



McCarthy Tétrault LLP
PO Box 48, Suite 5300
Toronto-Dominion Bank Tower
Toronto ON M5K 1E6
Canada
Tel: 416-362-1812
Fax: 416-868-0673

Ljuba Djurdjevic
Counsel | Conseil
Direct Line: 416-601-8852 (548852)
Email: LDjurdjevic@mccarthy.ca

Assistant: *Gabriela Cabral*
Direct Line: 416-601-8200 (542189)
Email: *gcabral@mccarthy.ca*

November 26, 2025

FILED ON RESS AND BY EMAIL

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4
Email: registrar@oeb.ca

Attention: Ritchie Murray, Deputy Registrar

Dear Mr. Murray:

Re: Notice of Proposal under Sections 80 and 81 of the *Ontario Energy Board Act, 1998* – TransAlta Corporation

We are counsel to TransAlta Corporation (the “**Applicant**”). Please find enclosed a Notice of Proposal being submitted to the Ontario Energy Board (the “**OEB**”) pursuant to sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the “**OEB Act**”).

As described in the attached Notice of Proposal, the Applicant proposes to purchase 100% of the issued and outstanding shares in the capital of Far North Power Corp. (the “**Target Entity**”) from Hut 8 Energy Holdings Inc., (the “**Vendor**”) (the “**Proposed Transaction**”).

As a result of a reorganization immediately prior to the closing of the Proposed Transaction, Macquarie Equipment Finance Ltd. (“**MEFL**”) will transfer its 19.9% of the Target Entity (27.2% on a fully diluted basis after giving effect to outstanding warrants) to the Vendor (and as depicted in the attached reorganization schedule at Appendix “B”, the “**Reorganization**”). As such, Vendor will acquire MEFL's 27.2% fully diluted interest which, combined with the Vendor's existing shareholding, will make the Vendor the 100% owner of the Target Entity. The Target Entity is the sole owner of 100% of the issued and outstanding shares in the capital of Bay Power Corp. (“**Bay Power**”), Iroquois Falls Power Corp. (“**IFPC**”), Kap Power Corp. (“**KAP**”), and Kingston Cogen GP Inc. (“**Cogen GP**”). The Target Entity is currently the sole limited partner of Kingston Cogen Limited Partnership (“**Cogen LP**”) and Cogen GP is the general partner of Cogen GP (Cogen GP, together with Cogen LP, Far North, Bay Power, IFPC, and KAP, are collectively the “**Purchased Corporations**”). The Purchased Corporations operate four (4) gas-powered generation facilities (“**Generation Facilities**”), described further below.

As described in section 1.3.1 of the attached Notice, the Purchased Corporations' Generation Facilities, and their associated transmission lines, are as follows:

Bay Power Corp.

Facility: North Bay Power Plant

Capacity (MW): Installed capacity of 61.4 MW

Transmission system: The facility is connected to Hydro One circuit H24S approximately 3.5 km N of the site. Power from the main output transformer is directed to the connection point via a 3.5 km connection line.

Kap Power Corp.

Facility: Kapuskasing Power Plant

Capacity (MW): Installed capacity of 61.4 MW

Transmission system: The facility is connected to Hydro One circuit K38S approximately 1 km NE of the site. Power from the main output transformer is directed to the connection point via a 1.4 km connection line.

Iroquois Falls Power Corp.

Facility: Iroquois Falls Power Plant

Capacity (MW): Installed capacity of 133 MW

Transmission system: The facility is connected to Hydro One at Ansonville TS approximately 3.2 km SW of the site. Power from the main output transformer is directed to the connection point via a 4.6 km connection line.

Kingston CoGen GP Inc. and Kingston CoGen Limited Partner

Facility: Kingston CoGen Facility

Capacity (MW): Installed capacity of 110 MW

Transmission system: The facility is connected to Hydro One circuits X1H & X2H approximately 2.3 km north of the site. Power from the main output transformers is directed to the connection point via two 2.5 km connection lines.

Applicant's Existing Generation Facilities

As described in section 1.3.1 of the attached Notice, the Applicant also currently controls, directly or indirectly, certain other entities that own and/or operate generation facilities in Ontario, and their associated transmission lines.

Requirement for Section 80 and 81 Notice

We wish to establish at the outset that the transmission assets associated with the Generation Facilities to be acquired, as well as the transmission assets currently owned by the Applicant, operate solely to allow these generation facilities to convey their generation output to the provincial grid. The parties involved in the Reorganization and the Proposed Transaction do not carry out the business of providing transmission service for a profit. These transmission assets do not serve the public, they are not rate regulated, and they are not subject to OEB licensing requirements. The subject transmission lines serve the sole purpose of conveying energy generated to the IESO-controlled grid and, for this reason, the transmission lines are exempt from the licensing requirements under the OEB Act pursuant to section 4.0.2(1)(d) of Ontario Regulation 161/99.

This notice is being filed given that, in the case of both the Reorganization and the Proposed Transaction, (i) an affiliate of a transmitter will be acquiring an indirect interest in the Generation Facilities thereby triggering a section 80 notice requirement and (ii) an affiliate of a generator will be acquiring an indirect interest in the transmission systems associated with the Generation Facilities thereby triggering the section 81 notice requirement.

