TSX Venture Exchange (the “**TSXV**”) and intends for the Transaction to constitute its Qualifying Transaction, as defined in the policies of the TSXV (the “**Policies**”).

In connection with the announcement of the Agreement, which is deemed an Agreement in Principle (as defined in the Policies) for the Qualifying Transaction, it is anticipated that the trading in the common shares of Capricorn (“**Capricorn Shares**”) will be halted. Trading will remain halted until, at a minimum, Capricorn completes certain regulatory filings in connection with the Qualifying Transaction with the TSXV and the TSXV has completed certain matters it considers necessary or advisable. It is expected that trading in the Capricorn Shares will not resume prior to the closing of the Transaction.

About CCU.ai

CCU.ai was incorporated pursuant to the *Business Corporations Act* (Québec) on November 16, 2017.

Since its creation, CCU.ai operates a high-density computation center built for high-grade cryptocurrency mining, AI data processing and fintech infrastructure located in the city of Joliette in the Province of Québec. In 2018, CCU.ai contracted with Hydro-Joliette to purchase up to 20 MW of hydro-electrical power to be used for crypto mining. 2.5 MW are currently used by CCU.ai to produce 32 PH/s of Bitcoin mining power (hashrate) and 6 GH/s of Ethereum mining power. CCU.ai has mined 421 Bitcoin since its creation. CCU.ai has built the capacity to use an additional 5 MW of power and is ready to host new mining rigs for cryptocurrency. In May 2021, CCU.ai entered into an agreement to rent a portion of its mining space to a third party for a monthly fee of up to \$130,000. The capacity to use the remaining 12.5 MW is set to be built in the coming months.

CCU.ai is led and managed by technology entrepreneurs, electricity and ventilation experts and network specialists. Since its inception, CCU.ai has pursued a vision of environmental stewardship and increased performance throughout the cryptocurrency mining process. The availability of energy from renewable sources in the province of Québec has made this endeavor feasible and a great base for future growth.

Selected Financial Information of CCU.ai

The following table sets out selected financial information with respect to CCU.ai as at the dates noted. The selected financial information is derived from CCU.ai’s audited financial statements for the periods described, which have been prepared in accordance with International Financial

Reporting Standards, issued by the International Accounting Standards Board.

Balance Sheet Account	As at Dec. 31, 2019 (C\$)	As at Dec. 31, 2020 (C\$)
Current Assets	624,036	1,106,608
Digital assets (included in Current Assets)	251,332	653,882
Property, plant and equipment	2 385 762	1 596 015
Total Assets	3 363 333	3 021 872
Current Liabilities	210 927	1 929 958
Total Liabilities	2 504 478	2 935 141
Total Shareholder's Equity	858 855	86 731

Income Statement	Year Ending, Dec.31, 2019 (C\$)	Year Ending, Dec.31, 2020 (C\$)
Digital assets mined	1,494,940	1,691,939
Hosting	26,805	143,439
Cost of revenue	(1,671,999)	(2,006,438)
Gross profit (loss)	(12,443)	(135,060)
Total Expenses	(1,031,249)	(577,523)
Operating income (loss)	(1,031,491)	(254,317)
Net income (loss)	(1,655,444)	(947,841)
Total comprehensive income (loss)	(1,655,444)	(789,947)

Summary of the Transaction

Pursuant to the Agreement, Capricorn will acquire CCU.ai by way of a three corner amalgamation carried out through a CCU.ai plan of arrangement, pursuant to which CCU.ai will be acquired by Capricorn. Upon completion of the Transaction, the resulting issuer (the “**Resulting Issuer**”) will carry out the business of CCU.ai.

The Transaction values CCU.ai at \$27.4 million based on the Exchange Ratio.

