

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 February 26, 2019.

Item 3 News Release

A press release in connection with the material change was issued on February 26, 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 agreed to issue 3,717,433 common shares of the Company in settlement of outstanding accounts payable to Bitfury Holding B.V. (“Bitfury”) of \$5,576,150 Canadian dollars, based on a conversion price of \$1.50 per share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company agreed to issue 3,717,433 common shares of the Company in settlement of outstanding accounts payable to Bitfury Holding B.V. (“Bitfury”) of \$5,576,150 Canadian dollars, based on a conversion price of \$1.50 per share. 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.

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

October 4, 2019.

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

The purpose of this transaction was to strengthen the Company's working capital position while also providing more exposure to Hut 8's equity to Bitfury. 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 Valery Vavilov) 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 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 standalone transactions.

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

Schedule "A"

Hut 8 Announces Proposed Debt to Equity Conversion

TORONTO, February 26, 2019 – Hut 8 Mining Corp. ("Hut 8" or the "Company") (TSXV: HUT) (OTCQX: HUTMF), one of the world's largest public cryptocurrency mining companies by operating capacity and market capitalization, today announced that the Company agreed to issue 3,717,433 common shares of the Company in settlement of outstanding debt payable to Bitfury Holding B.V. ("Bitfury") of \$5,576,150 Canadian Dollars, based on a conversion price of \$1.50 per share.

Completion of the conversion is subject to the approval of the TSX Venture Exchange ("TSXV"). The securities issuable in connection with the transaction are expected to be subject to a hold period of four months.

Also, in relation to the previously announced purchase of 12 BlockBox AC data centers, the Company confirms that it has received conditional approval from the TSXV with respect to the issuance of 838,511 common shares of Hut 8 to Bitfury, at an issuance price of \$3.15 per common share, in satisfaction of US\$2 million of the purchase price for such BlockBox AC data centers announced on November 12, 2018.

Finally, the Company wishes to announce that it has made application to the TSXV for the issuance of an additional 74,993 common shares to Induna Energy Inc. as part consideration for consulting services rendered during the months of December 2018 and January 2019 pursuant to the terms of a joint development agreement. Subject to TSXV approval, such shares are expected to be issued based on the closing price for the common shares of Hut 8 on the date before the grant date.

Since beginning its mining operations in December 2017, Hut 8 has mined over 7,300 bitcoins. Hut 8's current capital structure consists of 86,273,335 common shares outstanding, 2,882,222 warrants and 965,000 options. In total, Hut 8 owns and operates two sites in Alberta, Canada utilizing 85 BlockBox AC data centers with current operating capacity of 95.2 MW and 784 PH/s.

ABOUT HUT 8 MINING CORP.

Hut 8 Mining Corp., headquartered in Toronto, Canada, is a cryptocurrency mining and blockchain infrastructure company established through an exclusive arrangement with the Bitfury Group, the world's leading full-service blockchain technology company. Through the Bitfury Group, Hut 8 has access to a world-leading proprietary mix of hardware, software and operational expertise to construct, optimize and manage data centres in low-cost and attractive jurisdictions. Hut 8 is led by a team of industry experts and intends to provide investors with exposure to blockchain processing infrastructure and technology along with underlying cryptocurrency rewards and transaction fees.

Hut 8 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 bitcoins. Hut 8 provides a secure and simple way to invest.

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. 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 Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.