

DATED

26 February 2019

SETTLEMENT AGREEMENT

between

BITFURY HOLDING B.V.

AND

HUT 8 MINING CORP.

This settlement agreement (the “**Settlement Agreement**”) is dated 26 February 2019 (the “**Effective Date**”) is entered into by and between:

- (1) **Bitfury Holding B.V.**, whose registered office is located at [REDACTED] (“**Bitfury**”); and
- (2) **Hut 8 Mining Corp.**, whose principal place of business is located at 666 Burrard Street, Suite 1710, Vancouver, British Columbia, Canada, V6C 2X8 (“**Hut 8**”).

(Each a “**Party**” and collectively the “**Parties**”);

WHEREAS:

- (A) The Parties entered into two purchase agreements dated 15 December 2017 and 02 February 2018 (the “**Purchase Agreements**”) in relation to the purchase of 17 (seventeen) units of BlockBox AC as specified in the Purchase Agreements;
- (B) In connection with the Purchase Agreements Bitfury has provided a CAD 6,576,150 (six million five hundred seventy-six thousand and one hundred fifty Canadian dollars) loan to Hut 8, payable in monthly instalments of CAD500,000 (five hundred thousand Canadian Dollars) (the “**Loan**”) beginning from 01 October 2018, from which CAD 5,576,150 (five million five hundred seventy-six thousand and one hundred fifty Canadian dollars) is outstanding as of the Effective Date; and
- (C) The Parties wish to confirm the provision of the loan and restructure payment thereof subject to the terms and conditions contained in this Settlement Agreement.

NOW, THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound hereby and in consideration of the mutual promises herein, agree as follows:

1. INTERPRETATION

1.1 For purposes of this Settlement Agreement,

Effective Date shall mean the signing date of this Settlement Agreement.

Loan shall have the meaning given in Recital (B).

Released Parties shall have the meaning set forth in Clause 3.

Releasing Parties shall have the meaning set forth in Clause 3.

Settlement Agreement shall mean this Settlement Agreement.

Shares shall have the meaning set forth in Clause 2.2.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Settlement Agreement.

- 1.3 A reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 A reference to a Party shall include that Party's successors, permitted assigns and permitted transferees.
- 1.6 A reference to a law or provision of a law shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 A reference to **writing** or **written** includes fax but not e-mail.
- 1.8 An obligation on a Party not to do something includes an obligation not to allow that thing to be done.
- 1.9 A reference to this Settlement Agreement (or any provision of it) or to any other agreement or document referred to in this Settlement Agreement is a reference to this Settlement Agreement, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Settlement Agreement) from time to time.
- 1.10 Unless the context otherwise requires, a reference to a clause or Annex is to a clause of, or Annex to, this Settlement Agreement and a reference to a paragraph is to a paragraph of the relevant Annex.
- 1.11 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.12 A reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.13 A reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description.
- 1.14 A reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution.
- 2. CONVERSION AND TERMINATION OF THE LOAN**
- 2.1 The Parties confirm that as of the Effective Date, the total outstanding amount of the Loan payable and owed by Hut8 to Bitfury is CAD 5,576,150 (five million five hundred seventy-six thousand and one hundred fifty Canadian dollars).
- 2.2 The Parties agree that the Loan shall be converted and for these purposes Hut8 shall issue 3,717,433 (three million seven hundred and seventeen thousand four hundred thirty-three)

common shares in the capital of Hut 8 (the “**Shares**”), having an agreed value equal to CAD 1.5 (one point five Canadian Dollars) per share, to Bitfury (the “**Conversion**”).

2.3 Upon Conversion, Hut8 shall promptly deliver to Bitfury a certificate or DRS statement representing the Shares and such other documents as Bitfury may be entitled to receive in connection therewith. Hut8 shall cover all legal fees associated with such Conversion.

2.4 Hut 8 represents and warrants to Bitfury as of the Effective Date that Hut 8 is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Settlement Agreement, to issue the Shares and to observe and perform its obligations hereunder and has taken all necessary corporate action in respect thereof and acknowledges and confirms that Bitfury is relying upon such representations and warranties in connection with the receipt of the Shares.

2.5 Upon Conversion, the Parties agree that, without prejudice to this Settlement Agreement, the Loan shall be terminated.

3. **MUTUAL RELEASE**

Subject to Conversion, each Party on behalf of itself and each and all companies owned and/or controlled by them, and (as to such companies) each and all of its and said companies' parents, subsidiaries, affiliates, past and present directors, officers, employees and agents and predecessors, successors and assigns (the “**Releasing Parties**”) shall release and discharge the other Party and each and all companies owned and/or controlled by them, and (as to such companies) each and all of its and said companies' parents, subsidiaries, affiliates, past and present directors, officers, employees and agents and predecessors, successors and assigns (the “**Released Parties**”) from any and all actions, causes of action, suits, claims, rights, damages, losses, costs, expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, whether existing or hereinafter arising, arising out of, in connection with, or relating to the Loan.

4. **AGREEMENT NOT TO SUE**

As and from the date of Conversion, each Party, on behalf of itself and its parents, subsidiaries, affiliates, past and present directors, officers, employees and agents and predecessors, successors and assigns, does hereby agree not to sue, commence, voluntarily aid in any way, against other Party, its parents, subsidiaries, affiliates, past and present directors, officers, employees and agents and predecessors, successors and assigns, or any third parties, any action, suit or other proceeding concerning the Loan in any jurisdiction whatsoever.