Pursuant to the Transaction: (i) holders of issued and outstanding CCU.ai Shares will receive 10.60425 Capricorn Consolidated Shares (as defined below) for each CCU.ai Share (the “**Exchange Ratio**”) held by them; and (ii) all options and warrants convertible into CCU.ai Shares (including the warrants to be issued in connection with the Concurrent Financing) shall be exchanged, based on the Exchange Ratio, for similar securities to purchase Capricorn Consolidated Shares on substantially similar terms and conditions.

As a condition to closing the Transaction, concurrently with, or immediately prior to the closing of the Transaction, and subject to Capricorn shareholders’ approval, Capricorn will undertake a share consolidation (the “**Consolidation**”). The Consolidation will occur on the basis of one post-Consolidation common share of Capricorn (a “**Capricorn Consolidated Share**”) for every 2.7 currently existing Capricorn Shares. The 675,050 currently outstanding Capricorn options will be adjusted in accordance with the terms of the Capricorn option plan such that the holders will receive one new option (a “**Capricorn Consolidated Option**”) for every 2.7 existing options with the exercise price of such options also adjusted to reflect the Exchange Ratio. Upon completion of the Consolidation, approximately 2,500,075 Capricorn Consolidated Shares and 250,018 Capricorn Consolidated Options will be issued and outstanding. For the purposes of the Transaction, the deemed value of each outstanding Capricorn Consolidated Share will be \$0.50.

It is expected that Capricorn shareholder approval will also be sought for an amendment of Capricorn's articles to effect a name change to "Canada Computational Unlimited Inc.", or such other name as the Capricorn board of directors determines appropriate with the consent of CCU.ai (the "**Name Change**").

Closing of the Transaction will be subject to a number of conditions precedent, including, without limitation:

- a) receipt of all regulatory approvals with respect to the Transaction and the listing of the shares of the Resulting Issuer on the TSXV;
- b) approval of the Transaction by CCU.ai shareholders,
- c) approval of the Consolidation, Name Change, the amendment to the share option plan of Capricorn and the approval of new directors by Capricorn shareholders;
- d) completion of the Concurrent Financing; and
- e) confirmation of no material adverse change by CCU.ai and Capricorn.

Following the closing of the Transaction and the completion of the Concurrent Financing, it is expected that, in each case on a non-diluted basis:

- the former shareholders of CCU.ai will hold approximately 51,525,163 common shares of the Resulting Issuer (the "**Resulting Issuer Shares**"), representing 83.15% of all issued and outstanding Resulting Issuer Shares;
- that the former shareholders of Capricorn will hold approximately 2,500,075 Resulting Issuer Shares, representing 4.03% of all issued and outstanding Resulting Issuer Shares;
- the participants in the Concurrent Financing will hold approximately 6,900,000 Resulting Issuer Shares, representing 11.14% of all issued and outstanding Resulting Issuer Shares; and
- the recipients of finder's fees (as described below) will hold approximately 1,041,200 Resulting Issuer Shares, representing 1.68% of all issued and outstanding Resulting Issuer Shares.

Based on the information available at this stage, the shareholders holding more than 10% of the issued and outstanding Resulting Issuer Shares are expected to be Romain Nouzareth and Mathieu Nouzareth.

It is anticipated that the Resulting Issuer will qualify as a Tier 2 Technology issuer pursuant to the requirements of the TSXV.

The Transaction is not a Non-Arm's Length Qualifying Transaction (as defined in the Policies) and consequently the Transaction itself will not be subject to approval by Capricorn's shareholders. However, as noted above, Capricorn does plan to hold a special meeting of shareholders whereat, among other things, the shareholders of Capricorn will be asked to approve certain matters including but not limited to (i) the Consolidation, (ii) the Name Change, (iii) the appointment of a new slate of directors and (iv) the payment of the Capricorn Finder's Fee (as defined below).

