

## **CAIRO RESOURCES INC.**

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### **CAIRO ANNOUNCES PROPOSED REVERSE TAKE OVER OF SINO BLOCKCHAIN**

**Vancouver, B.C., December 22nd 2017 – Cairo Resources Inc. (TSX-V: QAI.H)** (the “**Company**” or “**Cairo**”), a Capital Pool Company listed on the NEX Board of the TSX Venture Exchange (the “**Exchange**”), is pleased to announce that it has entered into a Letter of Intent dated December 22nd, 2017 (the “**Agreement**”) with Sino Blockchain Holdings Inc. (“**Sino**”), a private British Columbia corporation, whereby Cairo will acquire all of the outstanding shares of Sino (the “**Proposed Transaction**”) in exchange for common shares of Cairo. Sino has developed a proprietary software solution for the optimization and management of crypto-currencies in the B2B and B2C markets. The Proposed Transaction, if completed, will constitute Cairo’s Qualifying Transaction under the Exchange’s policies.

#### **About Sino Blockchain**

Sino is a private British Columbia corporation. Sino’s primary technology is a proprietary Artificial Intelligence driven software product that optimizes crypto-currency mining, analytics and altcoin management and trading. The technology can also be used in the Business to Consumer market, trading, hedging and shorting crypto-currencies based on signal frequencies from as little as an hour. Sino is at arm’s length to Cairo.

Sino Blockchain’s industrial scale crypto-currency signal software service utilizes a combination of proprietary algorithms that have been developed and stress tested across a wide variety of crypto-currencies. Sino offers an enterprise-grade crypto-currency management platform and proprietary artificial intelligence algorithms for finding the real time optimal portfolio balance of where to direct currently available GPU hashpower as crypto-currency prices, rewards, and difficulties fluctuate in the markets.

Sino takes a long-term view to minimize capital payback time and maximize hardware useful life for each data centre.

Sino’s platform also provides crypto security integration to provide our partners with current industry best-practices for wallet storage access, including offline keys, offline transaction generation, and private key sharing.

The underlying technology is also applicable to the consumer market for trading, hedging and shorting crypto-currencies based on signal frequencies from as little as an hour. This technology could allow for the robo-trading of crypto-currencies as part of a larger wealth management solution for consumers.

Financial information related to the significant assets of Sino will be disclosed when available.

#### **Summary of the Proposed Transaction**

The Proposed Transaction will be effected by way of a three-cornered amalgamation without court approval under the *Business Corporations Act* (British Columbia), pursuant to which Cairo will acquire, through the amalgamation of a newly incorporated British Columbia subsidiary of Cairo with Sino, all of the issued and

outstanding shares of Sino (the “**Sino Shares**”), in exchange for common shares of Cairo (each, a “**Cairo Share**”) and Sino will become a subsidiary of Cairo.

Pursuant to the Proposed Transaction, the shareholders of Sino will receive one Cairo Share for each Sino Share held at a deemed issue price of \$0.255 per Cairo Share. As a condition of the Proposed Transaction, Sino will complete a non-brokered private placement through the issuance of no less than 10,500,000 shares at a price of \$0.255 per Sino Share for gross proceeds of no less than \$2,677,500 (the “**Financing**”). Assuming completion of the Financing, Cairo will issue 48,000,000 Cairo Shares in exchange for all of the issued Sino Shares.

The Proposed Transaction is subject to, among other things, receipt of the approval of the shareholders of Sino, approval of the Exchange and standard closing conditions, including the conditions described below.

The Proposed Transaction will constitute a Reverse Takeover of Cairo pursuant to Policy 5.2 – *Changes of Business and Reverse Takeovers* of the Exchange.

Upon completion of the Proposed Transaction, Cairo intends to change its name to a name acceptable to the Exchange and will continue on with the business of Sino and become a Tier 2 technology issuer, with Sino as its operating subsidiary (the Company after the Proposed Transaction being referred to herein as the “**Resulting Issuer**”).

Certain of the Cairo Shares to be issued pursuant to the Proposed Transaction are expected to be subject to restrictions on resale or escrow under the policies of the Exchange, including the securities to be issued to “Principals” (as defined under Exchange policies), which will be subject to the escrow requirements of the Exchange.

In connection with the Proposed Transaction, Cairo will issue an aggregate of 2,000,000 Cairo Shares to certain arm’s length third parties as finder’s fees in accordance with Exchange policies.