5. **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 Settlement 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 Settlement Agreement.

6. CONFIDENTIALITY

The Parties and Hut 8, on their own behalf and, where applicable, on behalf of their respective officers, directors, stockholders, employees, agents, representatives, successors, assigns and attorneys, agree that they shall maintain in confidence the terms and conditions of this Settlement Agreement, and the termination effected hereby unless required under TSX-V rules..

7. NO ADMISSION

This Settlement Agreement is not, and shall not be represented or construed by any Party to this Settlement Agreement as, an admission of liability or wrongdoing on the part of either Party to this Settlement Agreement or any other person or entity.

8. ASSIGNMENT

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

9. THIRD PARTY RIGHTS

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

10. COSTS

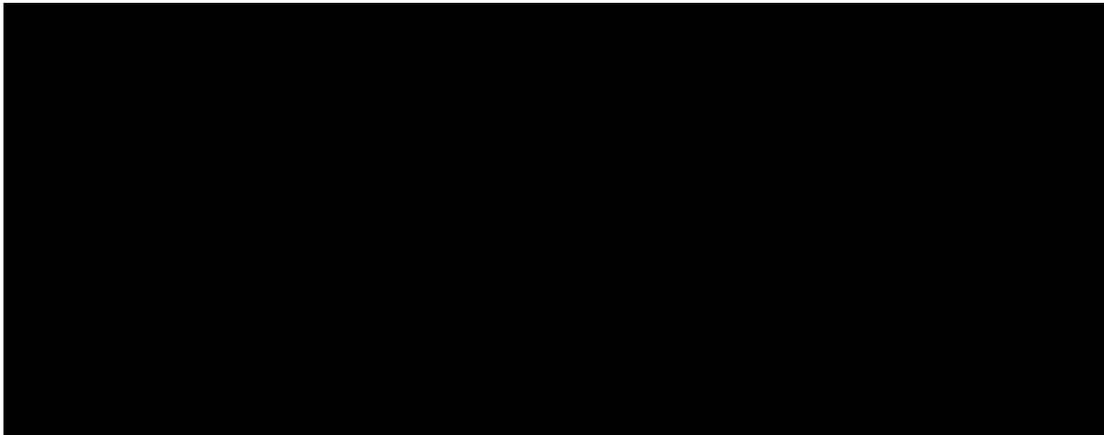
10.1 Except as otherwise provided in this Settlement Agreement, each Party shall bear its own costs arising out of or in connection with the preparation, negotiation and implementation of this Settlement Agreement.

11. NOTICES

11.1 All notices shall be in writing and shall be delivered personally, by email, or sent by courier/post to the following addresses or to such other address as a Party shall have specified in a written notice to the other Party in the manner specified by this Clause 11:

To Bitfury:

Confidential contact information



12. MISCELLANEOUS

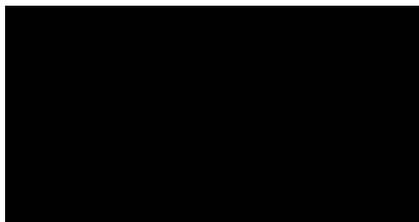
- 12.1 This Settlement Agreement sets forth the entire understanding between the Parties and supersedes all prior agreements, representations, discussions, and understandings concerning the subject matter hereof. Each Party represents and warrants that, in entering into this Settlement Agreement, it has not relied upon any prior oral or written representations concerning the terms of this Settlement Agreement or any of the matters addressed herein.
- 12.2 Any waiver by any Party of any provision of this Settlement Agreement or any right hereunder shall not be deemed a continuing waiver, and shall not prevent or stop such Party from thereafter enforcing such provision or right. The failure of any Party to insist in any one or more instances upon the strict performance of any of the terms or provisions of this Settlement Agreement by any other Party shall not be construed as a waiver or relinquishment for the future of any such term or provision, but the same shall continue in full force and effect.
- 12.3 If any provision of this Settlement Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.
- 12.4 This Settlement Agreement may not be altered, amended, modified or otherwise changed in any respect except in writing signed by or on behalf of each party, except terms and conditions related to the termination of the Purchase Agreement, which can be amended or modified by the consent of all the Parties.
- 12.5 This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all counterparts together shall constitute one and the same instrument.
- 12.6 This Agreement may be created, retained, or otherwise dealt with in digital or other intangible form of any format (including PDF), and may be delivered, transmitted, or otherwise dealt with by any digital or other intangible means (including by email, facsimile, or otherwise). Each digital or other intangible form of this Agreement, and each copy and printout thereof, is hereby declared and agreed to be as valid and effective as a manually signed agreement. When a counterpart has been executed and delivered by each of the Parties hereto, all executed counterparts together will constitute one agreement and will have the same force and effect as if all the Parties had executed and delivered the same agreement.

13. GOVERNING LAW AND JURISDICTION

- 13.1 This Settlement Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.
- 13.2 All disputes, disagreements or claims, arising out of this Settlement 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 Settlement Agreement. The seat of the arbitration shall be London, the number of arbitrators shall be one, and the language of the arbitration shall be English.

THIS SETTLEMENT AGREEMENT takes effect on the date stated at the beginning of it.

SIGNED BY BITFURY



SIGNED BY HUT 8

