
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 15, 2022**

Stronghold Digital Mining, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-40931

(Commission File Number)

86-2759890

(IRS Employer Identification No.)

**595 Madison Avenue, 28th Floor
New York, New York**

(Address of principal executive offices)

10022

(Zip Code)

Registrant's telephone number, including area code: **(212) 967-5294**

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	SDIG	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into Material Definitive Agreement.

Note and Warrant Purchase Agreement

On May 15, 2022, Stronghold Digital Mining, Inc. (the “Company,” “we,” “us” or “our”) entered into a Note and Warrant Purchase Agreement (the “Purchase Agreement”), by and among the Company and the purchasers thereto, including Adage Capital Partners, LP and Continental General Insurance Company (collectively, the “Purchasers”), whereby the Company agreed to issue and sell to the Purchasers, and the Purchasers agreed to purchase from the Company, (i) \$33,750,000 aggregate principal amount of 10.00% unsecured convertible promissory notes (the “Notes”) and (ii) warrants (the “Warrants”) representing the right to purchase up to 6,318,000 shares of Class A Common Stock, par value \$0.0001 per share (“Class A Common Stock”), of the Company with an exercise price per share equal to \$2.50, on the terms and subject to the conditions set forth in the Purchase Agreement, for an aggregate purchase price of \$27,000,000 (collectively, the “Private Placement”). The Private Placement closed on May 15, 2022 (the “Closing Date”). The offer and sale of the Notes and the Warrants were made in reliance on the exemption afforded by Section 4(a)(2) of the Securities Act of 1933 (the “Act”) and Rule 506(b) of Regulation D promulgated thereunder.

The Purchase Agreement contains representations and warranties by the Company and the Purchasers and covenants of the Company and the Purchasers and other rights, obligations and restrictions, which the Company believes are customary for transactions of this type.

Notes

On May 15, 2022, the Company issued \$33,750,000 aggregate principal amount of Notes to the Purchasers. The Notes bear interest at a rate of 10.00% per annum (in arrears) and have a maturity date of May 15, 2024. The maturity date for the Notes may be accelerated upon certain instances, and the Notes may be prepaid at any time in whole or in part at our election. The holders of the Notes (the “Holders”) have certain conversion rights. In the event that we (i) have achieved a total equity market capitalization of at least \$400 million, based on the 20-day VWAP of our Class A Common Stock and (ii) have at least 60,000,000 shares of Class A Common Stock outstanding (provided that the conditions in clauses (i) and (ii) are satisfied on or before September 30, 2022), the full principal amount outstanding and accrued but unpaid interest on the Notes shall automatically convert into a number of shares of a new series of 8.00% redeemable convertible preferred stock to be established prior to the conversion (the “Preferred Stock”). The Preferred Stock will have the terms and conditions set forth in Annex A to the Notes. The Company and the Holders have agreed to finalize the certificate of designation to be filed with the Secretary of State of the State of Delaware prior to such conversion. Beginning October 1, 2022, if the Notes have not converted into shares of Preferred Stock, we will begin paying off the Notes in quarterly installments in amounts equal to the greater of (a) 8% of our consolidated revenue from each trailing quarter or (b) \$5,400,000, payable at our option in either cash or up to 50% of the shares of Class A Common Stock at a 20% discount to the 20-day VWAP. Each of our subsidiaries, subject to the exclusions therein, executed a guaranty agreement (the “Guaranty Agreement”) with the Holders to guaranty our obligations under the Notes.

Warrants

In connection with the Private Placement, the Company entered into a warrant agreement with each of the Purchasers (the "Warrant Agreement"), pursuant to which the Company issued to the Purchasers Warrants entitling the holders thereof to purchase an aggregate of 6,318,000 shares of Class A Common Stock at an exercise price equal to \$2.50 per share, subject to mandatory cashless exercise provisions. The number of shares of Class A Common Stock purchasable pursuant to the Warrants may be adjusted from time to time as set forth in the Warrants. The Warrants have certain anti-dilution provisions and will be exercisable for a five-year period from the Closing Date.

