

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 18, 2019 (December 12, 2019)

Riot Blockchain, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

001-33675

(Commission File Number)

84-1553387

(I.R.S. Employer Identification No.)

**202 6th Street, Suite 401,
Castle Rock, CO 80104**

(Address of principal executive offices)

(303) 794-2000

(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class

Common Stock

Trading Symbol(s)

RIOT

Name of each exchange on which registered

NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 – Regulation FD Disclosure.

On December 12, 2019, the Corporation issued a press release announcing the purchase of 1,000 additional Antminer S17 Pro digital currency miners (the **Miners**) from Bitmaintech PTE, LTD (“**Bitmain**”) pursuant to a purchase agreement between the Corporation and Bitmain. The Corporation expects delivery of the Miners to occur during the end of January, 2020, and the Corporation anticipates installation and integration of these additional new Miners to occur shortly after delivery. A copy of the Corporation’s press release announcing the purchase is attached hereto as Exhibit 99.1.

About Riot Blockchain

Information reported in this Current Report on Form 8-K is limited to the scope of the information reportable under a Current Report on Form 8-K under the rules and regulations of the Commission. Please refer to the additional information concerning the Corporation referenced in the following notices and safe harbor provision for material risks and other uncertainties.

Investor Notice

An investment in the Corporation’s common stock involves a high degree of risk, and an investor should only purchase the Corporation’s securities if he or she can afford to suffer the loss of his or her entire investment. In determining whether to purchase the Corporation’s common stock, an investor should carefully consider all of the material risks described in this Current Report on Form 8-K below, together with the factors described under Item 1A under the heading “Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission (the “SEC”) on April 2, 2019, as amended on Form 10-K/A, filed with the SEC on April 23, 2019, as supplemented and updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, together with the financial or other information contained or incorporated by reference in such reports. In addition to the risks discussed below, other risks not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition and results of operations, perhaps materially. The risks discussed below also include forward-looking statements, and actual results and events may differ substantially from those discussed or highlighted in those forward-looking statements. See also the Section entitled “Forward-Looking Statements” herein.

Safe Harbor

The information provided in this report may include forward -looking statements relating to future events or the future financial performance of the Corporation. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as “anticipates,” “plans,” “expects,” “intends,” “will,” “potential,” “hope” and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Corporation and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in report relating to the Corporation may be found in the Corporation’s periodic filings with the Commission, including the factors described in the sections entitled “Risk Factors”, copies of which may be obtained from the SEC’s website at www.sec.gov. The Corporation does not undertake any obligation to update forward-looking statements contained in this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	<u>Press Release, issued by Riot Blockchain, Inc. on December 12, 2019 (furnished pursuant to Item 8.01 of this Current Report on Form 8-K).</u> *

* The information contained in this Press Release is furnished but not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RIOT BLOCKCHAIN, INC.

By: /s/ Jeffrey McGonegal
Jeffrey McGonegal
Chief Executive Officer

Date: December 18, 2019

Riot Blockchain announces purchase of additional 1,000 next generation Bitmain S17 Pro Antminers, completing upgrade of its Oklahoma City Mining Facility

Upgrade reinforces Company's commitment to Bitcoin and its supporting sectors

CASTLE ROCK, CO. / PRNewswire / December 12, 2019 / Riot Blockchain, Inc. (NASDAQ: RIOT) ("Riot" or the "Company") one of the few Nasdaq listed public cryptocurrency mining companies in the United States, announced the purchase of an additional 1,000 next generation Bitmain S17 Pro Antminers for approximately USD \$1.35 million from BitmainTech PTE. LTD. ("Bitmain"). On December 4, 2019, Riot announced that it had purchased 3,000 S17 Pro miners. Once these total 4,000 miners are received and operational, Riot's Oklahoma City mining facility will utilize its 12 megawatt ("MW") available electric power supply mining with the newest generation of S17 Pro miners. This purchase was funded from Riot's available cash on hand.