None of the securities to be issued pursuant to the Proposed Transaction have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and any securities issued pursuant to the Proposed Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

### **Conditions to the Proposed Transaction**

The completion of the Proposed Transaction remains subject to a number of terms and conditions, including, among other things:

- Sino completing the Financing for minimum gross proceeds of not less than \$2,667,500;
- Sino having received shareholder approval of the Proposed Transaction by a special majority of the Sino shareholders;
- Proposed Transaction being effective on or prior to April 30, 2018;
- Cairo and Sino obtaining all necessary consents, orders and regulatory approvals, including the conditional approval of the Exchange subject only to customary conditions of closing;
- dissent rights not having been exercised by greater than 5% of the Sino shareholders;

- no material change occurring to the business of Cairo or Sino;
- the satisfaction of obligations under the Amalgamation Agreement relating to each of the parties;  
and
- the delivery by each of the parties of standard closing documents, including legal opinions.

The parties will be seeking a waiver from the Exchange of any requirement for a sponsor, but in the event a waiver is not available, will seek a sponsorship relationship for this Proposed Transaction with an Exchange member firm.

The shares of the Company were halted effective December 22nd 2017 and will remain halted until the completion of the Proposed Transaction.

### **The Resulting Issuer – Summary of Proposed Directors and Officers**

It is currently anticipated that all of the current officers and directors of Cairo will resign from their respective positions with Cairo. The directors and senior management of the Resulting Issuer is expected to include the following people:

#### Derek Lew, Director & Chairman of Board

Derek Lew is a Partner with Initio Group, a Vancouver, BC-based early-stage angel investment firm, and a lawyer experienced in the areas of corporate, commercial and real estate law. An active member of the technology startup community and his own community, he is a Director of the Frank and Joan Lew Charitable Trust and the FJL Housing Society, which focuses on matters related to social housing in Vancouver's Downtown Eastside. Professionally, he is a member of the Law Society of British Columbia.

#### Jonathan Bixby, CEO & Director

Jonathan Bixby is a serial entrepreneur, active investor, board member, and speaker. Jonathan has helped raise over \$100M in venture capital and has been involved in over 10 successful exits. In addition to his investing efforts, Jonathan has been active in the crypto world since 2012 as an investor and entrepreneur.

#### Darcy Taylor, Director

Darcy has over 20+ years in senior leadership roles and a proven track record across multiple industries spanning, Asia, Europe and North America. A blockchain technology enthusiast since 2013, his pan Asian experience while residing in Seoul, Korea exposed him to the potential for the technology to disrupt a multitude of industries. Prior to his international experience, Darcy was CEO of MASEV Communications Inc., that was successfully acquired by IMG Canada.

#### Mike Edwards, Director

A lifelong entrepreneur, Mike Edwards has started and invested in technology companies for over 20 years. Mike is actively involved in growing and supporting the crypto currency startup community and connecting local entrepreneurs with the right investors, mentors and influencers in Silicon Valley, New York, Europe and Asia.

In addition, the Resulting Issuer will establish an elite blockchain advisory board that will announced in due course.

Additional information concerning the Proposed Transaction, Cairo, Sino and the Resulting Issuer will be provided in the Company's Filing Statement to be filed in connection with the Proposed Transaction and which will be available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **About Cairo**

The Company is a Capital Pool Company presently listed on the NEX board of the Exchange. The Company currently has issued and outstanding 1,581,473 common shares issued and outstanding and no convertible securities.

For further information please contact Darryl Cardey at (604) 638-8063

## **ON BEHALF OF THE BOARD**

(signed) "Darryl Cardey"

Darryl Cardey

President and CEO

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

*Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed 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 Proposed Transaction, any information released or received with respect to the Proposed 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 Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.*

*All information contained in this news release with respect to Cairo and Sino was supplied by the parties, respectively, for inclusion herein, and Cairo and its directors and officers have relied on Sino for any information concerning such party.*

*This news release contains forward-looking statements relating to the timing and completion of the Proposed Transaction, the future operations of the Company, Sino, and the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Proposed Transaction and the future plans and objectives of the Company, Sino, and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's, Sino's, and the Resulting Issuer's expectations include the failure to satisfy the conditions to*

*completion of the Proposed Transaction set forth above and other risks detailed from time to time in the filings made by the Company, Sino, and the Resulting Issuer with securities regulations.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, Sino, and the Resulting Issuer. As a result, the Company, Sino, and the Resulting Issuer cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company, Sino, and the Resulting Issuer will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*