

Cathedral Bitcoin Announces Closing of C\$6,450,000 Non-Brokered Investment from Kingsway Capital and Ten31

TORONTO--(BUSINESS WIRE)--May 20, 2022--Cathedral Bitcoin Inc. (TSX-V: CBIT; OTCQX: CBTTF) ("**Cathedral**"), a Bitcoin company that develops and operates world-class bitcoin mining infrastructure, is pleased to announce that it has closed its previously announced non-brokered private placement offering (the "**Offering**") with Kingsway Capital and Ten31 Venture Capital ("**Ten31**") consisting of the sale of 17,916,667 units ("**Units**") at a purchase price of C\$0.36 per Unit, for gross proceeds of C\$6,450,000. The Company has received C\$6,429,563 in gross proceeds from the sale of 17,859,898 Units, with the balance of the gross proceeds, being C\$20,437 from the sale of 56,769 Units, held in escrow until the TSX Venture Exchange (the "**TSXV**") clears the personal information forms of the control persons of Ten31, who, upon the completion of the Offering, and subject to the clearance of the personal information forms by the TSXV, have become insiders of the Company.

Each Unit consists of one common share of the Company (a "**Share**") and three-quarters of one (0.75) common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one (1) common share (a "**Warrant Share**") for a period of five (5) years following the closing date. Holders of Warrants are restricted from exercising any number of Warrants that will cause the holder to own such number of Shares that will equal or exceed 10% of the then issued and outstanding Shares. A total of up to 13,437,500 Warrants underly the Units with the following exercise prices per Warrant Share:

- 2,867,500 Warrants at an exercise price of C\$0.54 per Warrant Share
- 2,867,500 Warrants at an exercise price of C\$0.79 per Warrant Share
- 2,867,500 Warrants at an exercise price of C\$1.04 per Warrant Share
- 2,867,500 Warrants at an exercise price of C\$1.29 per Warrant Share
- 2,867,500 Warrants at an exercise price of C\$1.54 per Warrant Share

The Company intends to use the proceeds from the Offering for general corporate purposes and working capital.

The Units have not been registered under the United States Securities Act of 1933, as amended, or applicable state securities laws, and the Units may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

The Offering is subject to the final approval of the TSXV. The securities issued pursuant to the Offering are subject to a four month and one-day statutory hold period.

Related Party Transaction

Following the completion of the Offering, Ten31 became an "insider" of the Company. The acquisition of 625,000 Units including 10,750,000 Shares and 8,062,500 Warrants by Ten31 in connection with the Offering is considered a "related party transaction" pursuant to Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company is relying on the exemption from minority shareholder approval

requirements pursuant to sections 5.5(b) and 5.7(a) of MI 61-101, as the securities of the Company are not listed on enumerated stock exchanges, and the fair market value of the participation in the Offering by Ten31 does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Early Warning Report

Immediately prior to the Offering, Ten31 held directly and indirectly nil Shares and nil Warrants, representing 0.0% of the then 89,122,684 issued and outstanding Shares on a partially diluted basis. Following the Offering, Ten31 held 10,750,000 Shares and 8,062,500 Warrants, representing approximately 10.0% of the total number of issued and outstanding Shares on an undiluted basis and approximately 16.3% of the total number of issued and outstanding Shares on a partially diluted basis. The Shares were acquired by Ten31 for investment purposes, and depending on market and other conditions, Ten31 may from time to time in the future increase or decrease its ownership, control or direction over securities of the Company, through market transactions, private agreements, or otherwise. For the purposes of this notice, the address of Ten31 is 6463 Woodland Springs Dr, Newburgh, IN 47630.

In satisfaction of the requirements of the National Instrument 62-104 - *Take-Over Bids And Issuer Bids* and National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, an Early Warning report respecting the acquisitions of Units by Ten31 will be filed under the Company's SEDAR Profile at www.sedar.com.

About Cathedra Bitcoin

Cathedra Bitcoin Inc. (TSX-V: CBIT; OTCQX: CBTTF) is a Bitcoin company that develops and operates world-class bitcoin mining infrastructure.

Cathedra believes sound money and abundant energy are the fundamental ingredients to human progress and is committed to advancing both by working closely with the energy sector to secure the Bitcoin network. Today, Cathedra owns 187 PH/s across various sites around the United States and expects to deploy an additional 538 PH/s in 2022. Upon the full deployment of its purchased machines, Cathedra's hash rate is expected to total 725 PH/s. The Company is focused on expanding its portfolio of hash rate through a diversified approach to site selection and operations, utilizing multiple energy sources across various jurisdictions.

For more information about Cathedra, visit cathedra.com or follow Company news on Twitter at @CathedraBitcoin or on Telegram at @CathedraBitcoin.

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” within the meaning of applicable Canadian securities laws 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 expected deployment of an additional miners, the intentions and future actions of senior management, the intentions, plans and future actions of the Company, as well as the Company’s 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 resulting significant negative impact on the Company’s operations; the construction and operation of expanded blockchain infrastructure as currently planned; and the regulatory environment of cryptocurrency in 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 reasonable assumptions and estimates of management of the Company at the time it was 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: the ability of the Company to achieve its corporate objectives or otherwise advance the progress of the Company; risks related to the international operations; the Company’s inability to obtain any necessary permits, consents or authorizations required for its activities; 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 capital market conditions, restriction on labor and international travel and supply chains; general market and industry conditions; and those risks set out in the Company’s public documents filed on SEDAR. The Company has also assumed that no significant events occur outside of the Company’s normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, 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 forward-looking information. The

Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Contacts

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