

LETTER AGREEMENT

This Letter Agreement is executed in relation to the amended and restated equipment sale and transfer agreement dated 9 October 2019 (the "**Purchase Agreement**") by and between Bitfury Technology Inc. a corporation incorporated and existing under the laws of the Province of British Columbia, with its principal place of business at address: [REDACTED], ("**Bitfury**"), and Hut 8 Mining Corp., a corporation incorporated and existing under the laws of the Province of British Columbia, with its principal place of business at [REDACTED] (the "**Corporation**") (the "**Letter Agreement**"), each a "**Party**" and together the "**Parties**".

WHEREAS:

- (A) On 9 October 2019, the Parties entered into the Purchase Agreement;
- (B) The Parties agreed that in consideration of Bitfury delivering the Data Centers, the Corporation should pay US\$7,000,000 (seven million US dollars) plus applicable GST according to the following schedule: (i) US\$3,500,000 (three million five hundred thousand US dollars) should be paid upfront within 2 (two) Business Days following Effective Date of the Purchase Agreement (the "**Initial Payment**"); and (ii) remaining US\$3,500,000 (three million five hundred thousand US dollars) plus applicable GST should be paid upon Delivery of the upgraded Data Centers (the "**Tail Payment**");
- (C) The Corporation paid the Initial Payment of US\$3,500,000 (three million five hundred thousand US dollars) excluding GST in due course;
- (D) According to the Purchase Agreement, the Parties agreed that prior to starting upgrade of the Data Centers, they would complete the Swap within 5 (five) Business Days following the Effective Date of the Purchase Agreement;
- (E) According to the Purchase Agreement, the Parties also agreed that at or around the Effective Date of the Purchase Agreement, they would complete the Transfer of the Third-party Agreements which would result in Corporation being party to any agreement related to operation of the equipment in Drumheller site;
- (F) According to the Purchase Agreement, the Parties agreed that within 2 (two) Business Days following completion of Transfer of the Third-party Agreements to Corporation, the Corporation shall pay to Bitfury the amount equal to Deposits held by the relevant third parties pursuant to the relevant Third-party Agreements;
- (G) The Parties wish to determine the date of Swap, Transfer and amend the payment terms of the Purchase Agreement,

NOW, THEREFORE, the Parties enter into this Letter on the terms and conditions set out herein.

1. AGREEMENTS OF THE PARTIES

- 1.1 Definitions used in the Purchase Agreement shall apply to this Letter Agreement unless otherwise stipulated herein.
- 1.2 The Parties hereby agree that Swap shall occur on 15 November 2019, 1:30pm ET time.
- 1.3 Subject to completion of the Swap, the Parties hereby agree that Transfer shall occur on 15 November 2019, 1:30pm ET (the "**Transfer Date**").

- 1.4 The Parties hereby agree that regardless of the Transfer Date, following the Corporation completing the Tail Payment to Bitfury, all Hashrate, bitcoins, or revenues generated from the Data Centers, along with all Rev 1 Full-Boxes and Rev 1 BF-Boxes or other Blockboxes at the Drumheller site, shall be relinquished to the Corporation.
- 1.5 The Parties hereby agree that in the event Corporation receives rejection of this transaction from the Toronto Stock Exchange, the Parties will enter into good faith negotiation to adjust the terms of the Purchase Agreement and this Letter Agreement so as to ensure Corporation remains in compliance with the Toronto Stock Exchange regulations.
- 1.6 The Parties hereby agree that on the Transfer Date, the following Third-party Agreements shall be transferred to the Corporation:
- 1.6.1 Power Supply Agreement;
 - 1.6.2 Drumheller Lease Agreement;
 - 1.6.3 Drumheller Escrow Agreement;
 - 1.6.4 Any other Third-party Agreement which the Parties may identify in course of the Transfer;
- 1.7 If, following the Transfer Date, the Parties identify additional Third-party Agreements to be Transferred to Corporation, such agreements shall also be transferred immediately in accordance with the Purchase Agreement.
- 1.8 The Parties hereby agree that Corporation shall pay to Bitfury all Deposits including the Deposit for power supply (but except Lease Deposit which shall be paid pursuant to Purchase Agreement) upon Delivery (as defined in the Purchase Agreement). Upon Delivery, i.e. when the repayment of the Deposits is due, the Parties shall perform reconciliation of the numbers and conclude reconciliation act.
- 1.9 For the avoidance of doubt and notwithstanding anything contrary herein, as of the execution of this Letter Agreement, Bitfury shall not be required to take cost of any further deposits or prepayments in relation to Third-party Agreements, being understood that any such further deposits shall be reconciled with and passed to Corporation as set forth in clause 1.11 below.
- 1.10 For the purposes of this Letter Agreement, if the Transfer has factually taken place but there are certain documents or agreements to be signed or formalized, the Transfer shall nevertheless be deemed effective and the Corporation shall not be released from the obligation to repay the Deposits as provided above. For the avoidance of doubt, nothing in this Letter Agreement shall be construed to release the Parties from obligation to formalize the Transfer of the Third-party Agreements as agreed under Purchase Agreement.
- 1.11 The Parties hereby agree that in the event after Transfer of the Third-party Agreements Bitfury incurs any costs or receives invoices from third parties in relation to the relevant Transferred Third-party Agreements, Bitfury shall be entitled to pass such costs and invoices for payment by the Corporation.
- 2. CONDITION PRECEDENT AND PAYMENT**
- 2.1 The Parties hereby agree that Bitfury's obligation to perform Swap and Transfer pursuant to Clause 1 of this Letter Agreement is conditional upon Corporation's fulfilment of its payment obligations as provided in Clause 2.2 below.
- 2.2 The Parties hereby agree that Corporation shall make the Tail Payment excluding GST to Bitfury's bank account no later than 15 November 2019.

