

## ASX Release | Chapmans Limited (ASX:CHP)

### GPU.One Update

#### Highlights

- Chapmans has a 19.99% holding in Canada-based cryptocurrency mining and data processing company GPU.One following a \$2.55m investment;
- GPU.One has used the capital to progress its growth plans and is on track to complete the purchase of two sites including its current facility at Mirabel and complete the installation of the first 5 megawatts (MW) of mining equipment at Mirabel; and
- GPU.One is experiencing strong demand from large corporates and is securing additional revenue streams through co-location services.

**9 May 2018:** Diversified investment company Chapmans Limited (ASX:CHP) (“Chapmans” or “the Company”) is pleased to announce the progress of one of its key investments, Canadian-based cryptocurrency mining and data centre business GPU.One.

#### Background to the investment in GPU.One

Chapmans carried out extensive due diligence on GPU.One during the March quarter and completed a \$2.55m investment for a 19.99% equity holding last month [ASX Announcement: 26 April, 2018]. In addition, Chapmans Executive Director Anthony Dunlop has accepted a seat on the GPU.One Board.

GPU.One is using the capital to purchase a 100,000 square foot 5 megawatt (MW) (extendable to 18MW) site in Mirabel and a 40,000 square foot site with current capacity of 5 megawatt (MW) (extendable to 15MW) in Baie Comeau. Both sites are in Quebec, Canada, and their purchase is in line with GPU.One’s growth plan which is being implemented to accommodate increased demand.

#### Expansion Plans

In April, GPU.One finalised the installation of first of three POD’s of miners. In addition, in the next 90 days, GPU.One plans to finalise the installation of the first phase of the roll out of Mirabel utilising the Company’s funding and existing working capital. The first phase (5MW) of installation is planned to consist of 3 individual POD’s of miners. POD’s 1 and 2 will contain 420 GPU mining rigs with each POD operating 210 rigs customized by GPU.One to be powered by 12 Nvidia chipsets per mining rig. POD 3 has been engineered to accommodate 2,200 ASIC miners.

#### GPU One Mining Activities

The 420 GPU rigs, 210 rigs from each of PODs 1 and 2 are anticipated to generate monthly revenues of approximately \$200,000 or \$476 per rig. This yield is based on a Bitcoin (BTC) price of USD\$9,400.

GPU.One has allocated 1,000 ASIC miners from POD3 to be operated directly by the company and they are anticipated to generate monthly revenues of \$300,000 based on estimated daily yields of \$300 per miner. This yield is based on a BTC price of USD\$9,400.

### Increased corporate demand for GPU.One's co-location services

GPU.One has signed a substantial co-location agreement with a large and well-established Argentinian corporate customer. Under this agreement, GPU.One will host, manage and mine 600 ASIC S9 machines at Mirabel on behalf of this customer.

Installation of these machines is set to be completed at Mirabel this quarter, and will increase revenues by \$74,000 per month. The co-location customer agreement is based on hosting and management services for two-year renewable terms. The customer cannot be named for confidentiality reasons and in any event the disclosure of the name of the customer is not material to Chapmans.

### Update on Professional Services

Chapmans has moved its accounting function from Perth based Mining Corporate to Sydney with the recent appointment of Ron Arnold from the CFO Collective and also intends to replace the current company secretarial role undertaken by Mining Corporate with a Sydney based appointment which is expected to be filled in the near future.

**Chapmans Executive Director Peter Dykes** "Chapmans is very pleased with both the progress GPU.One is making and the strengthening we are seeing across cryptocurrency investments. Early on, we identified blockchain as a compelling investment opportunity that fit perfectly with our high conviction approach to investment in emerging value accretive technologies. We look forward to seeing GPU.One further expand and develop its operations."

**GPU.One Chief Executive Officer Vladimir Plessovskikh** "GPU.One welcomes the investment from Chapmans and is pleased to report that we are putting the capital we have raised to good use. With the acquisition of two sites and installation of multiple new pods on the horizon, our growth plan is being executed ahead of schedule. We are also excited to see increased corporate and institutional demand for cryptocurrency and the expansion of our co-location services."

### Ends

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### About Chapmans Limited

Chapmans Limited (ASX:CHP) is an ASX-listed diversified investment company engaged in special situation investments across a diverse range of industries, with a focus and expertise in the mobile and advanced industrial technology sectors. The Company seeks to be an active strategic investor in high growth areas of the market and to identify and work with emerging high growth companies. Chapmans' investment philosophy and approach are based on a unique mix of high conviction and special situation features, characterised by advisory and equity investments structured around specific events and assets for both public and large private corporates.

To learn more, please visit: [www.chapmansltd.com](http://www.chapmansltd.com)