The foregoing descriptions of the terms of the Purchase Agreement, the Guaranty Agreement, the Notes and the Warrant Agreements are qualified in their entirety by reference to the full text of the Purchase Agreement, the Guaranty Agreement, the Notes and the Warrant Agreements, which are filed as Exhibit 10.1, Exhibit 10.2, Exhibit 4.1 and Exhibit 4.2, respectively hereto and incorporated by reference herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The information under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The information under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
4.1	Form of 10% Convertible Note, dated May 15, 2022.
4.2	Form of Warrant Agreement, dated May 15, 2022.
10.1 [¥]	Note and Warrant Purchase Agreement, dated as of May 15, 2022, by and among Stronghold Digital Mining, Inc. and the Purchasers.
10.2	Guaranty Agreement, dated as of May 15, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

[¥] Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC on request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STRONGHOLD DIGITAL MINING, INC.

By: /s/ Gregory A. Beard

Name: Gregory A. Beard

Title: Chief Executive Officer and Co-Chairman

Date: May 19, 2022

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAS BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO BORROWER. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: May [], 2022

Principal Amount: \$[]

Purchase Price: \$[]

**10.0% CONVERTIBLE NOTE
DUE MAY [], 2024**

THIS CONVERTIBLE NOTE is one of a series of duly authorized and validly issued Notes of Stronghold Digital Mining, Inc., a Delaware corporation (the "**Borrower**"), having its principal place of business at 595 Madison Avenue, 28th Floor, New York, NY due May [], 2024 (this note, the "**Note**" and, collectively with the other notes of such series, the "**Notes**").

FOR VALUE RECEIVED, Borrower promises to pay to [] maintaining an address at [], or its registered assigns (the "**Holder**"), or shall have paid pursuant to the terms hereunder, the principal sum of [] million Dollars (\$) on May [], 2024 (the "**Maturity Date**") or such earlier date or dates as this Note is required or permitted to be repaid as provided hereunder, and to pay interest, if any, to the Holder on the aggregate unconverted and then outstanding principal amount of this Note in accordance with the provisions hereof.

This Note carries an original issue discount of twenty percent (20%) of the Principal Amount, equal to [] million Dollars (\$) (the "**OID**"), which is included in the principal balance of this Note. The purchase price of this Note is computed as follows: the Principal Amount minus the OID.

This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement and (b) the following terms shall have the following meanings:

"**Affiliate**" means with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

"**Bankruptcy Event**" means any of the following events: (a) Borrower or any Subsidiary thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to Borrower or any Subsidiary thereof, (b) there is commenced against Borrower or any Subsidiary thereof any such case or proceeding that is not dismissed within sixty (60) days after commencement, (c) Borrower or any Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) Borrower or any Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within sixty (60) calendar days after such appointment, (e) Borrower or any Subsidiary thereof makes a general assignment for the benefit of creditors, (f) Borrower or any Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) Borrower or any Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

“Ownership Limitation” shall have the meaning set forth in Section 4(d).

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Designation” shall have the meaning set forth in Section 4(b).

“Common Stock” means Class A common stock, par value \$0.0001 per share, of Borrower or the class of common stock of any Successor Entity into which Borrower’s Common Stock is converted upon a change of control.

“Conversion Date” shall have the meaning set forth in Section 4(a).

“Conversion Price” shall have the meaning set forth in Section 4(a).

“Conversion Shares” means, collectively, the shares of Series C Preferred Stock issuable upon conversion of this Note in accordance with the terms hereof.

“Event of Default” shall have the meaning set forth in Section 8(a).

“GAAP” means generally accepted accounting principles in the United States of America, as in effect from time to time.

“Guarantor” means each Guarantor as defined in the Guaranty Agreement from time to time.

“Guaranty Agreement” means the Guaranty Agreement executed as of the date hereof by each subsidiary of the Borrower in favor of the Holder (subject to the exclusions contained therein).

“Immaterial Subsidiary” means any direct or indirect subsidiary of the Borrower with assets valued in excess of \$10,000.

“Interest Payment Due Date” shall have the meaning set forth in Section 2(a).

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, liabilities, operations, or financial condition of the Borrower and its subsidiaries, taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Note, or (d) the rights or remedies available to the Holder under this Note.

“Mandatory Default Amount” means the sum of (a) the outstanding principal amount of this Note on the date the Mandatory Default Amount is either demanded (if demand or notice is required to create an Event of Default) or otherwise due and (b) all other amounts, costs and expenses due in respect of this Note, including accrued and unpaid interest through the Maturity Date.

“New York Courts” shall have the meaning set forth in Section 9(d).

“Note Register” shall have the meaning set forth in Section 3(b).

“Original Issue Date” means the date of the first issuance of the Notes, regardless of any transfers of any Note or any portion of any Note and regardless of the number of instruments which may be issued to evidence such Notes.

