

Hut 8 Partners with the Bitfury Group to Establish North America's Largest Bitcoin Datacenters

VANCOUVER, British Columbia – December 4, 2017 – Hut 8 Mining Corp. (“**Hut 8**”) today announced it is partnering with the Bitfury Group (“**Bitfury**”) to acquire, install, maintain and operate North America’s largest bitcoin mining datacenters.

Bitfury, the world’s leading full-service blockchain technology company, will exclusively provide to Hut 8 a bitcoin mining solution comprised of a proprietary mix of hardware, software, installation and operational services.

“This partnership signifies the growing demand for access to Bitcoin investment opportunities across North America,” said Sean Clark, CEO of Hut 8. “Bitfury’s market share, unmatched computing power, and ability to scale, in combination with a Board of Directors that former hedge fund manager Michael Novogratz and renowned venture capitalist Bill Tai have both agreed to serve on, offers Hut 8 an extreme advantage in a competitive marketplace.”

“We are excited to partner with Hut 8 to expand our activities in the strategic North America market,” said Bitfury CEO, Valery Vavilov. “We believe there is a tremendous opportunity to establish North America as one of the most important crypto-currency mining hubs in the world.”

KEY BACKGROUND

Operating since 2011, Bitfury is the world’s largest bitcoin miner outside of China and holds approximately 11 percent of the technology’s market share. Bitfury manufactures its own Application Specific Integrated Circuit (ASIC) chips, which both removes reliance on third parties and increases performance and translates to lower costs, less space and quieter operations. Bitfury’s portable, containerized datacenter product, BlockBox AC, allows for significantly shortened set-up time required to establish effective bitcoin mining on a commercial scale.

Upon completion of the partnership, Hut 8 will own and operate what is believed to be the largest cryptocurrency mining farm in North America. In phase I, Hut 8 will gain immediate control over 22 bitcoin mining datacenters operating at 24.2 MW / 165 PH/s. In Q1 of 2018, a public listing on a Canadian stock exchange is expected and phase II of the deal is scheduled to be completed, increasing control to an additional 35 datacenters operating at 38.5 MW / 262.5 PH/s.

Through a combination of existing Bitfury sites and new installations, Hut 8 intends to scale rapidly throughout 2018 with installed capacity set to exceed 60 MW. Hut 8 also maintains the exclusive option to acquire additional datacenters from Bitfury in North America.

From today, Hut 8 is offering approximately 13,200,000 shares on a private placement basis through GMP Securities L.P., equal to approximately CAN\$33,000,000, the proceeds from which will be applied towards the funding of phase I of the transaction described above.

Investors have the option of purchasing shares in this private placement round with bitcoin.

About Hut 8

Hut 8 is a bitcoin mining company led by CEO Sean Clark that gives shareholders access to the price appreciation of bitcoin and the emerging blockchain economy. The following individuals have consented to act as the directors of Hut 8: Michael Novogratz, George Kikvadze, Bill Tai, Marc van der Chijs and Valery Vavilov.

About The Bitfury Group

Bitfury is the leading full-service blockchain technology company and one of the largest private infrastructure providers in the blockchain ecosystem. Bitfury develops and delivers both the software and the hardware solutions necessary for businesses, governments, organizations and individuals to securely move an asset across the Blockchain. Bitfury recently launched Exonum, a custom framework that helps individuals, businesses and governments securely and easily bring their ideas and solutions to life.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to Hut 8’s expected competitive advantages in the marketplace and its ability to scale, the future demand for Bitcoin and Bitcoin related investment opportunities, expectations related to operational and capital expenditures and the ability of Hut 8 and Bitfury to control same; the timing of any future public listing of Hut 8 on a Canadian stock exchange, the timing for completion of any future acquisition of data centers, the business goals and objectives of Hut 8 generally, and other forward-looking information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms thereon.

Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving Bitcoin and other cryptocurrencies; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; costs related to electrical consumption; the volatility of Bitcoin and other cryptocurrency prices; income tax and other taxation matters; the ability of Hut 8 to implement its business strategies; competition; currency and interest rate fluctuations and other risks as described in offering memoranda related to the private placement described herein.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Contacts

Bitfury:

John Mercurio, 202-868-0900
john.mercurio@bitfury.com

or

GMP:

Andrew Kiguel, 416-258-3148
andrewk@gmpsecurities.com

or

Hut 8 Media:

Brix Media Co
Natalie Davidson, 604-215-2749
Natalie@brixmediaco.com