CLEANSPARK

NEWS RELEASE

CleanSpark Announces $20m Financing to Support Microgrid Solutions for Commercial Customers Including Cannabis Growers

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Energy Savings Agreement (ESA) Model Provides for Minimal Upfront Costs, High ROI, Participation with Tax Equity Partners

SALT LAKE CITY, April 22, 2019 /PRNewswire/ -- CleanSpark, Inc. (OTC: CLSK), a microgrid and custom electrical equipment company featuring advanced, proprietary engineering, software and controls for innovative distributed energy resource management systems, today announced it has secured $20m in financing to support various microgrid initiatives for commercial customers. This committed financing will help accelerate the development and deployment of CleanSpark's Distributed Energy Resource (DER) Solutions to commercial customers.

Matthew Schultz, CleanSpark's Chief Executive Officer, said, "This transformative financing sets into motion a game-changing industry model for bringing customized energy solutions to a rapidly growing number of commercial customers providing low upfront costs and provable savings. Our Energy Savings Agreement (ESA) financing model provides a host of different financing options and structures for our clients and investment partners to jointly pursue. Nowhere are the benefits and savings from these solutions more relevant than in the rapidly growing cannabis industry where both energy needs and the need to be intensely competitive are elevated. Given the backlog we are witnessing and the level of interest we are confident in our ability to execute on a wide variety of projects and scale our industry leading software platform."

How do Energy Savings Agreements (ESAs) Work?

FUNDING STAGE

- SPE (Special Purpose Entity) Formed to own the System asset.

- SPE funded by CleanSpark (CLSK) and a Tax Equity Partner (TEP).
- CLSK owns at least 51% of the SPE.
- TEP funds the SPE at a premium due to their ability to rapidly harvest the tax benefit in year one.
- Commercial customer spends $5,000 - $20,000 for a feasibility and engineering study.

DEPLOYMENT STAGE (OPTION 1)

- Commercial customer purchases the system outright and enjoys 100% of the energy savings.

DEPLOYMENT STAGE (OPTION 2)

- CLSK builds, owns, and operates the system/project.
- CLSK award the customers around 10% of the annual energy savings.
- CLSK offers a discounted buyout option (40-60% of original cost) at year 5 or 6.
- After buyout, customer enjoys 100% of the energy savings.

PROJECTS CREATE LONG TERM VALUE

- CLSK can also sell projects to third parties after 12 months of operation.
- Projects are valued on a simple value of discounted future cash flows.
- In most cases, after 12 months of operation, the value of a project will exceed the value that would have been realized had the project been sold to the customer on day one.

Benefits of the CleanSpark ESA

- Minimal upfront costs for commercial customers.
- Conserves capital expenditures for business expansion needs.
- Payments for the system are based on the energy savings that the customer can realize.
- Capital is readily available to fund large scale projects.
- Management and expertise of CleanSpark's software and consulting services provide turn-key solution.

"Our solution is unique, revolutionary and tailor-made to relieve the economic and practical pressures facing today's cannabis growers. We are energized by the backlog," added Schultz. "Whether these projects are sold outright, operated, or held by CleanSpark until a future sale date, the result is the same, i.e. value is created for our stockholders by getting to scale in an industry that is projected to exceed $2b in the not too distant future."

Focus on Cannabis

While the Company is garnering interest across multiple industries and sectors, the cannabis space is of keen interest to us. CleanSpark's microgrid energy solution dramatically decreases the cost of energy associated with

producing each pound of final product.

A cannabis business using $90,000 per year in energy has the potential to reduce its operating costs (flowering stage) from $270/lb. to $200/lb., producing a 15% ROI over 10 years.

For an illustration of how CleanSpark helps Cannabis growers optimize their competitive advantage, please visit this link: **www.cleanspark.com/cannabis**.

"The solar industry proved that long-term financing that generates real cost savings, an environmental benefit, and tangible ROI for both investors and customers can expect to grow to scale on an expedited timeline," added Schultz. "With this recent capital infusion, CleanSpark intends to continue to blaze trails in the microgrid arena as we deliver strong returns to our customers, investment partners, and shareholders."

About CleanSpark, Inc.

CleanSpark provides advanced energy software and control technology that enables a plug-and-play enterprise solution to modern energy challenges. Our services consist of intelligent energy monitoring and controls, microgrid design and engineering, microgrid consulting services, and turn-key microgrid implementation services. CleanSpark's software allows energy users to obtain resiliency and economic optimization. Our software is uniquely capable of enabling a microgrid to be scaled to the user's specific needs and can be widely implemented across commercial, industrial, military, agricultural and municipal, deployment.

For more information on CleanSpark, please visit **https://www.cleanspark.com**.

Safe Harbor Statement:

Statements in this press release relating to plans, strategies, testing and operational performance, projections of results of specific activities and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This release contains "forward-looking statements" that include information relating to future events and future financial and operating performance. The words "may," "would," "will," "expect," "estimate," "can," "believe," "potential" and similar expressions and variations thereof are intended to identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which that performance or those results will be achieved. Forward-looking statements are based on information available at the time they are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause these differences include, but are not limited to:

fluctuations in demand for the Company's products, the introduction of new products, the Company's ability to maintain customer and strategic business relationships, the impact of competitive products and pricing, growth in targeted markets, the adequacy of the Company's liquidity and financial strength to support its growth, and other information that may be detailed from time-to-time in the Company's filings with the United States Securities and Exchange Commission (the "SEC"). For a more detailed description of the risk factors and uncertainties affecting the Company, please refer to the Company's recent SEC filings, which are available at **https://www.sec.gov**. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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