“Other Holders” means holder of Other Notes.

“Other Notes” means Notes nearly identical to this Note issued to Other Holders pursuant to the Purchase Agreement.

“Person” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

“Purchase Agreement” means the Note and Warrant Purchase Agreement, dated as of May [], 2022, between Borrower and the Holders, as amended, modified or supplemented from time to time in accordance with its terms.

“Series C Preferred Stock” refers to the Series C preferred stock, \$0.0001 par value per share, of Borrower to be authorized prior to the conversion of this Note into Conversion Shares, consistent with the summary of terms attached hereto as Annex A. For the avoidance of doubt, Series C Preferred Stock shall also refer to any series of preferred stock with similar rights and privileges of any Successor Entity.

“Share Delivery Date” shall have the meaning set forth in Section 4(c)(i).

“Successor Entity” means, as applicable, the surviving Person, or the Person to whom all or substantially all the assets of the Borrower are transferred, following a transaction with Borrower as described under Section 5(n).

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock of Borrower is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board, the OTCQB, or the OTCQX (or any successors to any of the foregoing).

“Transaction Documents” means the Purchase Agreement and the Notes.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported on the OTCQX, OTCQB or OTC Pink Marketplace maintained by the OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the volume weighted average price of the Common Stock on the first such facility (or a similar organization or agency succeeding to its functions of reporting prices), or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Notes then outstanding and reasonably acceptable to Borrower, the fees and expenses of which shall be paid by Borrower. For purposes of calculating VWAP over any multiple-day period, the number of shares of Common Stock shall be adjusted for any stock splits, stock combinations, reclassifications or similar transaction.

Section 2. Interest.

(a) Interest Rate. Holder shall be entitled to receive and Borrower shall pay cumulative interest on the outstanding principal amount of this Note at the annual rate of ten (10%) percent. Accrued interest shall be payable quarterly on the 15th day of July, October, January and April of each calendar year beginning on July 15, 2022 and continuing quarterly thereafter until the principal has been paid in full or until the Notes convert into Series C Preferred Stock in accordance with Section 4 hereof or are paid off in full pursuant to Section 6.

(b) Conversion Rights. The Conversion Rights set forth in Section 4 shall remain in full force and effect from the date on which such Conversion Rights first become exercisable pursuant to Section 4 until the earlier of (i) the date on which the Note is paid in full regardless of the occurrence of an Event of Default and (ii) the date on which the Conversion Rights have been fully exercised. This Note shall be payable in full on the Maturity Date, unless previously converted into Series C Preferred Stock in accordance with Section 4 hereof or paid off in full pursuant to Section 6.

(c) Pari Passu. Except as otherwise set forth herein, all payments made on this Note and the Other Notes and all actions taken by Borrower with respect to this Note and the Other Notes shall be made and taken pari passu with respect to this Note and the Other Notes.

(d) Application of Payments. Interest on this Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed. Payments made in connection with this Note shall be applied first to interest that is due and payable on the date of such payment and thereafter to principal.

(e) Manner and Place of Payment. Principal and interest on this Note and other payments in connection with this Note shall be payable at the Holder's offices as designated above in lawful money of the United States of America in immediately available funds without set-off, deduction or counterclaim. Upon assignment of the interest of Holder in this Note, Borrower shall instead make its payment pursuant to the assignee's instructions upon receipt of written notice thereof.

Section 3. Registration of Transfers.

(a) Investment Representations. This Note has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

(b) Reliance on Note Register. Prior to due presentment for transfer to Borrower of this Note, Borrower and any agent of Borrower may treat the Person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither Borrower nor any such agent shall be affected by notice to the contrary.

Section 4. Conversion.

(a) Conversion. Upon Borrower or any Successor Entity (i) achieving a total equity market capitalization of at least four hundred million Dollars (\$400,000,000), based on the 20-day VWAP of the Common Stock of Borrower or any Successor Entity and (ii) having at least 60 million shares of Common Stock (as adjusted for stock splits, stock dividends or similar transactions) outstanding, provided the conditions in clauses (i) and (ii) are satisfied on or before September 30, 2022 (the date on which the conditions in clauses (i) and (ii) are both satisfied, the "Conversion Date"), the full amount of principal outstanding and accrued but unpaid interest payable on this Note as of the date preceding the Conversion Date (the "Conversion Amount") shall automatically, and without any further action on the part of the Holder, convert into a number of shares of Series C Preferred Stock, equal to the Conversion Amount divided by one thousand Dollars (\$1,000) (the "Conversion Price"); *provided, however*, that such automatic conversion shall not occur unless and until the Certificate of Designation has been filed with the Secretary of State (or equivalent state governmental agency) of the state of incorporation of Borrower or Successor Entity, as applicable.

