



## 2 Stocks to Buy That Will Get You Bitcoin Exposure

### Description

After rising to US\$63,503.46 on April 13, 2021, the world's most popular digital currency when on a [tailspin](#). On May 30, 2021, Bitcoin (BTC) closed at US\$36,854.89, a 43.8% drop from its peak. There's a sense of déjà vu when you look at the performance. The top crypto sunk 38% in November 2018.

BTC's surging value didn't last, however. Its collapse debunked claims by rabid supporters that the 2021 rally is real and not hype. Meanwhile, some crypto analysts say it opens a buying opportunity. Still, interest in BTC remains high because of the potential to create immense wealth quickly.

### Risk and fears

However, for regular investors, investing in Bitcoin or other cryptocurrencies is very risky. There are dramatic run-ups as well as steep drops in price. Remember that users determine BTC's value, not a central bank or a central authority. Besides the risk to investors, governments fear that some people might use cryptos for money laundering or illegal purchases and sidestep capital controls.

Canadians who want exposure to BTC without the risk have a better way. Instead of owning the digital coin directly, invest in cryptocurrency mining companies that benefit from the uptake of blockchain technology and digital currencies like BTC.

### Digital asset mining pioneer

Believe it or not, **Hut 8 Mining** (TSXV:HUT) outperforms BTC. The shares of the \$599.99 million company are up 42.1% versus the digital asset's 23% year-to-date gain. The share price is \$4.96, while the trailing one-year price return is 180%. Market analysts are bullish and recommend a buy rating. They forecast the price to rise further between \$11.50 (+127.3%) and \$14 (+176.7%). The [potential returns](#) to would-be investors could be better, if not superior, than BTC.

Hut 8 is a digital asset mining pioneer whose primary focus is to mine bitcoin. In the crypto industry, it has one of the highest installed capacity rates. Globally, it holds the most self-mined Bitcoin of any

crypto miner or publicly listed company. Hut 8's ongoing concern is to accelerate innovation in high-performance computing and the blockchain ecosystem.

In Q1 2021 (quarter ended March 31, 2021), Hut 8 posted a record level quarterly revenue of \$32.5 million compared to \$12.7 million in Q1 2020. The company's Bitcoin balance is 3,271, where 1,000 is on loan to Genesis Global Capital. According to CEO Jaime Leverton, the company is creating and maintaining long-term value.

## First-mover advantage

Another cryptocurrency mining company is **HIVE Blockchain Technologies** ([TSXV:HIVE](#)). The \$1.11 billion Vancouver-based firm engages in mining and selling digital currencies, namely Ethereum, Ethereum Classic, and Bitcoin. This crypto stock somehow mirrors BTC's performance.

The share price is \$3.02 (+26.4% year to date), while the trailing one-year price return is 710.67%. HIVE claims to have the first-mover advantage as it bridges blockchain and cryptocurrencies to traditional capital markets. Likewise, the company advertises itself as a pure blockchain investment for capital markets.

HIVE operates state-of-art mining facilities in Canada, Iceland, and Sweden. The operation in each jurisdiction has access to low-cost clean, renewable energy sources. Would-be investors gain exposure to the operating margins of digital currency mining and a portfolio of digital tokens.

## Safer investments

Hut 8 and HIVE are safer alternatives to BTC. The time will come when the top and bottom lines of both will dramatically change as cryptocurrencies gain wider acceptance.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:HUT (Hut 8 Mining)
2. TSXV:HIVE (Hive Blockchain Technologies)

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