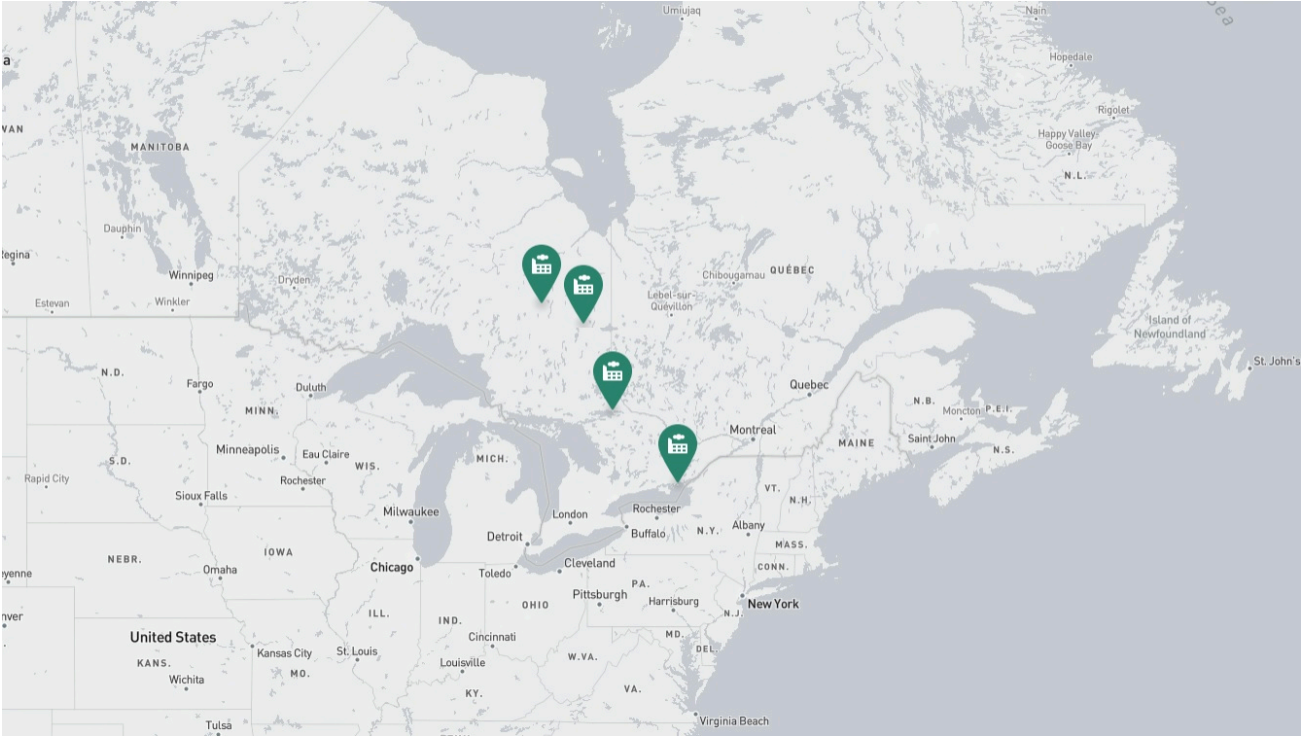


# Macquarie acquisition with Hut 8 of four generating facilities in Ontario



Jurisdiction	Iroquois Falls, Kapuskasing, Kingston and North Bay
Province/State	Ontario
Country	Canada

Nature of Engagement	M&A
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Client	Macquarie Equipment Finance, a subsidiary of Macquarie Group Limited
Client Role	Acquiror

Key Features	Multijurisdictional
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Torys acted as counsel to Macquarie Equipment Finance, a subsidiary of Macquarie Group Limited, in the stalking horse acquisition, in partnership with Hut 8 Corp., of four natural-gas-fired generating facilities in Ontario from Validus Power Corp., including the negotiation of the related arrangements and formation of Far North Power Corp.

On February 15, 2024, Macquarie Equipment Finance Ltd. (“Macquarie”) successfully closed the acquisition, in partnership with Hut 8 Corp. (formerly Hut 8 Mining Corp.) (“Hut 8”), of four natural gas power plants located in Ontario from Validus Power Corp. (“Validus”) for total consideration of approximately C\$64.3 million.

The transaction was first announced on August 11, 2023. Pursuant to the transaction agreement, Hut 8, as Macquarie’s designated assignee, would purchase all of the shares of Validus’s operating subsidiaries and certain other operational assets.

The transaction served as the stalking horse bid in a sale and investment solicitation process, supervised by the Ontario Superior Court of Justice (Commercial List) (the “Court”) as part of the Validus group’s restructuring proceeding commenced on August 10, 2023 under the *Companies’ Creditors Arrangement Act* (Canada). The transaction was declared the successful bid and subsequently received the Court’s approval on January 4, 2024 and closed on February 15, 2024.

The purchaser entity formed by Hut 8 and Macquarie, Far North Power Corp. (“Far North”), is now the owner of 310 MW of power infrastructure, including:

- 110 MW natural-gas-fired combined-cycle generating facility in Kingston, Ontario
- 120 MW natural-gas-fired combined-cycle generating facility in Iroquois Falls, Ontario
- 40 MW gas-fired generating facility in Kapuskasing, Ontario
- 40 MW gas-fired generating facility and Bitcoin mine in North Bay, Ontario

Macquarie also entered into a new secured funding arrangement with Far North in the form of an operating lease facility.

Further information can be found on Globe Newswire’s [website](#).

Macquarie is a global provider of independent lease financing and asset management solutions. It is a subsidiary of [Macquarie Group Limited](#), a global financial services organization operating in 34 markets.

[Hut 8](#) is one of North America’s largest, digital asset mining pioneers and high-performance computing infrastructure providers. Headquartered in Miami, Florida, its infrastructure portfolio includes eleven sites: five high performance computing data centers across British Columbia and Ontario that offer cloud, co-location, AI, machine learning, and VFX rendering computing solutions, and six Bitcoin mining, hosting, and managed services sites located in Alberta, New York, Nebraska, and Texas.

The Torys’ team was led by Scott Bomhof and included Kendall Grant and Isaac Papsin (corporate/M&A), Mike Noel (insolvency), Scott Kraag, Jacob Weinstock and Ben Pan (lending), Jeremy Opolsky (litigation), Andy Gibbons and Aren Thomasian (real estate), John Tobin and Ian Farndon (tax).