(b) Covenant to Finalize Certificate of Designation. Following the date hereof and prior to the Conversion Date, Borrower and the Holder each covenants to negotiate in good faith the form of the Certificate of Designation to govern the Series C Preferred Stock in accordance with the terms set forth on Annex A hereto, unless otherwise waived in writing by both parties.

(c) Mechanics of Conversion.

(i) Delivery of Certificate Upon Conversion. Not later than three (3) Trading Days after the Conversion Date (the "Share Delivery Date"), Borrower shall deliver, or cause to be delivered, to the Holder a certificate or certificates representing the Conversion Shares which, on or after the six (6) month anniversary of the Original Issue Date shall be free of restrictive legends and trading restrictions representing the number of Conversion Shares being acquired upon the conversion of this Note. Upon request by the Holder, Borrower will deliver the Conversion Shares in book-entry form through the book-entry system of Borrower's transfer agent and registrar in lieu of a physical stock certificate or certificates. On or after the six (6) month anniversary of the Original Issue Date, provided there is a sale of such Conversion Shares either pursuant to Rule 144 or an effective Registration Statement, as the case may be, Borrower shall use its best efforts to deliver any certificate or certificates required to be delivered by Borrower under this Section 4(c) electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

(ii) Obligation Absolute. Borrower's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the

Holder or any other Person of any obligation to Borrower or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of Borrower to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by Borrower of any such action Borrower may have against the Holder. In no event shall Borrower effect a conversion while an Event of Default has occurred and is ongoing.

(iii) Reservation of Shares Issuable Upon Conversion. Borrower covenants that it will authorize, reserve and keep available a sufficient number of unissued shares of Series C Preferred Stock for the sole purpose of issuance upon conversion of this Note as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the Other Holders), not less than one hundred percent (100%) of the aggregate number of shares of Series C Preferred Stock as shall be issuable upon the conversion of the then outstanding principal amount of this Note at the Conversion Price, assuming such principal amount was not converted through the Maturity Date. Borrower covenants that all shares of Series C Preferred Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(iv) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, Borrower shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(v) Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Note shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that, Borrower shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Note so converted and Borrower shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to Borrower the amount of such tax or shall have established to the satisfaction of Borrower that such tax has been paid.

(d) Holder's Ownership Limitation.

(i) Notwithstanding anything to the contrary in this Note, but subject to the last paragraph of this Section 4(d), no shares of Common Stock will be issued or delivered upon conversion of any Note, and no Note will be convertible by the Holder thereof, in each case to the extent, and only to the extent, that such issuance, delivery, conversion or convertibility would result in such Holder, or a "person" or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) beneficially owning in excess of nine and ninety-nine-one-hundredths percent (9.99%) of the then-outstanding shares of Common Stock (the restrictions set forth in this sentence, the "Ownership Limitation"). For these purposes, beneficial ownership and calculations of percentage ownership will be determined in accordance with Rule 13d-3 under the Exchange Act.

(ii) If any Conversion Shares otherwise due to Holder upon the conversion of the Notes are not delivered as a result of the Ownership Limitation, then the Borrower's obligation to deliver such Conversion Shares will not be extinguished, and the Borrower will deliver such Conversion Shares as soon as reasonably practicable after the Holder of such Note provides written confirmation to the Borrower that such delivery will not contravene the Ownership Limitation. Any purported delivery of shares of Common Stock upon conversion of any Note will be void and have no effect to the extent, and only to the extent, that such delivery would contravene the Ownership Limitation.

Section 5. Covenants.

(a) Until the indefeasible payment in full of the obligations under this Note, the Borrower shall not permit (a) the sale of any equity interest of Scrubgrass Reclamation, L.P., a Delaware limited partnership, or Panther Creek Power Operating, LLC, a Delaware limited liability company (collectively, the "Power Subsidiaries"), the result of which would cause either one of the Power Subsidiaries to become less than wholly owned direct or indirect subsidiaries of the Borrower, (b) the consummation of a sale of a majority of the assets (tangible and/or intangible) of the Power Subsidiaries, including any power generation assets other than to Borrower or a wholly owned direct or indirect subsidiary of the Borrower, (c) the sale of all or substantially all of the assets of the Borrower and its subsidiaries, taken as a whole, or (d) the sale of assets of the Borrower and its subsidiaries (in each case other than (i) the sale of equipment of the Borrower used in the mining of cryptocurrency and digital

currency, including Bitcoin (BTC)) with a value in excess of \$500,000 and (ii) a transaction pursuant to which the obligations of the Borrower are assumed in accordance with Section 5(n).

