



## Hut 8 Adds 12 Bitcoin Mining BlockBoxes to Drumheller Facility

TORONTO, Nov. 12, 2018 -- [Hut 8 Mining Corp.](#) ("Hut 8" or the "Company") (TSXV: HUT) (OTCQX: HUTMF), the world's largest public cryptocurrency mining company by operating capacity and market capitalization, is pleased to announce the purchase of an additional 12 BlockBox Data Centers at its bitcoin mining facility in the City of Drumheller, Alberta, Canada (the "Drumheller Facility"). The BlockBoxes were previously owned by the Bitfury Group ("Bitfury"). The transaction remains subject to the approval of the TSX Venture Exchange (the "TSXV").

Prior to closing the purchase, the additional 12 BlockBoxes will be upgraded to include 12 Petahash per second ("PH/s") Bitfury Clarke ASIC chips, manufactured by Bitfury. These BlockBoxes increase Hut 8's bitcoin mining capacity by 14.4 MW and approximately 144 PH/s. When combined with its operations in the City of Medicine Hat, Alberta, and upon completion of the technology upgrades described herein, Hut 8 will operate a total of 85 BlockBoxes, representing an aggregate maximum of 100.3 MW of fully-funded operating capacity generating approximately 784 PH/s. The BlockBox technology upgrades are expected to be completed and operational next month.

In addition, and as part of this transaction, Hut 8 will reduce the monthly management fee paid per BlockBox to Bitfury from the existing rate of \$2,500 to \$2,000. As a result, the Company will save in excess of \$500,000 annually from the rate reduction.

"Our goal is to be the largest bitcoin miner in the world," said Andrew Kiguel, President and Chief Executive Officer of Hut 8. "By increasing our operating capacity by over 20% through this transaction, Hut 8 will further solidify its position as the largest cryptocurrency miner in Canada and one of the largest bitcoin miners in the world."

Subject to approval by the TSXV, the 12 new BlockBoxes, at a cost of US\$13,000,000, will be financed through: (i) a loan from the Bitfury Group ("Bitfury") for US\$9,000,000; (ii) US\$2,000,000 in Hut 8 shares priced at \$3.15; and (iii) US\$2,000,000 in cash. The loan will be unsecured, carry a 12% coupon and have a 24-month term for the first \$6.0 million. The balance would be repaid at the earlier of maturity date of the Galaxy Digital loan already outstanding or such date as the Galaxy Digital loan is repaid early. There are no additional fees and no penalty for prepayment.

Since beginning its mining operations in December 2017, Hut 8 has mined over 4,400 bitcoins.

Hut 8's current capital structure consists of 85,227,858 common shares outstanding, 2,882,222 warrants and 965,000 options.

### ABOUT HUT 8 MINING CORP.

Hut 8 Mining Corp., headquartered in Toronto, Canada, is a cryptocurrency mining and blockchain infrastructure company established through an exclusive arrangement with the Bitfury Group, the world's leading full-service blockchain technology company. Through the Bitfury Group, Hut 8 has access to a world-leading proprietary mix of hardware, software and operational expertise to construct, optimize and manage data centres in low-cost and attractive jurisdictions. Hut 8 is led by a team of industry experts and intends to provide investors with exposure to blockchain processing infrastructure and technology along with underlying cryptocurrency rewards and transaction fees.

Hut 8 provides investors with direct exposure to bitcoin, without the technical complexity or constraints of purchasing the underlying cryptocurrency. Investors avoid the need to create online wallets, wire money offshore and safely store their bitcoins. Hut 8 provides a secure and simple way to invest.

Key investment highlights and FAQ's: <https://www.hut8mining.com/investors>.

Keep up-to-date on Hut 8 events and developments and join our online communities at [Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#).

#### Hut 8 Corporate Contact:

Andrew Kiguel  
Chief Executive Officer  
Tel: (647) 256-1992  
Email: [ak@hut8mining.com](mailto:ak@hut8mining.com)

#### Hut 8 Media Contact:

Natalie Davidson  
Tel: (778) 955-8012  
Email: [natalied@talkshopmedia.com](mailto:natalied@talkshopmedia.com)

#### First Investors Contact:

George Aizpurua

VP, Communications  
Tel: 416.742.5600  
Email: [gaizpurua@firstcanadiancapital.com](mailto:gaizpurua@firstcanadiancapital.com)

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Certain information in this press release constitutes forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology, such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by Hut 8 as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in greater detail in the “Risk Factors” section of the Filing Statement dated March 1, 2018 relating to the Qualifying Transaction of Oriana Resources Corporation and Hut 8, which is available at [www.sedar.com](http://www.sedar.com). These factors are not intended to represent a complete list of the factors that could affect Hut 8; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this press release are made as of the date of this press release, and Hut 8 expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

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