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NEWS RELEASE

CleanSpark, Inc. and ReJoule Awarded $2.9 Million Dollar Second-Life EV Battery Grant with Support from Ford Motor Company

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SALT LAKE CITY and STANTON, Calif., July 9, 2020 /PRNewswire/ -- CleanSpark, Inc. (Nasdaq: CLSK), a diversified software and services company, and ReJoule, a battery diagnostics and optimization company announced that they have been awarded a grant from the California Energy Commission.

The grant is approximately $2.9 million and is slated to be deployed over the next 30 months. The funds will be distributed to the multi-group partnership of clean energy and technology companies. ReJoule and CleanSpark will be further supported by Ford Motor Company, BigBattery, and GRID Alternatives. CleanSpark expects to receive approximately $470,000 of the grant funding for its microgrid design and mVSO software services and follow-on deployment of its mPulse software and controls. CleanSpark has also agreed to provide over $88,000 in matched funding.

The California Energy Commission Grant proposal was for Validating Capability of Second-life Batteries to Cost-Effectively Integrate Solar Power for Small-Medium Commercial Building Applications. The underlying goal is to deploy second life batteries from electric vehicles for use in a microgrid application. Additional grant information can be found here: **https://www.energy.ca.gov/solicitations/2020-02/gfo-19-310-validating-capability-second-life-batteries-cost-effectively.**

As electric vehicles (EV) reach their end-of-life, batteries often retain from 70-90% of their original capacity. This presents opportunities for repurposing EV batteries as low-cost stationary storage in a second-life application. Extending the life of used EV batteries further lessens the need for mining of rare earth minerals, thereby making batteries as an energy storage solution more sustainable. The largest barriers to repurposing used EV batteries are the cost of disassembly, long test times, and uncertainty of the remaining useful life. While there are a variety of

tests and grading methods, there has been limited success to reliably and cost-effectively test and grade used batteries for second-life applications.

Ford Motor Company, Inc. (NYSE: F) will be supporting the project by donating used EV battery modules and providing the ReJoule team with technical support from Ford's Greenfield Labs based in Palo Alto, California. Last year, Ford agreed to a framework with the California Air Resources Board to meaningfully reduce greenhouse gas emissions in its vehicles as part of Ford's long-term sustainability strategy to achieve carbon neutrality globally by 2050. To learn more about Ford's sustainability leadership and commitments, visit **sustainability.ford.com**.

ReJoule, as the primary grant recipient, will develop a battery grading process and degradation model. They will then collaborate with the other partners to validate the feasibility of repurposing EV batteries for storage paired with solar Photovoltaic systems to provide building resiliency and load shifting services for small and medium-sized commercial buildings.

The systems covered by the grant will be deployed at two locations, Lucky Cat Labs, an artist's studio located in Los Angeles, California, and a Housing and Training center for the Homeless, located in Santa Ana, California. They will both incorporate solar and second-generation energy storage batteries controlled by CleanSpark's mPulse software and controls platform and ReJoule's battery management system.

Steven Chung and Zora Chung, Co-Founders of ReJoule stated, "This is a big step towards our goal of enabling the circular economy for EV batteries. This project will address the technical challenges associated with repurposing used EV batteries and demonstrate our technology in a commercial setting. We are excited to work with our partners composed of companies and nonprofits dedicated to combating climate change through the deployment of clean energy solutions."

Zach Bradford CEO of CleanSpark added, "This is an exciting opportunity for CleanSpark, we recognize the need in the market to extend the life of battery energy storage solutions. Electric Vehicle batteries are an ideal candidate to provide not only long-term value for deployment in residential and commercial applications, but repurposing used EV batteries can greatly assist in the avoidance of potentially substantial disposal and recycling costs. We have found that cost is generally the single largest factor that is considered by an end user. The ability to effectively offer lower cost solutions using second life batteries not only increases sustainability but it could potentially open up an entirely new market to those who find new energy storage systems cost prohibitive."

Will Paxton, electrification research engineer at Ford's Greenfield Labs says, "We are excited to work with innovative companies such as ReJoule and CleanSpark to improve the sustainability of electrified transportation and move closer to a circular economy for EV batteries."

Parties interested in learning more about CleanSpark's Microgrid platform are encouraged to inquire by contacting the Company directly at **info@cleanspark.com** or visiting the Company's website at **www.cleanspark.com**.

About CleanSpark:
CleanSpark a software and services company which offers software and intelligent controls for microgrid and distributed energy resource management systems and innovative strategy and design services. The Company provides advanced energy software and control technology that 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. Our product and services consist of intelligent energy controls, microgrid modeling software, and innovation consulting services in design, technology, and business process methodologies to help transform and grow businesses.

About ReJoule:
ReJoule was founded in 2017 with the goal of reducing battery waste by enabling a more streamlined battery life cycle. Its fast battery diagnostics enables a more accurate measurement of the battery's health. Uncertainty on battery health adds overhead costs which leads to excess waste along the battery's life cycle. As batteries power more cars and buildings, more advanced diagnostics helps bring battery costs down and accelerate electrification. ReJoule's proactive system dynamically adjusts for optimal performance to increase usable battery capacity and improve safety. By enabling a step-change in the world's understanding of how batteries perform, ReJoule makes battery systems cheaper, safer, and more sustainable. For more information about ReJoule, visit **www.rejouleenergy.com** or email **Info@rejouleenergy.com**

About Ford Motor Company:
Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected services. Ford employs approximately 188,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit **www.corporate.ford.com**.

Forward-Looking Statements:
CleanSpark cautions you that statements in this press release that are not a description of historical facts are forward-looking statements. These statements are based on CleanSpark's current beliefs and expectations. The inclusion of forward-looking statements should not be regarded as a representation by CleanSpark that any of our plans will be achieved. Actual results may differ from those set forth in this press release due to the risk and

uncertainties inherent in our business, including, without limitation: the fitness of the product for a particular application or market, the expectations of future growth may not be realized, timing of deliveries, demand for our software products; and other risks described in our prior press releases and in our filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in our Annual Report on Form 10-K and any subsequent filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and we undertake no obligation to revise or update this press release to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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