(b) Until the indefeasible payment in full in cash of the obligations under this Note, the Borrower shall not pay any dividends or distributions in respect of the Common Stock of the Borrower.

(c) If any shares of Common Stock to be issued or delivered upon conversion of the Notes hereunder require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be validly issued or delivered upon conversion, the Borrower shall, to the extent then permitted by the rules and interpretations of the Commission, effect such registration or obtain such approval, as the case may be.

(d) The Borrower shall (i) cause each of its existing subsidiaries on the Closing Date to execute the Guaranty Agreement and (ii) within 30 calendar days of formation of any new subsidiary (other than an Immaterial Subsidiary), cause such subsidiary to become party to the Guaranty Agreement. The Borrower shall not form any subsidiaries (other than Immaterial Subsidiaries) which do not, within the time period set forth in clause (ii) above, become a party to the Guaranty Agreement.

(e) Borrower will furnish (or cause to be furnished) to Holder as soon as the same become available, but in any event (i) within one hundred and twenty (120) days after the close of each fiscal year, audited financial statements reflecting Borrower's operations during such fiscal year, including without limitation a balance sheet and profit and loss statement, (ii) within forty-five days (45) after the last day of each March, June, September and December (collectively a "Quarter-End") other than Borrower's fiscal year-end, management-prepared financial statements including without limitation a balance sheet and profit and loss statement. Borrower shall ensure that all such statements are in reasonable detail, prepared in conformity with GAAP, applied on a basis consistent with that of the preceding year or Quarter-End and accompanied by a certificate of Borrower's chief financial officer, which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations (subject to normal year-end adjustments) and (iii) within a reasonable period following any request therefor, such other information regarding the operations, business affairs, and financial condition of the Borrower and its subsidiaries, or compliance with the terms of this Agreement, as the Holder may reasonably request.

(f) The Borrower shall furnish to the Holder prompt written notice of the (i) the Borrower obtaining actual knowledge of the occurrence of any Event of Default; (ii) the receipt by the Borrower of service with respect to, or the Borrower otherwise obtaining actual knowledge of, the filing or commencement of any action, suit, or proceeding by or before any arbitrator or governmental authority against the Borrower or any of its subsidiaries as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect, and (iii) the Borrower obtaining actual knowledge of any other development that has had, or could reasonably be expected to have, a Material Adverse Effect. The Borrower shall deliver with each notice delivered under this Section 5(f) a statement of an officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

(g) The Borrower shall, and shall cause each of its subsidiaries to preserve, renew, and keep in full force and effect its legal existence; *provided* that a Guarantor may dissolve, liquidate or merge with another entity so long as the successor or survivor of such transaction is a Guarantor.

(h) The Borrower shall, and shall cause each of its subsidiaries to, pay and perform its material obligations before the same become delinquent or in default, including tax liabilities, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, and (ii) the Borrower or such subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, or (b) the failure to pay or perform pending such contest could not reasonably be expected to have a Material Adverse Effect.

(i) The Borrower shall, and shall cause each of its subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition in accordance with industry practice, ordinary wear and tear excepted, except nothing in this Section 5(i) will prevent the Borrower or any of its subsidiaries from discontinuing the operation or maintenance of any such properties if such discontinuance is, in the reasonable judgment of the Borrower, desirable in the conduct of its business and not disadvantageous in any material respect to the Holder and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

(j) The Borrower shall, and shall cause each of its subsidiaries to, keep proper books of record and account in accordance with GAAP, prudent accounting practice, and applicable law. The Borrower shall, and shall cause each of its subsidiaries to, permit any representatives designated by the Holder, upon reasonable prior notice and subject to applicable safety rules and regulations, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances, and condition with its officers and, so long as the Borrower has been given reasonable notice thereof and an opportunity to participate in such discussions, independent accountants, all at such reasonable times during the Borrower's and each of its subsidiaries' normal business hours (and in a manner so as, to the extent practicable, not to interfere with the normal business operations of the Borrower and each of its subsidiaries or jeopardize any applicable privileges) and as often as reasonably requested.