Approximately 1,041,200 Resulting Issuer Shares will be issued as finders' fees in connection with the Transaction, of which approximately 822,000 Resulting Issuer Shares will be payable to Fecteau Côté Manocchio Inc. and Ansacha Capital Inc., who are third parties unrelated to CCU.ai or Capricorn, and approximately 219,200 Resulting Issuer Shares will be payable to Yvan Routhier, Gerald Goldberg and Alex Storcheus, collectively, who are Non-Arm's Length Parties (as defined in the Policies) of Capricorn (the "**Capricorn Finder's Fee**"). Payment of Capricorn Finder's Fee shall be subject to regulatory approval including TSXV and Shareholder approval as required by the Policies. CCU.ai will pay a break fee to Capricorn equal to \$100,000 if CCU.ai elects not to proceed with the Transaction. The Resulting Issuer will bear all costs and expenses incurred in

connection with the Transaction, provided that if the Transaction does not close as a result of the breach by a party of its obligations under the Agreement, the breaching party will reimburse the transaction costs (including the reasonable fees and costs of professional advisors) of the other party, up to \$250,000.

Concurrent Financing

Concurrent with the closing of the Transaction, CCU.ai intends to complete the Concurrent Financing for gross proceeds of at least \$3,450,000, which proceeds will be placed into escrow pending the closing of the Transaction. Upon satisfaction of specified escrow release conditions, which will include, among other things, the completion or waiver of all conditions precedent to the Transaction, each Subscription Receipt issued at a price of \$5.30 will automatically convert into one CCU.ai Share (which, upon the closing of the Transaction, will convert into Resulting Issuer Shares at the Exchange Ratio, at a deemed price per Resulting Issuer Share of \$0.50) and one-half of one CCU.ai Share purchase warrant with each whole warrant entitling the holder thereof to acquire one CCU.ai Share for a period of thirty-six months from the date of issuance at an exercise price of \$7.96 per CCU.ai Share (which is equal to \$0.75 per Resulting Issuer Share following the completion of the Transaction). Closing of the Concurrent Financing remains subject to approval of the Exchange and other standard closing conditions.

The Resulting Issuer plans to use the proceeds of the Concurrent Financing to accelerate strategic growth initiatives and expand its computing resources.

Board of Directors and Management of the Resulting Issuer

Prior to completion of the Transaction, and subject to approval by the TSXV and the filing of all required materials, CCU.ai and Capricorn will reconstitute the board of the directors of Capricorn with five nominees from CCU.ai and one nominee from Capricorn. It is expected that the individuals listed below will be directors of the Resulting Issuer. It is also expected that a third independent director will be announced prior to the completion of the Transaction.

Dominique Payette, Director

Dominique LL.B. J.D., LL.M. is a lawyer and has been practicing technology law and privacy law at National Bank of Canada since 2017. She was called to the Québec Bar in 2014. She advises on the responsible and ethical deployment of finance technologies, such as artificial intelligence, including on their governance. She is also a proactive advocate for such matters in the finance industry and community at large. Namely, she has participated in several industry-wide publications and roundtables, and does pro bono legal work with start-ups, a civil rights association, and graduate students. Dominique received a Master of Law from University of Montréal in 2017 on the regulation of robo-advisers. She is a published author and public speaker on the topics of robo-advisers, fairness and governance of artificial intelligence, and virtual currency.

Frederick T. Pye, Director

Mr. Pye has been the President and Chief Executive Officer of 3iQ Corp., a leading Canadian digital asset fund manager, since July 2012. Fred has managed private client portfolios with Landry Investment Management and various other investment dealers. Previously, he was Founder, President and Chief Executive Officer of Argentum Management and Research Corporation, a company dedicated to managing and distributing quantitative investment portfolios, including the first long short mutual fund in Canada. He was also Senior Vice-President and National Sales Manager at Fidelity Investments Canada. Mr. Pye also held various positions with Guardian Trust Company, which listed the first gold, silver and platinum certificates on the Montreal Exchange. He

holds a Master Degree in Business Administration from Concordia University.