No Review Needed

Despite that sections 80 and 81 of the OEB Act technically apply to the Reorganization and the Proposed Transaction, there is no policy rationale or objective underlying the Act that would require the Reorganization and Proposed Transaction to be reviewed by the OEB. This is because, from an energy regulation perspective, there are no adverse impacts and no material operational changes resulting from the Reorganization and Proposed Transaction. Moreover, the underlying transmission facilities are unlicensed transmission facilities used only for the purpose of conveying electricity from a generation facility to the IESO-controlled grid. Given that such facilities are not licensed or rate regulated by the OEB, and only serve to connect the projects to the IESO-controlled grid, the issue of potential open access to transmission does not arise in this context. In addition, given the Applicant's relatively insignificant market share of provincial generation capacity and energy production, among other reasons, the Reorganization and Proposed Transaction, will have no material impact on competition on the development or maintenance of a competitive market in Ontario.

Request for Expedited OEB Response

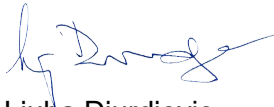
The Applicant and the Vendor have entered into a definitive share purchase agreement and are in the process of finalizing arrangements for the closing of the Reorganization and Proposed Transaction. The Applicant and Vendor wish to close the Reorganization and Proposed Transaction as soon as possible, and in any event prior to **Friday December 19, 2025**, subject to the OEB's determination that the Proposed Transaction does not require a review under section 80 or 81 of the OEB Act. Accordingly, the Applicant respectfully requests that the OEB expedite its review of the Notice of Proposal and issue a "no review letter" by **Friday, December 12, 2025**.

Request for Confidentiality

The attached Notice of Proposal and Schedule contain information about the Applicant's and Vendor's total Ontario sales in the last fiscal year (in C\$ and MWh) which is non-public financial information of unregulated generation businesses that are engaged in a competitive business activity. We request that the information be treated as presumptively confidential in accordance with the OEB's [Practice Direction on Confidential Filings](#), section 4 and Appendix B. The confidential information is indicated in red font. As we understand that the OEB does not publicly post section 80/81 Notices of Proposals, we expect that the attached, unredacted version of the Notice of Proposal will not be distributed beyond OEB staff and decision-makers who need access to the information.

We ask that the OEB please direct all communications regarding the Notice of Proposal to both the Applicant at the address provided in the enclosed Notice of Proposal and to counsel at the address provided above.

Yours truly,



Ljuba Djurdjevic
Counsel | Conseil

Cc

Gatlin Smeijers, Bennett Jones – counsel for Far North Power Corp. and Hut 8 Energy Holdings Inc.

Daniel Gralnick, Torys – counsel for Macquarie Equipment Finance Ltd.

Ontario Energy Board

Preliminary Filing Requirements For a Notice of Proposal under Sections 80 and 81 Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant TransAlta Corporation	File No: (Board Use Only)	
Address of Head Office TransAlta Place Suite 1400, 1100 1 St. SE Calgary, AB T2G 1B1	Telephone Number 1-403-267-7110	
	Facsimile Number	
	E-mail Address Regulatory_Reporting@TransAlta.com	
Name of Individual to Contact Paula Ohreen TransAlta Place Suite 1400, 1100 1 St. SE Calgary, AB T2G 1B	Telephone Number 1-403-267-7110	
	Facsimile Number	
	E-mail Address Regulatory_Reporting@TransAlta.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list (See attached Schedule "A")

Name of Other Party HUT 8 ENERGY HOLDINGS INC.	Board Use Only	
Address of Head Office 4701 Tahoe Blvd, 2nd floor - Suite 201 Mississauga, Ontario L4W 0B5, CA	Telephone Number	
	Facsimile Number NA	
	E-mail Address TorCorp-OBR@bennettjones.com	
Name of Individual to Contact Chris Vickery	Telephone Number 1 312-513-8033	
	Facsimile Number NA	
	E-mail Address chris.vickery@hut8.com	

1.2 Relationship between Parties to the Transaction or Project (See attached Schedule "A")

1.2.1	Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.	
1.2.2	Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.	

1.3 Description of the Businesses of Each of the Parties (See attached Schedule "A")

1.3.1	Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario ("Electricity Sector Affiliates").	
1.3.2	Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.	
1.3.3	Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral	

	contracts, and local distribution companies.	
1.3.4	Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.	

1.4 Current Competitive Characteristics of the Market (See attached Schedule "A")

1.4.1	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.	
1.4.2	Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.	

1.5 Description of the Proposed Transaction or Project and Impact on Competition - General (See attached Schedule "A")

1.5.1	Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.	
1.5.2	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.	
1.5.3	Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.	
1.5.4	Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.	
1.5.5	Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.	

1.6 Other Information (See attached Schedule "A")

1.6.1	Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.	
-------	--	--

PART II: SECTION 80 OF THE ACT—TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition (See attached Schedule "A")

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.	
2.1.3	Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.	
2.1.4	Provide details on whether the generation facility is expected to sign a "must run" contract with the IESO.	
2.1.5	Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	

2.2 System Reliability (See attached Schedule "A")

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.	