(k) The Borrower shall, and shall cause each of its subsidiaries to, comply with all laws applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(l) The Borrower shall use the proceeds of the Notes for the general corporate purposes of the Borrower and its subsidiaries.

(m) The Borrower shall, and shall cause each of the subsidiaries to, promptly, upon the request of the Holder (i) correct any material defect or error that may be discovered in this Note or in the execution thereof and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register, and re-register any and all such further acts, deeds, certificates, assurances, and other instruments the Holder may reasonably require from time to time in order to carry out more effectively the purposes of this Note.

(n) The Borrower shall not merge or consolidate with, or transfer all or substantially all of its assets to, any other Person, unless (i) the Borrower is the surviving entity of such merger or consolidation or (ii) if the Borrower is not the surviving Person, the surviving Person resulting from such merger or consolidation, or the Person to whom such assets are transferred, shall expressly assume the obligations of the Borrower hereunder and under the Purchase Agreement and other Transaction Documents pursuant to an assumption agreement or such other instrument in form and substance reasonably satisfactory to the Holders of a majority of the aggregate outstanding principal amounts under this Note and the Other Notes, including the performance and observance of all the covenants and conditions of the Notes and the Purchase Agreement on the part of the Borrower to be performed or observed.

Section 6. Amortization.

(a) Payoff. Beginning on October 1, 2022, if the Notes have not converted into shares of Series C Preferred Stock pursuant to Section 4(a), Borrower shall repay principal of the Notes in quarterly installments in amounts equal to the greater of (i) eight percent (8%) of Borrower's consolidated revenue from each trailing quarter or (ii) five million, four hundred thousand Dollars (\$5,400,000), payable at Borrower's option in either cash or up to fifty percent (50%) in shares of Common Stock at a twenty percent (20%) discount to the 20-day VWAP in accordance with Section 6(b) below. Borrower shall provide Holder with three days' notice of its election to make a portion of such payment in shares prior to the start of the 20-day VWAP calculation period.

(b) Payments. The first of such payments shall be calculated based on the revenue of Borrower generated during the period beginning on July 1, 2022 and ending on September 30, 2022. The initial amortization payment will be payable by no later than November 15, 2022, and Borrower may elect to pay up to fifty percent (50%) of such initial amortization payment in shares of Common Stock at a twenty percent (20%) discount to the 20-day VWAP as of the end of the Trading Day preceding the payment date. All subsequent payments shall be paid in cash within thirty (30) days after the end of each quarter, subject to a true-up if revenue for the quarter, as reported in the quarterly unaudited financial statements on Form 10-Q or annual audited financial statements on Form 10-K, as applicable for such quarter, varies from the revenue amount used to calculate such payment. In the event Borrower makes an underpayment, the shortfall shall be paid within fifteen (15) days after the filing of the Form 10-Q or Form 10-K, as applicable.

Section 7. Prepayment.

(a) General. Borrower shall have the right, at its sole election, at any time to prepay or redeem this Note in whole or in part.

Section 8. Events of Default.

(a) “Event of Default” means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any default in the payment of (A) the principal amount of the Note or (B) other amounts owing to the Holder, as and when the same shall become due and payable (whether on the Conversion Date or the Maturity Date or by acceleration or otherwise) which default, solely in the case of a default under clause (B) above, is not cured within five (5) Trading Days after Borrower has become or should have become aware of such default;

(ii) the Borrower shall fail to deliver Conversion Shares to the Holder by the Share Delivery Date as required by Section 4(c)(i) which default is not cured within five (5) Trading Days after the Share Delivery Date;

(iii) Borrower shall fail to observe or perform any other covenant or agreement contained in the Purchase Agreement or this Note, which failure is not cured, if possible to cure, within the earlier to occur of (A) twenty (20) Trading Days after notice of such failure sent by the Holder to Borrower and (B) thirty (30) Trading Days after Borrower has become or should have become aware of such failure;

(iv) a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under any of the Transaction Documents, including but not limited to failure to strictly comply with the provisions of the Warrants);

(v) any material representation or warranty made in this Note, any other Transaction Documents, any written statement pursuant hereto or thereto or any other report, financial statement or certificate made or delivered to the Holder or any Other Holder in connection therewith shall be untrue or incorrect in any material respect as of the date when made or deemed made;

(vi) