

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hut 8 Mining Corp. (the “Company”)

130 King St. W, Suite 1800

Toronto, ON

M5X 1E3

Item 2 Date of Material Change

The material change occurred on December 21, 2018.

Item 3 News Release

A press release in connection with the material change was issued on November 22, 2019 through Canadian newswires and filed on www.sedar.com under the Issuer’s profile and is attached hereto as Schedule “A”.

Item 4 Summary of Material Change

The Company announced that it has entered into a Mining Pool participation agreement with Bitfury Group Limited (“Bitfury”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Hut 8 switched from using Slushpool as its mining pool service provider, to Bitfury starting on December 21, 2018. This allowed for a reduction in overall fees and a better platform designed for Hut 8’s needs. The Company is entitled to deploy the hashing power of its equipment into the Bitfury’s mining pool and receive its share of bitcoin mined on a weekly basis, minus the monthly fees. Bitfury is entitled to receive monthly fees payable in bitcoin deducted from the first bitcoin payment to Hut 8 on the following month. This fee, which is per month per Blockbox AC Data Center (“BlockBox”), is calculated on a pro-rated basis depending on how many days the closing bitcoin price stays over or under US\$10,000 for a given month. The fee is US\$200 per month Blockbox if the bitcoin price closes below US\$10,000; and US\$400 per month per Blockbox if the bitcoin price goes over US\$10,000.

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 22, 2019.

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

The purpose of this transaction was a cost-saving switch from Hut 8's previous pool, Slushpool, to the Bitfury pool. Bitfury charges a considerably lower fee than Slushpool did, which was a fixed 2% of Hut 8's revenue, or an equivalent of approximately \$1 million for all of 2018. Bitfury on the other hand charges a fixed fee of US\$226k per year at current bitcoin prices. 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 including votes being abstained by Valery Vavilov and Bill Tai, Bitfury's two nominees.

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 25% 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 a standalone transaction.

Although this transaction was with a related party and required a material change report, Hut 8 did not file a material change report which has now been rectified.

Schedule "A"

Hut 8 Mining Announces Successful Refinancing of its Debt

TORONTO, ON, November 20, 2019 – 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, today announced that it has refinanced its existing credit facility with a new loan with Genesis Global Capital ("**Genesis**"). A new US\$15 million credit facility with Genesis ("**Loan**") will replace and terminate a previous US\$14 million loan with Galaxy Digital Lending. The terms of the new Loan are a fixed 9.85% coupon per annum with an 18 month term with a bullet repayment.

"This refinancing was a major step in improving Hut 8's cash flows and will reduce interest costs by \$426k (US\$323k) per year," said Jimmy Vaiopoulos, Chief Financial Officer of Hut 8. "Our ability to refinance debt on better terms is a testament to our performance and ability to stand out as a low cost bitcoin miner".

"Utilizing lower interest rates as part of this financing, holding a large bitcoin balance, and cash on hand, our balance sheet continues to be a distinct advantage for Hut 8," said Andrew Kiguel, Chief Executive Officer of Hut 8.

In addition, Hut 8 switched mining pool services from Slushpool to the Bitfury Group in December 2018. This has allowed for significant cost savings as we moved to a fixed fee of US\$226k (US\$200 per month per BlockBox Data Center AC) at current bitcoin prices from a 2% fee of all revenues which was nearly \$1 million for the 2018 year.

Since beginning its mining operations in December 2017, Hut 8 has mined over 12,305 bitcoins, up to the last 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, subsequent to the closing purchase of an additional 9 Blockboxes AC data centers expected in November 2019.

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](#).

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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. 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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