2.3 All GST applicable and retained by Corporation shall be paid to Bitfury in one payment upon Delivery (as defined in the Purchase Agreement).

3. **DELIVERY**

3.1 The Parties hereby confirm that Bitfury shall Deliver the Data Centers to Corporation. Notwithstanding anything contrary stated in the Purchase Agreement, Bitfury shall be entitled to postpone Delivery until Corporation has made full payment in accordance with clause 2.2 above.

4. **REPRESENTATIONS AND WARRANTIES**

4.1 Each Party represents and warrants to the other Party that it has full power and authority to enter into this Letter Agreement and to assume the obligations and receive the rights under this Letter Agreement.

4.2 The signatories below warrant that they have full authority to enter into this Letter Agreement on behalf of the Parties so named and that all necessary proceedings have been duly carried out to authorize them to execute, deliver and perform the respective obligations of the Parties under this Letter Agreement.

5. **ANNOUNCEMENTS**

5.1 No Party shall make or authorise the making of any announcement or other disclosure concerning the existence or subject matter of this Letter Agreement unless the other Party shall have given their respective consent to such announcement or disclosure (such consent not to be unreasonably withheld or delayed).

5.2 Clause 5.1 shall not apply to:

5.2.1 any information which is required to be disclosed pursuant to any applicable laws or any requirement of any competent governmental or statutory authority or rules or regulations of any relevant regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or financial regulatory authority);

5.2.2 any information which is required to be disclosed pursuant to any legal process issued by any court or tribunal; and

5.2.3 any information disclosed by any Party to their Representatives for the purpose of this Letter Agreement, provided that such Party uses all reasonable endeavours to procure that its Representatives comply with the terms of this confidentiality obligation.

5.3 Where any announcement or disclosure is made in reliance on the exceptions set out in Clause 5.2, the Party making the announcement or disclosure shall consult with the other Party in advance as to the form, content and timing of such announcement or disclosure.

6. **FURTHER ASSURANCE**

Each Party shall do and execute or procure to be done and executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Letter Agreement, and (so far as it is able) to provide such assistance as the other Party may reasonably request (including without limitation, exercising its power as shareholders) to give effect to the spirit and intent of this Letter Agreement.

7. **ASSIGNMENT**

No Party shall (nor shall it purport to) assign, transfer, charge or otherwise deal with all or any of its rights under this Letter Agreement nor grant, declare or dispose of any right or interest in it without the prior written consent of the other Party.

8. **ENTIRE AGREEMENT**

This Letter Agreement, and the documents referred to in it, constitutes the entire agreement and understanding between the Parties relating to the subject matter of this Letter and no Party has entered into this Letter Agreement in reliance upon any representation, warranty or undertaking of the other Party which is not set out or referred to in this Letter Agreement. Nothing in this Clause 8 shall however operate to limit or exclude liability for fraud.

9. **VARIATION AND WAIVER**

9.1 No variation of this Letter Agreement shall be valid unless it is in writing and signed by or on behalf of each Party. The expression "variation" shall include any amendment, supplement, deletion or replacement however effected.

9.2 Unless expressly agreed, no variation shall constitute a general waiver of any provisions of this Letter Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Letter Agreement which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Letter Agreement shall remain in full force and effect, except and only to the extent that they are so varied.

10. **NOTICES**

10.1 Each and every communication under this Letter Agreement shall be in writing in the English language and delivered either by hand, courier using an internationally recognised courier company, post or electronic mail. Each communication or document to be delivered by each Party shall be sent to that Party at the physical or electronic mailing address (as the case may be) and marked for the attention of the person (if any), from time to time designated by that Party for the purpose of this Letter Agreement. The initial addresses, and electronic mailing address set out in the Agreement applies hereto.

11. **SEVERANCE**

11.1 If any provision of this Letter Agreement or part-provision of this Letter Agreement is or becomes invalid, unenforceable or illegal, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Letter Agreement.

11.2 If one Party gives notice to the other of the possibility that any provision or part-provision of this Letter Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12. **THIRD PARTY RIGHTS**

A person who is not party to this Letter Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Letter Agreement.

13. **COUNTERPARTS**

This Letter Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Letter Agreement by signing any such counterpart and each counterpart shall be as valid and effectual as if executed as an original.

14. **GOVERNING LAW AND JURISDICTION**

14.1 This Letter Agreement shall be governed by, and construed in accordance with, the laws of England and Wales.

14.2 All disputes, disagreements or claims, arising out of this Letter Agreement or in connection with it, including any question regarding its existence, performance, violation, termination or invalidity, must be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration (LCIA), which rules are deemed to be incorporated by reference into this Letter Agreement. The seat or legal place of the arbitration shall be London, the number of arbitrators shall be one, and the language of the arbitration shall be English.