PART III: SECTION 81 OF THE ACT—GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition (See attached Schedule "A")

3.1.1	Provide a description of the transmission or distribution system being acquired or constructed.	
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be	

	directly connected to the transmission or distribution system being acquired or constructed.	
3.1.3	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints.	
3.1.4	Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO.	

How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:

P.O. Box 2319
 2300 Yonge Street, Suite 2701
 Toronto, Ontario
 M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca

SCHEDULE "A"

1.1.2 Other Parties to the Transaction or Project *(Continuation)*

Name of Other Party FAR NORTH POWER CORP.	Board Use Only	
Address of Head Office 24 Duncan Street Suite 500, Toronto, Ontario, M5V 2B8, CA	Telephone Number 1 312-513-8033	
	Facsimile Number NA	
	E-mail Address TorCorp-OBR@bennettjones.com	
Name of Individual to Contact Chris Vickery	Telephone Number 1- 312-513-8033	
	Facsimile Number NA	
	E-mail Address chris.vickery@hut8.com	
Name of Other Party MACQUARIE EQUIPMENT FINANCE LTD.	Board Use Only	
Address of Head Office Brookfield Place, 181 Bay Street, Suite 3200, Toronto ON M5J 2T3 Canada	Telephone Number +1 332 284 9786	
	Facsimile Number	
	E-mail Address	
Name of Individual to Contact Greg Fitzgerald – Division Director	Telephone Number	
	Facsimile Number NA	
	E-mail Address Greg.fitzgerald@macquarie.com	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.
-------	--

Applicant: Directors

- James Reid
- Manjit Sharma
- Bryan Pinney
- Sandra Sharman
- John Dielwart
- Alan Fohrer
- John Kousinioris
- Laura Folse
- Thomas O'Flynn
- Candace MacGibbon
- Brian Baker

Officers

- Joel Hunter
- Chris Fralick
- Kerry O'Reilly
- Nancy Brennan
- Jane Fedoretz
- David Little
- Michelle Cameron
- Nancy Johnson
- Mark Flickinger
- John Kousinioris
- Kelly Galloway
- Blain van Melle

Vendor: Hut 8 Energy Holdings Inc.

Shareholder

- Hut 8 Mining Corp

Directors

- Asher Genoot
- Victor Semah

Officers

- Asher Genoot - Chief Executive Officer
- Sean Glennan - Chief Financial Officer

- Michael Ho - Chief Strategy Officer
- Victor Semah - Chief Legal Officer and Corporate Secretary

Target Entity: Far North Power Corp.

Shareholders

- Hut 8 Energy Holdings Inc.
- Macquarie Equipment Finance Ltd.

Directors

- Gregory Irqwin
- Christopher Vickery

Officers

- Gregory Irwin – President
- Christopher Vickery – Secretary
- Aliza Rana – Authorized Signatory

Other Party: Macquarie Equipment Finance Ltd.

Shareholder

- Macquarie Infrastructure and Real Assets (Sales) Canada Ltd

Directors

- Michael Burns
- Gregory Fitzgerald
- Edward Standen

There are no officers of MEFL.

1.2.2	Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.
-------	--

See attached Appendix A for the corporate chart of the Applicant and Appendix B for the Vendor, Target Entity and Other Party

1.3 Description of the Businesses of Each of the Parties

1.3.1	Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario (“Electricity Sector Affiliates”).
-------	---

Applicant

The Applicant, TransAlta Corporation (“**TransAlta**”), is a federally incorporated corporation and has its head office in Calgary, Alberta.

Through its subsidiary Ontario corporations, TransAlta currently operates a total of nine (9) power generating facilities in the Province of Ontario, with a total capacity of 879MW. These facilities are comprised of three (3) wind power generating facilities, three (3) hydroelectric facilities and three (3) gas facilities. Of these, TransAlta is the 100% owner of seven (7) of the facilities and a 50% owner of two (2) of the facilities. A description of each facility, affiliate ownership, location, capacity and connecting transmission lines¹ is set out below:

Hydroelectrical

Canadian Hydro Developers, Inc.

Facility: Misema

Location: Englehart, ON

Capacity (MW): 3

TA Ownership: 100%

Transmission System: Distribution voltage connection to Grid (3.5 km).

Canadian Hydro Developers, Inc.

Facility: Moose Rapids

Location: Sudbury, Ontario

Capacity (MW): 1

TA ownership: 100%

Transmission System: Distribution voltage connection to Grid (4.4 km).

TransAlta (RC) Inc., as general partner of TransAlta (RC) LP

Facility: Ragged Chute

Location: New Liskeard, ON

Capacity (MW): 7

TA Ownership: 100%

Transmission System: Distribution voltage connection to Grid (1.2km).

Gas

TransAlta Cogeneration Limited Partnership

Facility: Windsor

Location: Windsor, ON

Capacity (MW): 72

TA Ownership: 50%

Transmission System: Connected at 115kV to Z1E

¹ Distances in parentheses indicate the length of line the Applicant owns for the purpose of connecting its facility to the grid. Where no distance is noted, the unit is either directly connected, or the length of connecting line is considered *de minimis*.

TransAlta (SC) Inc., as general partner of TransAlta (SC) Inc.

Facility: Sarnia

Location: Sarnia, ON

Capacity (MW): 499

TA Ownership: 100%

Transmission System: Connected at 230kV to N6S and N7S via #23A and #23B (double circuit 3.75km)

TransAlta Cogeneration Limited Partnership

Facility: Ottawa

Location: Ottawa, ON

Capacity (MW): 74

TA Ownership: 50%

Transmission System: Connected at 115kV to H2AR.

Wind

TA Kent Breeze Inc., as general partner of TA Kent Breeze LP

Facility: Kent Breeze

Location: Thamesville, ON Capacity (MW): 20

TA Ownership: 100%

Transmission System: Distribution voltage connection to Grid at M2, Kent TS.

Melancthon Wolfe Wind Inc., as general partner of Melancthon Wolfe Wind LP

Facility: Melancthon

Location: Shelburne, ON Capacity (MW): 200

TA Ownership: 100%

Transmission System: Connected at 230kV to B4V and B5V.

Melancthon Wolfe Wind Inc as general partner of Melancthon Wolfe Wind LP

Facility: Wolfe Island

Location: Wolfe Island, ON Capacity (MW): 198

TA Ownership: 100%

Transmission System: Connected at 230kV - K-20 to Gardiner H1 (13km).

The Applicant also has two (2) affiliates that are licensed by the OEB for the purpose of wholesaling and retailing of electricity as follows:

- TransAlta Energy Marketing Corp. (electricity wholesaler) EW-2021-0095
- TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P. (electricity retailer) ER-2024-0273

Vendor

Hut 8 Energy Holdings Inc.

Vendor is a wholly-owned subsidiary of Hut 8 Mining Corp.(which itself is a wholly owned, indirect subsidiary of Hut 8 Corp, a publicly traded company listed on the TSX and NASDAQ). Vendor is incorporated in Ontario with its head office in Toronto, Ontario.

Vendor is a holding company that owns various subsidiaries, including Far North Power Corp (the Target Entity), which also operates as a holding company and owns several Electricity Sector Affiliates as set out below.

Through its 80.1% undiluted equity interest (72.8% fully diluted) in the Target Entity, the Vendor has the following Electricity Sector Affiliates, each of which own and operate a natural gas powerplant in Ontario.

Vendor's Electricity Sector Affiliates

Each of the following Electricity Sector Affiliates are 100% owned by the Target Entity and are licensed generators and retailers that are solely in the business of owning and operating the generating facilities set out below. Please note that previous ownership applied for the retailer licenses for each of the Electricity Sector Affiliates listed below with the intent of co-locating loads (data centres), which is not being done at the moment. Those licenses are still in place but not being used.

Bay Power Corp.

Facility: North Bay Power Plant

Location: 4001 Highway 11 North, North Bay, Ontario

Capacity (MW): Installed capacity of 61.4 MW

Transmission system: The Facility is connected to Hydro One circuit H24S approximately 3.5 km N of the site. Power from the main output transformer is directed to the connection point via a 3.5 km connection line. The Facility also includes a non-operational 190m distribution line that is located on site and was originally constructed for the purpose of delivering electricity to a on-site data centre (which no longer exists).

Target Entity Ownership: Bay Power Corp is 100% owned by the Target Entity

Kap Power Corp.

Facility: Kapuskasing Power Plant

Location: 51 Gough Road, Kapuskasing, Ontario

Capacity (MW): Installed capacity of 61.4 MW

Transmission system: The Facility is connected to Hydro One circuit K38S approximately 1 km NE of the site. Power from the main output transformer is directed to the connection point via a 1.4 km connection line.

Target Entity Ownership: Kap Power Corp is 100% owned by the Target Entity

Iroquois Falls Power Corp.

Facility: Iroquois Falls Power Plant

Location: 1 NW Industrial Rd, Iroquois Falls, ON P0K 1G0

Capacity (MW): Installed capacity of 133 MW

Transmission system: The Facility is connected to Hydro One at Ansonville TS approximately 3.2 km SW of the site. Power from the main output transformer is directed to the connection point via a 4.6 km connection line.

Target Entity Ownership: Iroquois Falls Power Corp is 100% owned by the Target Entity

Kingston CoGen GP Inc. and Kingston CoGen Limited Partner

Facility: Kingston CoGen Facility

Location: 5146 Taylor-Kidd Boulevard, Bath, Ontario

Capacity (MW): Installed capacity of 110 MW

Transmission system: The Facility is connected to Hydro One circuits X1H & X2H approximately 2.3 km north of the site. Power from the main output transformers is directed to the connection point via two 2.5 km connection lines.

Target Entity Ownership: Kingston CoGen GP Inc. and Kingston CoGen Limited Partner are 100% owned by the Target Entity.