The latest generation of Bitcoin ("BTC") Application-Specific Integrated Circuit ("ASIC") miners from Bitmain are markedly more cost efficient, estimated from product specifications at approximately a 50% improvement in hardware power efficiency, as compared to the S9 miners currently in use by Riot. As previously reported, Riot's gross margin percent, computed as mining revenues in excess of cost of revenues (exclusive of depreciation and amortization), was 14% in the three-month period ended September 30, 2019. The new generation miners are anticipated to generate approximately 440% of the hashrate while only consuming an estimated 220% of the electricity usage, as compared to the S9 miners currently in use by Riot. This upgrade will allow Riot to significantly increase its operating hashrate at the Oklahoma City mining facility with fewer total miners using the same or less total electricity.

Riot estimates aggregate operating hashrate at the Oklahoma City mining facility, assuming full utilization of the facility's current total 12 megawatt ("MW") available electric supply and deployment of the total 4,000 next generation miners is estimated to be approximately 248 petahash per second ("PH/s"). This would represent an estimated 240% over Riot's present average mining hashrate. Riot anticipates that the 4,000 new miners will be deployed early in the first quarter of 2020 and are expected to represent over 90% of the Oklahoma City's mining facilities total current capacity. Pending future actual power costs and Bitcoin network economic conditions, it is expected that a portion of the existing S9 miners may also continue to be operational, especially during periods of low-cost electricity.

Riot's 107,600 square foot Oklahoma City mining facility has been in operation since early 2018. Riot has mined over 1,820 newly minted Bitcoin through the quarter ended September 30, 2019, in addition to lesser quantities of Litecoin and Bitcoin Cash. With this upgrade of its Oklahoma City mining facility, Riot has reinforced its confidence and focus in Bitcoin.

Riot's Oklahoma City mining facility's current electric costs are variable based upon peak demand. Riot is notified of hourly demand billing rates in advance and in order to strategically manage its operational costs; during periods when incremental electricity charges would exceed estimated revenue production, Riot curtails mining activities to reduce electric consumption. For the billing month of October 2019, direct electricity costs incurred averaged \$0.0275 kWh with an approximate range of \$0.01 to \$0.07.

The Board of Directors and Management of Riot are very pleased to be in a position from a financial point of view to take advantage of this exciting new technology at a time when the manufacturer has recently significantly reduced the cost of the miners. While cryptocurrency mining continues to have challenges, including price volatility of Bitcoin, the opportunity to acquire significant additional net hashrate capacity on a very cost-effective basis was determined to be compelling. The decision was further enhanced given Riot's recent funding from its 2019 ATM Offering of common shares with no warrants or other rights and at prices appreciably higher than the current market. As previously reported, the Company's cash and digital asset balance as of September 30, 2019 totaled \$18.3 million, with no long or short-term secured debt.

About Riot Blockchain

Riot Blockchain is focused on building, operating, and supporting blockchain technologies. Its primary operations consist of cryptocurrency mining, targeted development of a cryptocurrency exchange, and the identification and support of innovations within the sector. For more information, visit <http://www.RiotBlockchain.com/>.

Investor Notice

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Form 10-K for the fiscal year ended December 31, 2018 filed with the Securities and Exchange Commission (the "SEC") on April 2, 2019, as amended by Amendment No. 1 on Form 10-K/A on April 23, 2019, as well as those risk factors disclosed in any periodic reports we file with the SEC. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us.

Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. See "Safe Harbor" below.

Safe Harbor

The information provided in this press release may include forward-looking statements relating to future events or the future financial performance of the Company. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipates," "plans," "expects," "intends," "will," "potential," "hope" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release relating to the Company may be found in the Company's periodic filings with the Securities and Exchange Commission, including the factors described in the sections entitled "Risk Factors," copies of which may be obtained from the SEC's website at www.sec.gov. The Company does not undertake any obligation to update forward-looking statements contained in this press release.

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SOURCE: Riot Blockchain, Inc.