

Hut 8 Mining Corp. Provides Business Update and Date for Third Quarter 2019 Financial Results

Third Quarter Key Highlights:

- Reduction of debt by \$3.6 million and accounts payable by more than \$6 million.
- Paid deposit of US\$3.5 million for expansion of nine upgraded BlockBox AC™ data centers.
- Increased Petahash capacity by 19.6% during the quarter.
- Increased Retained Bitcoin of 7.6% to 3,496 bitcoin.
- Approval for trading on the Toronto Stock Exchange.

Toronto, Ontario--(Newsfile Corp. - October 10, 2019) - [Hut 8 Mining Corp.](#) (TSX: HUT) (OTCQX: HUTMF) ("**Hut 8**" or "**the Company**"), one of the world's largest public cryptocurrency mining companies by operating capacity and market capitalization, announces that for the third quarter of 2019 it has mined 1,965 bitcoin and has Retained Bitcoin of 3,496. Hut 8 also announces that it will release its third quarter 2019 financial results prior to market open on Thursday, November 7, 2019.

During the third quarter, Hut 8 announced it had increased its hashrate production by 19.6%, including the purchase of nine additional BlockBox AC™ data centers in Drumheller. In aggregate, Hut 8 operates 94 BlockBox AC™ data centers with operating capacity of 109.4 MW and 963 petahash per second ("PH/s").

During Q3 2019, Hut 8 reduced its debt by \$3.6 million (US\$2.75 million) and accounts payable by more than \$6 million. Hut 8 also paid US\$3.5 million towards the expansion of nine upgraded BlockBox AC™ data centers expected to be completed by mid-November 2019. Hut 8 management took advantage of higher bitcoin prices during the quarter to improve the balance sheet by reducing debt and accounts payable and expand operations. Despite investments in PH/s growth and decreasing balance sheet leverage, Hut 8's Retained Bitcoin still grew by 7.6% to 3,496 bitcoin.

"Hut 8 strategically sold some of its bitcoin inventory in Q3 2019 at peak prices to finance growth without issuing equity and to significantly improve the balance sheet. We did this while still increasing our overall bitcoin inventory by 7.6% over Q3 2019. In addition, Hut 8 achieved the significant milestone of receiving approval to trade on the Toronto Stock Exchange," said Andrew Kiguel, Chief Executive Officer of Hut 8. "The overall impact of Q3 2019 is a larger, stronger company that still retains substantial exposure to bitcoin through our mining operation and bitcoin held."

A conference call has been scheduled to discuss the Company's third quarter 2019 financial results, hosted by Andrew Kiguel, Chief Executive Officer, and Jimmy Vaiopoulos, Chief Financial Officer with further details below:

Date: **Thursday, November 07, 2019**

Time: **10:00 a.m. ET**

Dial-In: 1 (888) 465-5079, Canada

1 (888) 424-8151, USA

Passcode: 5861 331#

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 current operating capacity of 109.4 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](#).

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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.

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.

NON-GAAP MEASURES

This press release presents certain non-GAAP ("**GAAP**" refers to Generally Accepted Accounting Principles) financial measures to assist readers in understanding the Company's performance. These non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management uses these non-GAAP measures to supplement the analysis and evaluation of operating performance.

The following term is used, which is not found in the Chartered Professional Accountants of Canada Handbook and does not have a standardized meaning under GAAP.

"**Retained Bitcoin**" represents the bitcoin mined less the bitcoin used by the Company.

"**Retained Bitcoin Value**" represents the bitcoin mined less the bitcoin used by the Company, multiplied by the bitcoin price at period end.



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To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/48662>