As is noted, each of the generating facilities described above includes a transmission line to convey the

electricity to the IESO-controlled grid. As such, each transmission line associated with each generation facility is exempt from the OEB's licensing requirements pursuant to section 4.0.2(1)(d) of Ontario Regulation 161/99.(Regulation). This section of the Regulation provides that a transmission licence is not required where a person is a generator and transmits electricity only for the purpose of conveying it into the IESO-controlled grid and transmits electricity for a price, if any, that is no greater than that required to recover all reasonable costs.

Target Entity

Far North Power Corp.

Target Entity is incorporated in Ontario with its head office in Toronto, Ontario.

Target Entity is a holding company that owns Electricity Sector Affiliates set out above in respect of the Vendor.

The Target Entity also owns 100% of Validus Hosting Inc. ("Validus") which is a licensed wholesaler. Despite holding a wholesaler license, Validus is currently a non-operational subsidiary which has nil or de minimis assets and has never purchased or sold electricity. As a result of the reorganization immediately preceding the Proposed Transaction, 100% of the ownership of Validus will be conveyed from the Target Entity to the Vendor and will not be acquired by the Applicant in the Proposed Transaction.

Other Party

Macquarie Equipment Finance Ltd. – Provides specialized financing transactions, asset finance transactions and other corporate activities in Canada, and is a ~19.9% (undiluted) minority shareholder of Far North Power Corp.

Other Party's Electricity Sector Affiliates

Macquarie Energy Canada Ltd. – An OEB licensed electricity wholesaler (EW-2024-0348) that participates in the IESO wholesale electricity markets as a virtual trader, energy trader, including by purchasing electricity and ancillary services directly from generators as well as making sales to wholesalers, distributors, retailers and entities outside of the Ontario market.

1.3.2	<i>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</i>
-------	---

Applicant, Vendor and Target Entity

Please see responses to section 1.3.1 setting out the geographic location of each of the Applicant's and Vendor's (Target Entity's) generation facilities. The electricity generated by each facility is flowed to the IESO-controlled grid, therefore no particular service territory exists for each of the generation facilities.

The Applicant's and Vendor's affiliates that carry on electricity wholesale and retail businesses do not have a geographic service territory.

Please note that previous ownership applied for the retailer licenses for each of the Target Entity's Electricity Sector Affiliates described in section 1.3.1 with the intent of co-locating loads, which is not being done at the moment. Those licenses are still in place but not being used.

Other Party

Macquarie Equipment Finance Ltd. – As a corporation that holds a minority interest in Far North Power Corp, Macquarie Equipment Finance Ltd does not have its own service territory.

Macquarie Energy Canada Ltd. – participates in wholesale electricity markets across Canada including IESO (Ontario), Manitoba, Saskatchewan, and AESO (Alberta) as well as transacting with HydroQuebec and BC Hydro (Powerex)

1.3.3	<i>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</i>
-------	---

Applicant

The Applicant's Ontario generation facilities have a total capacity of **879MW**. Please see response to section **1.3.1** for breakdown of the capacity of each of the Applicant's generation facilities. The Applicant's total annual sales in last fiscal year was C\$ [REDACTED] and [REDACTED] MWh. The Applicant's Ontario facilities do not sell energy through physical bilateral contracts, save for its Sarnia facility, and does not own or operate any local distribution companies.

Vendor

Please see response to section 1.3.1 for breakdown of the capacity of each of the generation facilities. The aggregate total annual sales from these facilities in last fiscal year was C\$ [REDACTED] and [REDACTED] MWh.

The Vendor's (and Target Entity's) Electricity Sector Affiliates' Ontario facilities do not currently sell energy through physical bilateral contracts and do not own or operate any local distribution companies.

Other Party

Macquarie Equipment Finance Ltd.

2024 annual sales of generation output (\$): nil

2024 annual sales of generation output (MWh): nil

1.3.4	<i>Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</i>
-------	---

Applicant

The Applicant's Electricity Sector Affiliates hold the following OEB licences:

Electricity Generation Licences:
EG-2022-0336 Canadian Hydro Developers, Inc.

EG-2023-0076 Melancthon Wolfe Wind LP
EG-2015-0220 TA Kent Breeze Inc. on behalf of TA Kent Breeze L.P.
EG-2023-0167 TransAlta Cogeneration Limited Partnership
EG-2015-0136 TransAlta (RC) Inc. on behalf of TransAlta (RC) L.P.
EG-2015-0131 TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P.

Electricity Retailer Licence:

ER-2024-0273 TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P.

Electricity Wholesaler Licence:

EW-2021-0095 TransAlta Energy Marketing Corp.

Vendor

The Vendor's (and Target Entity's) Electricity Sector Affiliates hold the following OEB Licences:

Electricity Generation Licenses:

1. Kap Power Corp. (EG-2021-0298)
2. Bay Power Corp. (EG-2021-0295)
3. Iroquois Falls Power Corp. (EG-2024-0109)
4. Kingston Cogen Limited Partnership (EG-2024-0108)

Electricity Retailer Licenses

1. Kap Power Corp. (ER-2021-0331)
2. Bay Power Corp. (ER-2021-0329)
3. Iroquois Falls Power Corp. (ER-2022-0304)
4. Kingston Cogen Limited Partnership (ER-2023-0151)

Electricity Wholesaler License

1. Validus Hosting Inc. (EW-2022-0228)

Other Party's Electricity Sector Affiliates

Electricity Wholesaler License

1. Macquarie Energy Canada Ltd. (EW-2024-0348)

1.4 Current Competitive Characteristics of the Market

1.4.1	<i>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.</i>
-------	--

Applicant

The Applicant and its affiliates currently have **879 MW** of generation capacity in Ontario.

