

CryptoStar Corp. Announces New Operations to Commence in NL, Canada Positioned to Become One of the Lowest Cost Bitcoin Producers in North America

TORONTO, Ontario, December 18, 2019 – CryptoStar Corp. (TSXV: CSTR) (“**CryptoStar**” or the “**Company**”), a cryptocurrency mining and data centre operator, is pleased to announce it has entered into a binding agreement (the “**Agreement**”) with Tier 1 Solutions Inc. (“**Tier 1**”) based in Newfoundland and Labrador, Canada. CryptoStar is also pleased to announce that it has also entered into its first rental agreement (the “**Rental Agreement**”) with Tier 1, effective January 1, 2020.

Highlights of the Transaction

- **Material reduction in direct power costs by more than 60%**
- **Low cost of transaction with generous support of major shareholder**
- **The transaction is non-dilutive for CryptoStar’s other shareholders**
- **CryptoStar positioned to become one of the lowest cost Bitcoin producers in North America**

Pursuant to the Agreement, Tier 1 will identify and acquire sites suitable for data centre usage and apply for power permits from Newfoundland and Labrador Hydro (“**NL Hydro**”) in respect of such sites on behalf of CryptoStar. CryptoStar has entered into its first Rental Agreement, effective January 1, 2020, and anticipates entering into a service agreement with Tier 1 in due course. CryptoStar will also have the option to purchase any site CryptoStar rents from Tier 1 pursuant to the Agreement.

Pursuant to the Rental Agreement, the initial data centre buildout is anticipated to commence in Labrador City, NL on January 6, 2020. CryptoStar anticipates that the first data centre in Newfoundland and Labrador will ultimately have capacity for 6 MW of power. CryptoStar also anticipates that additional data centres and containerized PODs will subsequently come online in NL throughout 2020. To date, Tier 1 has applied for NL Hydro power permits in excess of 20 MW to facilitate CryptoStar’s long term expansion plans in Newfoundland and Labrador under the Agreement and is awaiting approvals of these permits.

“The agreement with Tier 1 is consistent with the Company’s long term expansion plans into low cost energy regions in North America and paves the way for CryptoStar to take advantage of extremely favourable power costs in Newfoundland and Labrador. CryptoStar is now positioned to become one of the lowest cost Bitcoin producers in North America.” said David Jellins, Chief Executive Officer of CryptoStar.

Power for CryptoStar’s new operations in Newfoundland and Labrador, Canada will originate from NL Hydro’s Churchill Falls Generating Station - one of the largest underground hydroelectric powerhouses in the world, providing clean, renewable energy.

In connection with the Company’s new agreements in Newfoundland and Labrador, CryptoStar’s mining operations in Iceland will cease on December 31, 2019 and operations in the USA are anticipated to be correspondingly downsized.

Pursuant to the Agreement, CryptoStar agreed to pay Tier 1 an aggregate of CAD\$125,000 in cash in two instalments. Additionally, A.C.N. 117 402 838 Pty Ltd (formerly, Adrenaline Pty Ltd), CryptoStar’s largest shareholder, transferred an aggregate of 28,437,500 CryptoStar shares to Tier 1 and an arm’s length advisor. The transfer of shares is a non-dilutive event for CryptoStar’s other shareholders.

Approximately 8 PH/s of mining Hashrate will be deployed within the initial data centre within 60 days with further Hashrate deployed over the coming months. CryptoStar plans to deploy 348 PH/s of Hashrate in Newfoundland and Labrador by December 31, 2020.

The company is currently evaluating the most optimal financing structure to best take advantage of one of the lowest cost operating environments in the crypto mining industry.

About CryptoStar Corp.:

CryptoStar has cryptocurrency mining operations with data centres located in the U.S.A., Canada and Iceland. CryptoStar is currently dedicated to becoming one of the lowest cost Bitcoin producers in North America.

For further information, please contact:

CryptoStar Corp.

Attention: David Jellins, President and Chief Executive Officer

Email: david.jellins@cryptostar.com

W: www.cryptostar.com

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 press release.

Forward-Looking Statements

This news release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as, “expects”, “is expected”, “anticipates”, “intends”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may” or “will” be taken, occur or be achieved. Forward-looking statements include those relating to the anticipated reduction in direct power costs, CryptoStar’s positioning as one of the lowest cost Bitcoin producers in North America, CryptoStar entering into a service agreement with Tier 1, the build out of a data centre in Labrador City, Newfoundland and Labrador, the amounts of power allocated for use by CryptoStar in Newfoundland and Labrador, that CryptoStar will bring additional data centres and containerized PODs online in Newfoundland and Labrador in 2020, cessation or downsizing of operations in Iceland and the USA and CryptoStar’s deployment of Hashrate at the initial data centre and in Newfoundland and Labrador in 2020. Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management’s experience and perception of trends, current conditions and expected developments, including assumptions related to the ability of Tier 1 and CryptoStar to identify suitable sites for data centre use, obtain relevant permits and approvals relating thereto and allocate NL Hydro permits to CryptoStar, the cost of power at other locations around the world, the ability of CryptoStar to acquire sufficient numbers of miners at economically viable prices, as well as other factors that management believes to be relevant and reasonable in the circumstances, including assumptions in respect of current and future market conditions, prices of electrical power, the current and future regulatory environment and future approvals and permits. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking statements in this press release, and, accordingly, you should not place undue reliance on any such forward-looking statements and they are not guarantees of future results. Forward-looking statements involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements. Except as required by law, CryptoStar undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.