

Cathedra Bitcoin Receives Conditional Approval from the TSX-V for Kungsleden Merger

- Cathedra has secured conditional approval from the TSX-V for its previously announced merger with Kungsleden, Inc., a developer and operator of alternative high-density compute infrastructure
- The original share exchange agreement has been amended, increasing Cathedra's ownership in the pro forma company from 22.5% to 27.5%, implying a C\$19.2 million reduction in total consideration paid to Kungsleden shareholders in the merger
- A meeting of Cathedra shareholders to approve the merger is scheduled for July 22, 2024, with closing expected shortly thereafter, at which time Cathedra's shares will resume trading on the TSX-V
- Cathedra has also resumed the process of listing its shares on a major U.S. stock exchange, with completion expected in the second half of 2024

Toronto, Ontario--(Newsfile Corp. - June 18, 2024) - (Block Height: 848,520) - Cathedra Bitcoin Inc. (TSXV: CBIT) (OTC Pink: CBTTF) ("**Cathedra**" or the "**Company**"), a diversified bitcoin mining company, is pleased to announce the following updates on its proposed merger with Kungsleden, Inc. (the "**Transaction**"), a developer and operator of alternative high-density compute infrastructure.

Kungsleden Merger Update

On March 6, 2024, the Company entered into a binding share exchange agreement (the "**Share Exchange Agreement**") with Kungsleden, Inc. ("**Kungsleden**"), and Kungsleden's shareholders (the "**Vendors**", and together with the Company and Kungsleden, the "**Parties**") with respect to the Transaction. The Transaction has been conditionally approved by the TSX Venture Exchange (the "**TSX-V**").

Amending Agreement and Pro Forma Ownership Update

Pursuant to an amending agreement dated June 18, 2024 (the "**Amending Agreement**"), the Parties have agreed to amend the Share Exchange Agreement to modify the pro forma ownership of Cathedra, as it exists on closing (the "**Resulting Issuer**"), such that the Vendors will own (on a non-diluted basis) approximately 72.5% of the equity of the Resulting Issuer and existing Cathedra shareholders will own the remaining 27.5% of the equity of the Resulting Issuer. The pro forma equity ownership of the Resulting Issuer originally contemplated in the Share Exchange Agreement was 77.5% and 22.5% for the Vendors and the Cathedra shareholders, respectively. The Parties agreed to the amended pro forma equity ownership of the Resulting Issuer due to additional expenditures that were incurred in connection with the development of Kungsleden's 25% interest in a 60-MW site in North Dakota (equivalent to 15 MW of owned capacity).

The revised ownership implies a C\$19.2 million reduction in the total consideration paid by Cathedra to acquire the shares of Kungsleden, from C\$81.7 million to C\$62.5 million, based on the Company's market capitalization at the time the Transaction was announced.

Share Structure Alteration

Pursuant to the terms of the Share Exchange Agreement, as amended by the Amending Agreement, it is expected that Cathedra will acquire all of the outstanding shares of Kungsleden from the Vendors in exchange for 6,253,429 multiple voting shares of Cathedra (the "**Multiple Voting Shares**") on the basis

of an exchange ratio of one common share of Kungsleden for approximately 6.253429078 Multiple Voting Shares. The 6,253,429 Multiple Voting Shares to be issued to the Vendors will be convertible into 625,342,900 subordinate voting shares of Cathedra (the "**Subordinate Voting Shares**").

The Multiple Voting Shares are expected to be created pursuant to an amendment to the Company's articles, to, among other things (the "**Share Structure Alteration**"): (a) change the name of Cathedra's common shares to Subordinate Voting Shares, (b) create a new class of unlimited Multiple Voting Shares, with each Multiple Voting Share convertible into 100 Subordinate Voting Shares, (c) add special rights and restrictions to the Subordinate Voting Shares and the Multiple Voting Shares, pursuant to which, among other things, the holders of the Multiple Voting Shares will be entitled to 152 votes per Multiple Voting Share held (or 1.52 votes per Subordinate Voting Share on an as converted basis). The Transaction and Share Structure Alteration are subject to the approval of shareholders of Cathedra.

Share Consolidation

Cathedra also expects to seek approval from its shareholders to approve a consolidation of its shares (the "**Consolidation**"), in preparation for potentially listing the Subordinate Voting Shares on a U.S. stock exchange, on the basis of one post-Consolidation share for up to one hundred fifty (150) pre-Consolidation shares, with the exact Consolidation ratio to be determined definitively by the directors of the Resulting Issuer at a later date. All matters required to be submitted for approval to shareholders in connection with the Transaction, Share Structure Alteration and the Consolidation will be submitted at the shareholder meeting of the Company (the "**Meeting**") which will be held on July 22, 2024. A management information circular will be filed on Cathedra's issuer profile on SEDAR+ (www.sedarplus.ca) which will contain further details regarding the Transaction, Cathedra, Kungsleden, the Resulting Issuer, the Share Structure Alteration, the Consolidation and the Meeting. The Transaction remains subject to certain terms and conditions, including the final approval of the TSX-V.

Additional details about the Transaction can be found in the Company's press release issued on March 7, 2024, and a joint investor presentation, which is available at www.cathedra.com. Closing of the Transaction is expected to occur shortly after the Meeting.

Trading Halt Update

The mandatory trading halt placed on the Company's shares by the TSX-V continues due to the pending Transaction. Trading in the Company's shares is expected to resume on the TSX-V upon closing of the Transaction, which is expected to occur shortly after the Meeting.

