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## ASX Announcement

# Operation Update – APAC Mining Yields Positive Early Results From Mining Bitcoins And Ethers

International venture builder Fatfish Internet Group Limited (ASX Code: FFG) (“FFG” and “the Company”) is pleased to provide operation updates on its 51% owned investee, APAC Mining Corp (“APAC Mining”), a crypto mining business.

### 1. Operating Capacity

The current mining server farms of APAC Mining in Malaysia are **operating at 60%** of their equipment capacity. There is delay in electrical engineering work at the mining server farms, but APAC Mining is looking to have all its mining server farms running in **full capacity** within the **next 30 days**.

### 2. Production Yield

The crypto mining farms, even though at 60% capacity, are producing very encouraging early results. Approximately **2 Bitcoins (BTC) and 8 Ethereum Ethers (ETH) are being mined every week**. This production rate translates to an **annualised production rate** of approximately **170 Bitcoins and 690 Ethereum Ethers** being mined per annum, at 100% equipment capacity.

At prevailing market price (Bitcoin at US\$8000 and Ether at US\$520), this production rate translates to an **annualised gross revenue** of approximately **US\$1.7million (A\$2.19million) per annum**. As the operation is still in its early stage it is too early to estimate its gross profit margin at this juncture but APAC Mining estimates that its current operation commands a healthy double digit gross profit margin.

### **3. Volatility of Cryptocurrency and Feasibility**

APAC Mining notes that cryptocurrency prices have been volatile last 3 months but it appears that the cryptocurrency market has stabilized and consensus by analysts seem to suggest that cryptocurrency is in a recovery trend. APAC Mining has performed a feasibility study on cryptocurrency prices and found that its crypto mining operation will remain profitable as long as Bitcoin is trading above US\$4,000 and Ethereum Ether above US\$250.

### **4. Expansion of equipment capacity and facilities**

Once its current batch of mining equipment is 100% up and running APAC Mining is looking to procure additional crypto mining equipment to add to its capacity. Consequently, it will also need to build more mining server farms across new locations to host the additional equipment.

APAC Mining is currently in discussion with various service providers to secure new location and energy supply in Canada and Mongolia, in addition to its existing locations in Malaysia. APAC Mining is confident that the energy tariffs of all the locations it is securing are among the most favourable rates of the crypto mining industry. As such APAC Mining believes that it has a strong business case to scale up its operating capacity significantly in the near future.

APAC Mining's immediate aim is to quickly scale up its operating capacity to a capacity where it will be producing one Bitcoin per day in the near term future.

### **Cautionary Statement – Cryptocurrency Related Business Activities**

FFG notes the following in relation to cryptocurrency-related business activities:

- Investment into cryptocurrencies is high risk in nature as cryptocurrencies are currently highly speculative
- Cryptocurrency-related businesses have a number of other risks factors, including but not limited to the following:
  - I. The development of new regulatory framework involving cryptocurrencies
  - II. Cryptocurrencies, cryptocurrency exchanges and its related topics of Initial Coin Offerings (ICO) have raised regulatory issues across multiple jurisdictions. A number of regulators have issued guidance on the relevance of their existing securities and financial services laws with regards to ICOs that have underlying cryptographic tokens that are securities or investment in nature.
  - III. In many countries cryptocurrencies are subject to anti-money laundering and counter-terrorism funding legislations.

For its cryptocurrency-related business activities FFG will always endeavour to the best of its ability to ensure that FFG and its subsidiaries comply with relevant local in-country regulatory requirement.

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## About Fatfish Internet Group

Fatfish Internet Group Ltd (ASX Code: FFG) is a publicly traded international venture investment and development firm. FFG partners with entrepreneurs and experienced executives to build and grow tech businesses via a co-entrepreneurship model. FFG focusses on emerging global technology trend, specifically FFG has been investing strategically across various sectors of **cryptocurrency, fintech and consumer internet** technologies.

FFG operates from its international venture hubs located in Singapore, Kuala Lumpur and Stockholm.

For further question on this release, please contact Investor Relations Team [ir@fatfish.co](mailto:ir@fatfish.co) or visit [www.fatfish.co](http://www.fatfish.co)