Vendor

The Vendor's (and Target Entity's) Electricity Sector Affiliates currently have a combined 365.8 MW of generation capacity in Ontario.

Other Party

Prior to the Transaction, neither Macquarie Equipment Finance Ltd. nor Macquarie Energy Canada Ltd. have any generation capacity in Ontario.

1.4.2	<i>Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.</i>
-------	--

The [IESO's 2024 Year in Review](#) indicates a total annual Ontario energy demand of **139.4 TWh**.

Applicant

The output from the generation facilities owned by the Applicant and its affiliates of [REDACTED] GWh represents [REDACTED] of total annual Ontario energy demand of 139.4 TWh.

Vendor

The output from the generation facilities owned by the Vendor and its (and the Target Entity's) Electricity Sector Affiliates [REDACTED] of total annual Ontario energy demand of 139.4 TWh.

Other Party

Prior to the Transaction, neither Macquarie Equipment Finance Ltd. nor Macquarie Energy Canada Ltd. control any electricity generation facilities in Ontario, and, as such, have a generation market share in Ontario of nil.

1.5 Description of the Proposed Transaction or Project and Impact on Competition - General

1.5.1	<i>Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.</i>
-------	---

The Applicant proposes to purchase of 100% of the issued and outstanding shares in the capital of the Target Entity from the Vendor (the "**Proposed Transaction**").

Immediately prior to the closing of the Proposed Transaction, Macquarie Equipment Finance Ltd. (MEFL) will transfer its 19.1% of the Target Entity (27.2% on a fully diluted basis after giving effect to outstanding warrants) to the Vendor. As such, Vendor will acquire MEFL's 27.2% fully diluted interest which, combined with the Vendor's existing shareholding, will make the Vendor the 100% owner of the Target Entity, Far North. The Target Entity is the sole owner of 100% of the issued and outstanding shares in the capital of Bay Power Corp. ("**Bay Power**"), Iroquois Falls Power Corp. ("**IFPC**"), Kap Power Corp. ("**KAP**"), and Kingston Cogen GP Inc. ("**Cogen GP**"). The Target Entity is currently the sole limited partner of Kingston Cogen Limited Partnership ("**Cogen LP**") and Cogen GP is the general partner of Cogen GP (Cogen GP, together with Cogen LP, Far North, Bay Power, IFPC, and KAP, are collectively the "**Purchased Corporations**"). The Purchased Corporations operate four (4) gas-powered generation facilities, described further above.

See attached Appendix A for the corporate chart of the Applicant and Appendix B chart for the Vendor, Target Entity and Other Party.

Transmission Lines

As part of the Applicant's acquisition of the Target Entity, the Applicant will also be acquiring an indirect interest in the transmission lines owned by the Target Entity's subsidiaries which currently convey electricity to the IESO grid. These transmission lines will be needed for the Applicant to continue conveying electricity to the IESO grid from the facilities that will be acquired. Please see response to section 1.3.1 for a description of the transmission lines associated with each generation facility.

The Proposed Transaction does not include any proposed new transmission or distribution systems or new generation facilities.

1.5.2	<i>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</i>
-------	---

Please see response in section 1.4.1 regarding the Applicant's, Vendor's and Other Party's current generation capacity in Ontario.

After the Proposed Transaction, the Applicant and its Electricity Sector Affiliates will own 1,244.8MW of generation capacity in Ontario.

Vendor and its post-transaction Electricity Sector Affiliates will have no generation capacity (0 MW) in Ontario after the Proposed Transaction.

Following the Proposed Transaction, neither Macquarie Equipment Finance Ltd. nor Macquarie Energy Canada Ltd. are expected to control any electricity generation facilities in Ontario, and, as such, will have generation capacity of 0MW.

1.5.3	<i>Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</i>
-------	--

As indicated in response to section 1.4.2 the [IESO's 2024 Year in Review](#) indicates a total annual Ontario energy demand of 139.4 TWh. Furthermore, the [IESO's 2025 Annual Planning Outlook](#) forecasts energy demand to grow to 262 TWh by 2050.

Following completion of the Proposed Transaction, the Applicant and its Electricity Sector Affiliates will have [REDACTED] GWh of generation capacity in Ontario which represents [REDACTED] of the total annual Ontario 2024 energy demand of 139.4 TWh.

The combined output of the generation facilities after the Proposed Transaction represents a nominal percentage of the Annual Primary Demand, based on the [IESO's 2024 Year in Review](#).

Vendor and its post-Transaction Electricity Sector Affiliates will have no production (0% of Annual Primary Demand) in Ontario after the Proposed Transaction. Following the Transaction, neither MEFL nor Macquarie Energy Canada Ltd. are expected to control any electricity generation facilities in Ontario, and, as such, will have a generation market share in Ontario of nil.