U.S. Listing Update

To improve market accessibility and liquidity, the Company has resumed the process of listing its shares on a major U.S. stock exchange, which it previously began and subsequently paused in 2022 in response to weakening market conditions. The Company expects to complete the U.S. listing in the second half of 2024, subject to completion of the Transaction as well as customary regulatory and exchange approvals.

Investor Relations Advisory Engagement

The Company also announces that, subject to TSX-V approval, it has retained Oak Hill Financial Inc. ("**Oak Hill**"), to assist the Company with investor relations, marketing and shareholder communications services (the "**Advisory Services**"). Oak Hill will focus on expanding market awareness for the Company and for the Resulting Issuer after the Transaction closes and conveying the Company's business model and growth strategies to the institutional and retail investment communities. Jonathan Robinson is a partner with Oak Hill and will be responsible for activities related to the Company.

Oak Hill is based in Toronto, Ontario, and specializes in leveraging the most effective investment, growth and exposure strategies for small to mid-size companies through an integrated approach to relationship

development and corporate communications. Oak Hill will provide the Advisory Services pursuant to an advisory services agreement with the Company dated May 13, 2024 (the "**Advisory Agreement**"), and will provide such services for an initial three-month term (the "**Initial Term**") commencing on July 5, 2024. If the Advisory Agreement is not terminated during the Initial Term, the term will automatically renew on a monthly basis and may be terminated by either party upon five days' written notice prior to such monthly renewal. Pursuant to the Advisory Agreement, Oak Hill will receive a cash fee of C\$8,500 plus applicable taxes per month for the Initial Term. The monthly cash fee will increase to C\$12,000 per month for each month the Advisory Agreement remains in effect after the Initial Term. To the Company's knowledge, neither Oak Hill nor any of its directors, officers or employees own any securities of the Company, directly or indirectly, and no shares, options or other securities are payable to Oak Hill as part of the Advisory Agreement.

About Cathedra Bitcoin

Cathedra Bitcoin Inc. (TSXV: CBIT) (OTC Pink: CBTTF) is a Bitcoin company that believes sound money and abundant energy are the keys to human flourishing. The Company has diversified bitcoin mining operations which produce 355 PH/s across two states and four locations in the United States. The Company is focused on managing and 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](https://twitter.com/CathedraBitcoin) or on Telegram at [@CathedraBitcoin](https://t.me/CathedraBitcoin).

Media and Investor Relations Inquiries

Please contact:
Drew Armstrong
President & Chief Operating Officer
ir@cathedra.com

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" 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 and Kungsleden, are forward-looking information. Other forward-looking information includes but is not limited to information concerning: the pro forma equity ownership of the Resulting Issuer, the intentions and future actions of senior management, the intentions, plans and future actions of the Company and Kungsleden, as well as their ability to successfully mine digital currency; the timing and anticipated completion of the Transaction, and shareholder approvals for same; the Company's expectation to hold a shareholder meeting to approve various items related to the Transaction; timing of regulatory approvals for the Transaction; the expected benefits from the Transaction; the combination of Cathedra's business and Kungsleden's business; the impact that the Transaction is expected to have on the business operations of the Resulting Issuer including without limitation, the expected growth and capabilities of the Resulting Issuer; the Company's belief that Kungsleden's hosting services provides a comparatively stable, predictable business model with lower risk; the preparation for a potential U.S

listing; the intention of Cathedra to hold the Meeting and the timing thereof; the expected timing of the Meeting; the expected timing of the closing of the Transaction; the expectation that Oak Hill will provide the Advisory Services to the Company in accordance with the Advisory Agreement; 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, including, without limitation, assumptions that the parties will be able to obtain the requisite regulatory, shareholder and third party approvals and satisfy the other conditions to the consummation of the Transaction on the proposed schedule and terms and conditions set out in the Share Exchange Agreement, as amended; that the Share Exchange Agreement, as amended, will not be terminated prior to the closing the Transaction; that the Transaction will be completed in accordance with the terms and conditions of the Share Exchange Agreement, as amended and within the timeframe expected; that the Meeting will proceed within the anticipated timeline; that the closing of the Transaction will proceed within the anticipated timeline; that Oak Hill will provide the Advisory Services in accordance with the Advisory Agreement; that no unanticipated events will occur that will delay or prevent the completion of the Transaction; that market conditions impacting the average revenue per MWh will align with management's expectations; and that the parties will have access to the financial and other resources required to carry out their business plans as currently anticipated. The Company has also assumed that no significant events occur outside of its normal course of business.

Additionally, these forward-looking statements may be affected by risks and uncertainties in the business of Cathedra and Kungsleden and general market conditions. Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect Cathedra and Kungsleden's respective management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Cathedra and Kungsleden believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Resulting Issuer. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: the ability to consummate the Transaction; the ability to obtain requisite regulatory and third party approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed schedule and on the terms and conditions set out in the Share Exchange Agreement, as amended; the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions; compliance with extensive government regulation and the costs associated with compliance; unanticipated costs; changes in market conditions impacting the average revenue per MWh; the risk that there is not a breakeven hash price of US\$32.61/PH/s/day; the risks and uncertainties associated with foreign markets; and the diversion of management time on the Transaction. Additionally, the forward-looking statements contained herein may be affected by risks and uncertainties in the business of Cathedra and Kungsleden and general market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Cathedra and Kungsleden have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Readers should not place undue reliance on forward-looking information.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable, disinterested 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 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 the Company should be considered highly speculative. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

Neither 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 release.



Cathedra

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