

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Hut 8 Mining Corp. (the “Company”)

666 Burrard Street, Suite 1700

Vancouver, BC

V6C 2X8

**Item 2 Date of Material Change**

The material change occurred on November 27, 2019.

**Item 3 News Release**

A press release in connection with the material change was issued on November 28, 2019 through Canadian newswires and filed on [www.sedar.com](http://www.sedar.com) under the Issuer’s profile and is attached hereto as Schedule “A”.

**Item 4 Summary of Material Change**

The Company announced the closing of the purchase of 9 BlockBox AC Data Centers from the Bitfury Group (“Bitfury”), adding 16% of capacity to Hut 8’s existing operations at its mining facility in Drumheller, Alberta, Canada.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

Subsequent to receiving conditional approval from the TSX, the Company announced the closing of the purchase of 9 BlockBox Data Centers (“BlockBoxes”) from Bitfury in Drumheller, Alberta. The purchase price was US\$7 million, which was paid in full via cash on hand. As a result, Hut 8 now operates, on aggregate, approximately 963 PH/s and 109.4 MW at full capacity across all operations, a capacity increase of 16%. Hut 8 will also own 100% of the Drumheller facility after the purchase.

Previously, these BlockBoxes were owned and in use by Bitfury. The Company then acquired the BlockBoxes with the purchase and upgraded them to the latest generation chips called the “Clarke”, manufactured by Bitfury.

*5.2 Disclosure for Restructuring Transactions*

Not applicable

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

For further information with respect to this report, please contact Jimmy Vaiopoulos, CFO of the Company, at (647) 256 1992.

**Item 9 Date of Report**

November 28, 2019.

**Additional Disclosure under s.5.2 of MI – 61-101**

The purpose of this transaction was to expand the Company's bitcoin mining operation by acquiring equipment from Hut 8's primary supplier, the Bitfury Group ("Bitfury"), effectively taking over the entire Drumheller facility, which will bring further cost savings. Bitfury is a controlling shareholder of the Company and therefore a related party. The transaction was duly discussed with and approved by Hut 8's Board of Directors. Bitfury has two nominees (Bill Tai and Jeremy Sewell) on Hut 8's board that abstained from voting, and the remaining board members held a vote, including three independent directors, to approve this transaction.

This is a related-party transaction as it was with Bitfury, a controlling shareholder of Hut 8. Accordingly, Hut 8 is filing this material change report in accordance with the requirements of s. 5.2 of MI 61-101. Hut 8 is exempt from obtaining minority approval and formal valuations for this transaction because the fair market value of the transaction does not exceed 10% of Hut 8's market capitalization. The fair market value for the transaction has been assessed by Hut 8's board of directors acting in good faith, meaning no formal valuation. Finally, to address 5.5(a) (iii) of MI 61-101, the transaction is not part of a broader connected transaction, but rather standalone transactions.

## Schedule "A"

### **Hut 8 Mining Announces Closing of Drumheller Expansion**

**TORONTO, November 28, 2018** -- Hut 8 Mining Corp. ("**Hut 8**" or "**the Company**") (TSX: HUT) (OTCQX: HUTMF), one of the world's largest public cryptocurrency mining companies by operating capacity and market capitalization, announced today that its purchase of 9 Blockbox AC data centers for US\$7 million from the Bitfury Group ("Bitfury") at its facility in Drumheller, Alberta is now fully operational. The acquisition added approximately 16% of capacity to Hut 8's existing operations.

"This upgrade allows Hut 8 to take 100% ownership of the Drumheller facility, which will bring further cost savings," said Andrew Kiguel, Chief Executive Officer of Hut 8. "This upgrade was funded from Hut 8's balance sheet, which remains strong after this transaction and prior debt repayments."

The additional 9 data centers were upgraded to include 12.6 PH/s Bitfury Clarke ASIC chips, manufactured by Bitfury. These data centers were the last ones at the Drumheller facility not owned by Hut 8, and this purchase resulted in Hut 8 owning 100% of the facility. The additional PH/s brought Hut 8's aggregate maximum operating capacity, across all operations, to approximately 963 PH/s and 109.4 MW at full capacity.

Since beginning its mining operations in December 2017, Hut 8 has mined over 12,305 bitcoins up to the latest quarter ending September 30, 2019. Hut 8's current capital structure consists of 90,438,009 common shares outstanding, 2,882,222 warrants and 900,000 options.

#### **ABOUT HUT 8 MINING CORP.**

Hut 8 is a bitcoin mining company with industrial scale operations in Canada. Hut 8 has an exclusive North American partnership with the Bitfury Group Limited, inclusive of Bitfury Holding BV, one of the world's leading full-service hardware and software blockchain technology companies. In total, Hut 8 owns and operates two sites in Alberta, Canada utilizing 94 BlockBox AC data centers with operating capacity of approximately 110 MW and 963 PH/s.

Hut 8 creates value for investors through low production costs and appreciation of its bitcoin inventory. The company 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 bitcoin.

The Company's common shares are listed under the symbol "HUT" on the TSX and as "HUTMF" on the OTCQX Exchange.

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:**

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**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”, “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.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.