Following the Proposed Transaction, neither Macquarie Equipment Finance Ltd. nor Macquarie Energy Canada Ltd. are expected to control any electricity generation facilities in Ontario, and, as such, will have a generation market share in Ontario of nil.

1.5.4	<i>Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.</i>
-------	--

The Applicant does not expect the Proposed Transaction nor the Reorganization to have any material impact on competition. The Applicant and its affiliates currently own, operate and produce – and will own, operate and produce after the Proposed Transaction – a relatively immaterial share of the Ontario generation capacity and energy production. As indicated above and in response to section 1.4.2, following the Proposed Transaction, the Applicant will have only ██████ of generation capacity in Ontario.

Neither the Proposed Transaction nor the Reorganization will affect customer choice since power generated from the facilities is flowed, and will continue to be flowed, directly to the IESO-controlled grid for general consumption by Ontario consumers.

1.5.5	<i>Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.</i>
-------	--

Neither the Proposed Transaction nor the Reorganization will impact open access to Ontario distribution or transmission systems. The transmission lines associated with the generation facilities are solely for the purpose of conveying electricity generated from the Applicant's and Vendor's Electricity Energy Affiliates' generation facilities to the IESO-controlled grid.

1.6 Other Information

1.6.1	<i>Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.</i>
-------	--

Applicant, Vendor and Macquarie Equipment Finance Ltd each confirm they are compliant with all current licence and Code requirements and the Applicant will continue to comply with same following the completion of the Proposed Transaction.

PART II: SECTION 80 OF THE ACT – TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	<p>Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.</p> <p>Generation output will continue to be flowed directly to the IESO-controlled grid for general consumption by Ontario consumers.</p>	
2.1.3	<p>Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.</p> <p><u>Kingston CoGen Facility</u></p> <p>The Kingston CoGen Facility is a natural gas fired combined cycle power plant. It uses a frame type gas turbine which exhausts into a heat recovery steam generator (HRSG) to make steam for the steam turbine. Maximum capacity of the facility is approximately 110 MW. The facility is a peaking facility therefore the number of hours of operation per year will vary based on market demand.</p> <p><u>Iroquois Falls Power Plant</u></p> <p>The Iroquois Falls Power Plant is a natural gas fired combined cycle power plant. It uses two aero-derivative type gas turbines which each exhaust into a heat recovery steam generator (HRSG) to make steam for the steam turbine. Maximum capacity of the facility is approximately 120 MW. The facility is a peaking facility therefore the number of hours of operation per year will vary based on market demand.</p> <p><u>North Bay Power Plant</u></p> <p>The North Bay Power Plant is a natural gas fired combined cycle power plant. It uses an aero-derivative type gas turbine which exhausts into a once-through steam generator (OTSG) to make steam for the steam turbine. Because of the design of the OTSG, it can be operated in either combined cycle or simple cycle mode if needed. Maximum capacity of the facility is approximately 50 MW. The facility is a peaking facility therefore the number of hours of operation per year will vary based on market demand.</p> <p><u>Kapuskasing Power Plant</u></p> <p>The Kapuskasing Power Plant is a natural gas fired combined cycle power plant. It uses an aero-derivative type gas turbine which exhausts into a once-through steam generator (OTSG) to make steam for the steam turbine. Because of the design of the OTSG, it can be operated in either combined cycle or simple cycle mode if needed. Maximum capacity</p>	

	of the facility is approximately 50 MW. The facility is a peaking facility therefore the number of hours of operation per year will vary based on market demand.	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO. No/not at this time.	
2.1.5	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints. No/not at this time.	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

NOT APPLICABLE

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies. N/A	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts. N/A	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply. N/A	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain. N/A	

PART III: SECTION 81 OF THE ACT - GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition

3.1.1	<i>Provide a description of the transmission or distribution system being acquired or constructed.</i>	
	<p>The transmission systems owned by the Target Entity's Electricity Sector Affiliates and associated with each such affiliate's generating facility are as follows:</p> <p><u>Iroquois Falls Power Plant</u></p> <p>The Facility is connected to Hydro One at Ansonville TS approximately 3.2 km SW of the site. Power from the main output transformer is directed to the connection point via a 4.6 km connection line.</p> <p><u>Kapuskasing Power Plant</u></p> <p>The Facility is connected to Hydro One circuit K38S approximately 1 km NE of the site. Power from the main output transformer is directed to the connection point via a 1.4 km connection line.</p> <p><u>Kinston CoGen Facility</u></p> <p>The Facility is connected to Hydro One circuits X1H & X2H approximately 2.3 km north of the site. Power from the main output transformers is directed to the connection point via two 2.5 km connection lines. In normal configuration, each generator and main transformer connects to its own circuit but each connection line is able to direct the full output of the facility to either Hydro One circuit as required.</p> <p><u>North Bay Power Plant</u></p> <p>The Facility is connected to Hydro One circuit H24S approximately 3.5 km N of the site. Power from the main output transformer is directed to the connection point via a 3.5 km connection line. The Facility also includes a non-operational 190m distribution line that is located on site and was originally constructed for the purpose of delivering electricity to a on-site data centre (which no longer exists).</p>	
3.1.2	<i>Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed.</i>	
	Each transmission system is connected directly to the associated generation facility as described in 3.1.1.	
3.1.3	<i>Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.</i>	
	None of the facilities owned by the Applicant or the Target Entity's Electricity Sector Affiliates currently serve a load pocket and are not expected to be constrained on due to transmission constraints.	
3.1.4	<i>Provide details on whether the generation facilities are expected to sign a "must-run" contract with the IESO.</i>	
	No/not at this time.	

