



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

In the Matter of
the Securities Legislation of
Ontario (the **Principal Jurisdiction**)

and

In the Matter of
the Process for Cease to be a Reporting Issuer
Applications

and

In the Matter of
Hut 8 Mining Corp. (the **Filer**)

Order

Background

The securities regulator in the Principal Jurisdiction has received an application from the Filer for an order under the securities legislation of the Principal Jurisdiction (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan, and the Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by the *Business Corporations Act* (British Columbia) (the **BCBCA**) with its head office located at Suite 500, 24 Duncan Street, Toronto, Ontario, Canada,

M5V 2B8 and its registered office located at Suite 2500 Park Place 666 Burrard Street, Vancouver BC, Canada, V6C 2X8.

2. The Filer is a digital asset mining company.
3. The Filer is a reporting issuer in Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan, and the Yukon (collectively, the **Jurisdictions**).
4. On February 6, 2023, the Filer entered into a business combination agreement (the **Business Combination Agreement**) by and among U.S. Data Mining Group, Inc. (**USBTC**) and Hut 8 Corp. (**New Hut**), and issued a news release on February 7, 2023, publicly announcing the Business Combination Agreement.
5. Pursuant to the Business Combination Agreement, the Filer and its direct wholly-owned subsidiary, Hut 8 Holdings Inc., were amalgamated on November 30, 2023 (the **Effective Date**) as part of a court-sanctioned plan of arrangement under the BCBCA (the **Arrangement**), with the capital of the resulting entity (**Hut Amalco**) being the same as the capital of the Filer.
6. On the Effective Date, following the amalgamation and pursuant to the Arrangement, each common share of Hut Amalco was exchanged for 0.2000 of a share of New Hut common stock (the **New Hut Shares**).
7. On the Effective Date, following the completion of the Arrangement, a newly-formed direct wholly-owned subsidiary of New Hut merged with and into USBTC, with each share of common stock and preferred stock of USBTC being exchanged for 0.6716 of a New Hut Share in a merger executed under the laws of the State of Nevada.
8. As a result of the transactions completed under the Business Combination Agreement, the Filer and USBTC became wholly-owned subsidiaries of New Hut, and the shareholders of the Filer and the stockholders of USBTC collectively each, as a group, own approximately 50% of the New Hut Shares on a fully-diluted in-the-money basis.
9. Prior to the Arrangement, the common shares of the Filer were listed on the Toronto Stock Exchange (**TSX**) and the Nasdaq Stock Market (**Nasdaq**) under the ticker symbol “HUT”.
10. New Hut, incorporated pursuant to the General Corporation Law of the State of Delaware, is a reporting issuer in each of the Jurisdictions and the New Hut Shares are listed on the TSX and Nasdaq under the ticker symbol “HUT”. The authorized capital of New Hut consists of 1,000,000,000 New Hut Shares with par value of \$0.01 per New Hut Share and 25,000,000 preferred stock with par value of \$0.01 per preferred stock, of which 88,962,964, New Hut Shares and 0 preferred stock were outstanding as of the close of business on December 15, 2023.
11. Immediately prior to 10:16 a.m. (PST) on November 30, 2023 (the **Effective Time**) on the Effective Date, the Filer had the following outstanding securities: (i) 221,730,042 common shares (the **Filer Shares**), (ii) 7,335,324 restricted share units (the **RSUs**), (iii) 430,978 deferred share units (the **DSUs**), (iv) 115,000 options to purchase Filer Shares (the **Options**), and (v) 9,477 warrants to purchase Filer Shares (the **Warrants**).
12. The Filer distributed the meeting materials (which included, among other things, the management information circular, notice of meeting, and letter of transmittal) on August 16, 2023, to the holders

