Hut 8 Announces the Final Transfer of Site Management and Operations at Drumheller

Toronto, Ontario--(Newsfile Corp. - September 2, 2020) - 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 the site management of the Drumheller facility operations has been transferred from the Bitfury Group ("Bitfury") to Hut 8 effective August 28, 2020 saving Hut 8 over $1 million per year. This is in addition to the transfer of the site management of the Medicine Hat facility previously announced effective August 1, 2020, saving Hut 8 over $500,000 annually. Previously, Hut 8 outsourced the operations and maintenance of its facilities to Bitfury with significant oversight from Hut 8. Now, the Company has brought the site management of all its facilities in-house to reduce costs and streamline operations.

Hut 8 has continued to focus on reducing its cost to mine bitcoin. One of the directions to achieve this is by structuring its Medicine Hat facility to monitor parts of Drumheller's operation remotely which reduces site costs in Drumheller. This allows for more centralized and consistent control over its operations, while key staff in Drumheller focus on the maintenance of the site's assets. With the two sites approximately two hours apart, it allows Hut 8 to standardize how each facility is run. Overall, the cost savings from this initiative are over $1.5 million per year.

"This was the final step in transferring the site management of the sites fully to Hut 8, allowing us to work more directly with the site staff to streamline operations and further lower our cost to mine each bitcoin," said Jimmy Vaiopoulos, Interim Chief Executive Officer of Hut 8. "Between both Medicine Hat and Drumheller, this will save us upwards of $1.5 million per year and provide Hut 8 more control to find further operational efficiencies in the future."

ABOUT HUT 8 MINING CORP.

Hut 8 is a bitcoin mining company with industrial scale operations in Canada. 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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