Yvan Routhier, Director, Capricorn Nominee

Mr. Yvan Routhier is an entrepreneur working on start-ups in the technology and financial service industry. From November 2005 to April 2015, he was co-owner and manager of Deltapac Packaging Inc., a Montreal-based manufacturer. Prior to this, Mr. Routhier was Vice-President, Business Development at GE Capital from 2000 to 2003 and has held a number of Account Manager positions at National Bank of Canada, Banque Nationale de Paris, and Bank of Montreal. Mr. Routhier holds a Master in Business Administration from McGill University.

Romain Nouzareth: Co-Founder, Chairman, and Chief Executive Officer

Mr. Romain Nouzareth is a seasoned tech entrepreneur, Co-Founder, and Chief Executive Officer of CCU.ai. He co-founded with his brother Mathieu Web Concept, one of the first web agencies in France, which was sold to Icon Medialab in 1999. Romain subsequently co-founded Boonty, a digital distribution platform that went on to become a world leader with offices in Paris, Tokyo, Singapore, Beijing, and New York. Boonty later became IsCool Entertainment and was listed on the NYSE Euronext before being sold to Hachette of Lagardère Publishing in 2018. In 2009, Romain co-founded FreshPlanet Inc., a game studio that capitalized on the nascent mobile, social, and gaming market. In 2015, Romain founded eWRD Corp., building products for messenger apps and for the Facebook Instant Games platform. Passionate about emerging technology, Romain's interest in the blockchain started in 2013. In 2017, he co-founded CCU.ai.

Mathieu Nouzareth: Co-Founder, Director, and Advisor

Mr. Mathieu Nouzareth is a New York-based serial entrepreneur with extensive experience in startup creation, growth initiatives, user acquisition, sales, mobile and web development, and digital assets. For the last 25 years, he has co-founded five companies, three of which were sold, with one going public. Mathieu is the current Chief Executive Officer of FreshPlanet Inc., a game studio headquartered in New York. The company is behind the award-winning music trivia game known as SongPop, which has garnered over 100 million downloads. FreshPlanet was acquired by Gameloft Inc. (a Vivendi company) in 2018. Mathieu also serves on the board of The Sandbox (\$SAND token), the first metaverse game built on the blockchain.

Sponsorship for Qualifying Transaction

Sponsorship of a Qualifying Transaction of a Capital Pool Company is required by the TSXV unless exempt in accordance with the Policies. Capricorn and CCU.ai are currently reviewing the requirements for and intends to apply for an exemption from the sponsorship requirements pursuant to the Policies. Capricorn and CCU.ai intend to include any additional information regarding sponsorship in a subsequent press release.

Filing Statement

In connection with the Transaction and pursuant to the requirements of the TSXV, Capricorn will file on SEDAR (www.sedar.com) a filing statement which will contain details regarding the Transaction, CCU.ai, Capricorn and the Resulting Issuer.

Further information

Capricorn intends to issue a subsequent press release in accordance with the Policies providing further details in respect of the Transaction, including information relating to the Transaction structure and descriptions of the final proposed director and certain other Insiders (as defined in the Policies) of the Resulting Issuer.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV Requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

NEITHER THE TSXV NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSXV) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements, including statements relating to the Transaction and certain terms and conditions thereof, the ability of the parties to complete the Transaction, the Consolidation, the Exchange Ratio, the Name Change, the Concurrent Financing, the Resulting Issuer's ability to qualify as a Tier 2 Technology issuer, the TSXV sponsorship requirements, the finding of a sponsor, if applicable, shareholder, director and regulatory approvals, future press releases and disclosure, and other statements that are not historical facts. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. As a result, the Company cannot guarantee that the Transaction will be completed on the terms described herein or at all. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

For additional information, please connect to www.ccu.ai or contact: Romain Nouzareth, Chief Executive Officer of Canada Computational Unlimited Inc. at rnouzareth@ccu.ai or Yvan Routhier, Chief Executive Officer, President and Director of Capricorn Business Acquisitions Inc. at routhieryvan@hotmail.com or (514) 249-0714.