- of Filer Shares, RSUs, DSUs, Options, and Warrants in connection with the special meeting (the **Meeting**) of holders of Filer Shares that took place on September 12, 2023 to consider the Arrangement, in accordance with the interim order of the Supreme Court of British Columbia rendered August 11, 2023.
13. On September 12, 2023, at the Meeting, holders of Filer Shares approved the Arrangement, with 97.28% of the votes cast by holders of Filer Shares present at the Meeting being in favour of the Arrangement, and the Filer issued a press release confirming the same on September 12, 2023.
 14. On September 15, 2023, the Filer received a final order from the Supreme Court of British Columbia approving the Arrangement.
 15. The full details of the Arrangement are contained in the Filer's management information circular dated August 11, 2023.
 16. Pursuant to the Arrangement, and in addition to the share exchange described above, the following occurred as of the Effective Time on the Effective Date:
 - (a) each Option was exchanged for a replacement option of New Hut to purchase 0.2000 New Hut Shares for each Filer Share subject to such Options immediately prior to the Effective Time on the Effective Date;
 - (b) the terms of each RSU outstanding immediately prior to the Effective Time on the Effective Date was adjusted so that upon settlement the holder of a RSU shall be entitled to receive either a cash payment equal to 0.2000 times the market value of a New Hut Share, (ii) 0.2000 New Hut Shares or (iii) a combination of cash and New Hut Shares;
 - (c) the terms of each DSU outstanding immediately prior to the Effective Time on the Effective Date was adjusted so that upon settlement the holder of a DSU shall be entitled to receive either a cash payment equal to 0.2000 times the market value of a New Hut Share, (ii) 0.2000 New Hut Shares or (iii) a combination of cash and New Hut Shares; and
 - (d) each holder of a Warrant became entitled to receive upon the exercise of such holder's Warrant, in lieu of Filer Shares to which such holder was theretofore entitled upon such exercise, that number of New Hut Shares equal to 0.2000 times the number of Filer Shares subject to such Warrant immediately prior to the Effective Time on the Effective Date, at an exercise price for each New Hut Share equal to the exercise price per Filer Share under the Warrant divided by 0.2000.
 17. Upon the exercise of Options and Warrants or upon the vesting of DSUs and RSUs, only New Hut Shares are issuable. No Filer Shares are issuable upon the exercise of Options and Warrants or upon the vesting of RSUs and DSUs.
 18. The treatment of the RSUs, DSUs and Options is consistent with the terms of the Filer's omnibus equity incentive plan, and the treatment of Warrants is consistent with the terms of the agreement governing such Warrants. No consents or approvals to cease to be a reporting issuer are required from the holders of the RSUs, DSUs, Options, or Warrants.
 19. All of the issued and outstanding Filer Shares were delisted from the TSX and Nasdaq effective at the close of business on December 1, 2023, and the New Hut Shares began trading on December 4, 2023, at the open under the symbol "HUT".

20. No securities of the Filer remain outstanding other than the RSUs, DSUs, Options, and Warrants.
21. The Filer is not eligible to use the simplified procedure under NP 11-206 because it does not meet the criteria that its outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide. Based on the Filer's records and records maintained by the plan administrator, there are: (i) 70 holders of RSUs, 22 located in Alberta (representing 1% of the total aggregate RSUs), 19 located in British Columbia (representing 11% of the total aggregate RSUs) and 29 located in Ontario (representing 88% of the total aggregate RSUs); (ii) four holders of DSUs, one located in Nova Scotia (representing 32% of the total aggregate DSUs), one located in California, USA (representing 32% of the total aggregate DSUs), one in Florida, USA (representing 17% of the total aggregate DSUs) and one in the United Arab Emirates (representing 19% of the total aggregate DSUs); (iii) one Option holder in Nova Scotia (representing 100% of the total aggregate Options); and (iv) two holders of Warrants, both of whom are located in the United States (representing 100% of the total aggregate Warrants).
22. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
23. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
24. The Filer is not in default of any of its obligations under the securities legislation in any of the Jurisdictions.
25. New Hut is not in default of any of its obligations under the securities legislation in any of the Jurisdictions.
26. The Filer is not a reporting issuer in any jurisdiction in Canada other than the Jurisdictions. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.
27. The Filer has no intention to seek public financing by way of an offering of securities.
28. The Filer has provided advance notice on December 6, 2023, via a material change report that was filed under the Filer's SEDAR+ profile, to Canadian-resident securityholders that it has applied for an order to cease to be a reporting issuer in all the Jurisdictions.
29. Upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

DATED at Toronto on this 2nd day of January, 2024.

“Michael Balter”

Michael Balter
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0603