



## Hut 8 Mining Corp. Rapidly Advancing Construction at Medicine Hat Cryptocurrency Mining Facility

*New facility is Hut 8's second cryptocurrency mining location in Alberta*

*Construction expected to be completed in Q3 2018, elevating processing power capacity of fully-funded BlockBox Data Centers from 18.7 MW to 60.7 MW*

**VANCOUVER, British Columbia, May 7, 2018** – Hut 8 Mining Corp. (TSXV: HUT) (“**Hut 8**” or the “**Company**”), a cryptocurrency mining and blockchain infrastructure company established through an exclusive arrangement with the world’s leading full-service blockchain technology company, the Bitfury Group, is pleased to announce that construction is fully-underway and rapidly advancing at its newest cryptocurrency mining facility (the “**Medicine Hat Facility**”) near the City of Medicine Hat’s Unit 16 power plant. The Medicine Hat Facility is being developed further to the previously announced definitive agreements entered into between Hut 8 and the City of Medicine Hat (“**CMH**”) for the supply by CMH of 42 MW of electric energy and a long-term land lease.

Together with the Company’s existing 18.7 MW operating facility in Drumheller, Alberta (the “**Drumheller Facility**”), Hut 8 will have an aggregate power capacity of approximately 60.7 MW by September 2018 to service a total of 57 fully-funded BlockBox Data Centers.

“We are following through on our promise to shareholders to deliver site construction and electrification on time and within budget,” said Andrew Kiguel, President and Chief Executive Officer of Hut 8. “Through our exclusive arrangement with Bitfury, we have access to the equipment, chips and experience necessary to mine Bitcoin on an industrial scale and to rapidly expand our market share.”

### Significance of Processing Power

Cryptocurrency mining is a process by which “network nodes” (i.e. cryptocurrency miners) use computing power to solve complex cryptographic problems in order to validate new “blocks” (essentially a collection of transactions) which are appended to the blockchain. Generally speaking, miners with access to higher processing power are able to solve more problems and obtain more cryptocurrency.

The development of the Medicine Hat Facility will increase Hut 8’s processing power (through the addition of 40 BlockBox Data Centers) and more than triple the Company’s current power capacity (from 18.7 MW to 60.7 MW). These factors are expected to contribute to an increase in the number of cryptocurrency which are successfully mined by Hut 8.

Since commencing operations in December 2017, Hut 8 has mined more than 1,200 Bitcoin through 17 BlockBox Data Centers and 18.7 MW of power capacity.

## Construction Update

Hut 8 commenced [site construction](#) at the Medicine Hat Facility on March 10, 2018. Construction of the interconnection facility, which will supply power from CMH's Unit 16 power plant and the adjoining power substation, is underway. The underground conduit for cables and fiber optics lines is nearly 90% complete and fencing is nearly 60% complete. Cable pulling is readied for commencement (on a staged basis). Screw piles are also nearing completion, with more than 550 such screw piles designated as foundations for the BlockBox Data Centers, transformers, switch gear and other related infrastructure. Hut 8 has completed the installation on site of two BlockBox Data Centers, ten transformers and three switch boxes. Final grading and placement of finishing material on an access road and parking lot area is nearing completion in preparation for the scheduled delivery in mid-May 2018 of Hut 8's pre-fabricated site buildings, including the control center, administration facilities, an electronics shop and certain other IT infrastructure.

The BlockBox Data Centers are scheduled to be shipped and site installed on a weekly basis over the next few months, with staged server installation to commence in mid-May 2018. Electrification of the Medicine Hat Facility is targeted for June 1, 2018, with 16 BlockBox Data Centers on track to become operational by June 2018. The remaining 24 BlockBox Data Centers are expected to become fully-operational by Q3 2018. Construction activity, which is expected to peak at about 100 personnel on site, is on track to be completed by Q3 2018.

## Hut 8 and the City of Medicine Hat

Hut 8's collaboration with CMH on electricity supply (including the interconnection facility) and the land lease continues to serve as a strong economic stimulator for the region, including through the aforementioned construction activities by Hut 8, which will be approximately C\$100 million (all fully-funded) and the post-construction operation of the Medicine Hat Facility, which is expected to attract a total of 42 direct roles, 20 of which have been filled to date. Training has been arranged for such on-boarded staff, which will take place at the Drumheller Facility.

## **ABOUT HUT 8**

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 datacenters 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. For more information, visit [www.hut8mining.com](http://www.hut8mining.com).

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

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## **ABOUT BITFURY**

The Bitfury Group, with offices in Washington D.C., San Francisco, London, Amsterdam, Tokyo and Hong Kong, and datacenter operations in Iceland, the Republic of Georgia, Canada and Norway is the largest full-service blockchain technology company in the world. Bitfury develops and delivers cutting-edge software and hardware solutions necessary for businesses, governments, organizations and individuals to securely move assets across the blockchain. Their expertise ensures successful, easy, fast, secure, and cost-effective connectivity to the blockchain. The Bitfury Group is dedicated to advancing the blockchain community. For more information, visit [www.bitfury.com](http://www.bitfury.com).

## **FORWARD LOOKING STATEMENTS**

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”, “an opportunity exists”, “is positioned”, “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 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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