Appendix A

Appendix B

PRE-CLOSING REORGANIZATION

Step 1 - Distribution of Shares of Mining NewCo and Validus Hosting to Hut 8 Energy

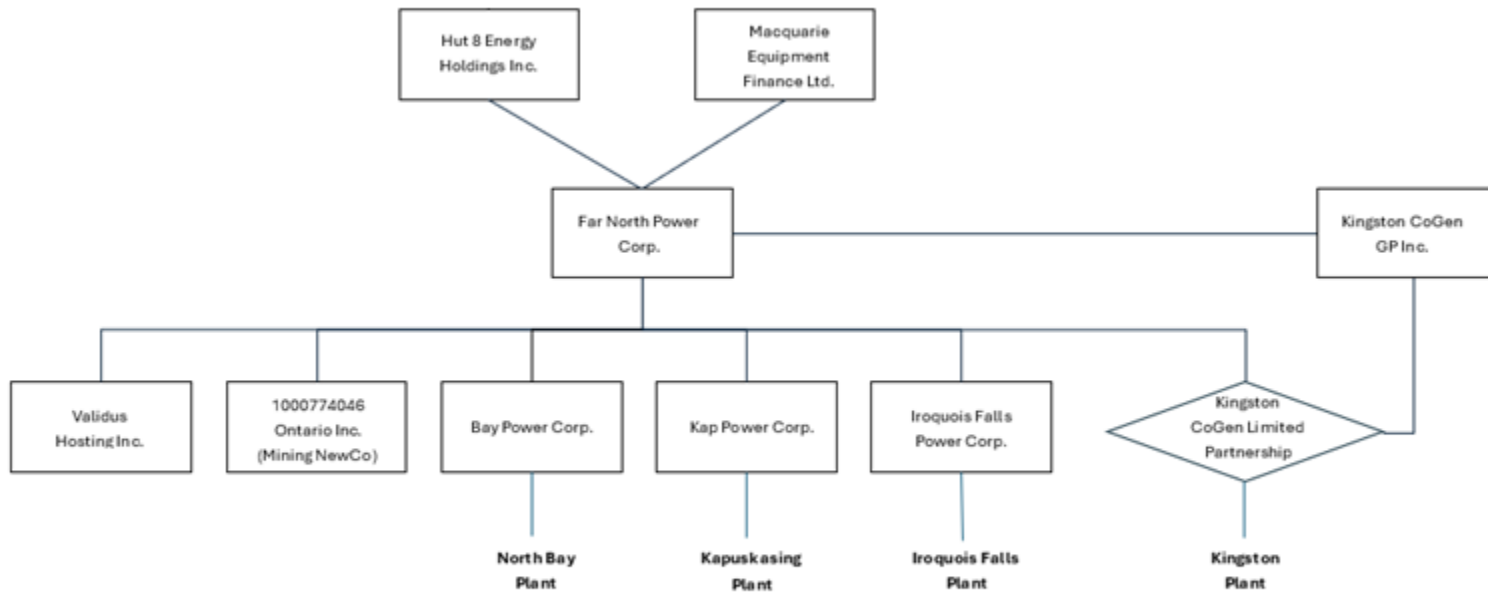
Far North Power Corp. ("**Far North**") will distribute 10,000,000 common shares in the capital of 1000774046 Ontario Inc. ("**Mining NewCo**"), representing 100% of the issued and outstanding shares in the capital of Mining NewCo, and 1,000 Class A common shares in the capital of Validus Hosting Inc. ("**Validus Hosting**"), representing 100% of the issued and outstanding shares in the capital of Validus Hosting, to Hut 8 Energy Holdings Inc. ("**Hut 8 Energy**"). Mining NewCo and Validus Hosting are currently wholly-owned, non-operating subsidiaries of Far North. Both entities have (and will have at the time of this step) nil or *de minimis* assets.

As a result of Step 1, Mining NewCo and Validus Hosting will not form part of the Proposed Transaction.

Step 2 - Purchase By Hut 8 Energy of Minority Shares in Far North

Immediately prior to Closing, Hut 8 Energy will purchase 100% of the Class B common shares in the capital of Far North held by Macquarie Equipment Finance Ltd. ("**MEFL**"), representing the remaining issued and outstanding shares in the capital of Far North that Hut 8 Energy does not own (currently 19.9% of the Far North shares on a non-diluted basis, but expected to be 27.18% of the Far North shares following exercise of outstanding warrants), in exchange for cash consideration equal to MEFL's pro-rata equity ownership in Far North.

Before Step 1



Following Step 2

