

# **EXHIBIT U**

From: [REDACTED]@gmail.com>  
Sent: Fri, Jun 2, 2017 at 4:01 PM  
Subject: Re: Bitfury partnership offer 2  
To: Joby Weeks [REDACTED]@gmail.com>  
Cc: Matt Bitclub [REDACTED]@gmail.com>

Yes draft it up. Then maybe I will understand. I have no idea what this offer actually is. Sorry, I'm confused. You said a lot of different things in that email and I'm not going to go through all of it.

On Fri, Jun 2, 2017 at 4:01 PM, Joby Weeks [REDACTED]@gmail.com> wrote:

I have an offer.

However, every time we speak about doing a deal with Bitfury [REDACTED] you tell me we aren't being "fair". :) You use the word fair over and over. At least 10 times per conversation. (negotiating master)

That's why I'm using it now! lol

They honestly aren't trying to rip us off broski. They sell the same equipment for much much more to other customers. (Kind of like we are doing when we resell to Bitclub members)

So I wanted to present to Val what you think is fair rather than having Val make an offer that you then come back saying is unfair. Whatever offer we bring is ALWAYS unfair to you bro. :)

I thought that getting our money back and then 50/50 split would be the most fair thing to do for both sides. Especially since Bitfury is getting backed up with orders to other people who pay more which then raises the difficulty for us...

I get your point if their "cost" is like \$90k/PH and we are paying \$100k then it's a terrible deal for them and an awesome deal for us to just buy it instead of profit split. But we aren't paying \$100k. We paid \$120k on our last order. If the market says a PH is worth \$130k and others are paying \$130k why would they sell to us for \$100k? People who are paying \$200k a ph are still making a profit guys. (takes a couple months longer but they are eventually making a profit)

We (Bitclub) can't just "sell" people mining hardware (shares) in Bitclub and then not use the money to buy equipment. It's not right. Bitclub makes 20% regardless of the price.

Bitmain can undercut Bitfury for small orders here and there, but they can't keep up with our demand. I hope you'll agree that if we want to do this for a long time, we need a long term strategic partner in energy and manufacturing. Right?

Val told me what their cost is. He told me that they can make 500 mega watts a year. (5000+- petahash a year) He told me even if we want to buy at \$120k a ph like our last order, that it would take 6 months to deliver because of how backed up they are...

(If we would have done the 540 ph deal we would have 270ph turned on right now and 540 by Christmas) That was \$111k a ph... That was a good deal.

Cant cry over spilled milk.

**Here is the deal.** If we want to cut the line and get power asap we need to JV with them.

If we can raise the funds to buy 5000 ph a year, they will sell 100% of the equipment to us. It costs \$2m to produce 1mgw of hydro. As you know power is an issue and they have several sites being built now to host our growth.

Their current cost is **\$700,000** for a 1mgw block box. (7.5-10ph) The monthly power/maintenance is location specific. The millions we save in the purchase price and the millions we save on the monthly and the speed of which we take delivery and get to ROI is worth doing a profit split in my opinion.

Is a 50/50 split fair at that price?

Cheers guys

Joby

On Jun 2, 2017, at 10:09 PM, [REDACTED] [REDACTED]@gmail.com> wrote:

Joby you keep asking if it is fair. If someone were to ask me for the details of the deal I would say their aren't any. YES we want to do a deal now get real numbers. I don't know how else to say it.

On Fri, Jun 2, 2017 at 10:23 AM, Joby Weeks [REDACTED]@gmail.com> wrote:

The principle is the same isn't it?

Bitclub wants to get the **equipment** and monthly **maintenance at cost.**

Once Bitclub is made whole, Bitfury and Bitclub split the profits. It wouldn't be hard to track this.

That is the most fair way to do it right?

Then we go to a **billion** dollars together and everyone makes money. Instead of competition its co-operation.

We can discuss the 200mgw hydro plant and also all the platforms that they are building on the blockchain etc.

Bitfury will go public soon, we could probably get them to throw in some stock as well based on volume of orders we send their way.

Should Val and I come to Germany? Want to meet in Malta? Or maybe I can get Val to come to Iceland?

If you don't think its fair, then what would you suggest is fair?

Joby

On Jun 2, 2017, at 6:50 PM, [REDACTED] [REDACTED]@gmail.com> wrote:

How do we agree without knowing actual numbers?

On Fri, Jun 2, 2017 at 2:48 AM, Joby Weeks [REDACTED]@gmail.com> wrote:

Hey [REDACTED] and Matt,

Im trying to figure out a fair deal for both sides.

I think the fairest deal that I can come up with is for us to bring the cash to pay for the equipment to be made. They bring the ip/chips/manufacturing relationships that they have.

Bitclub pays for the equipment at their cost. (Which they disclose to us if we have a deal)

Bitclub keeps 100% of the cashflow of the equipment (less electricity/maintenance) Which would drop to under \$5000/mo (because again we are getting it at cost)

Once Bitclub is made whole, we split the cash flow with Bitfury 50/50.

Once a JV is agreed we can really ramp up for the future.

What do you guys think?

Fair?

Joby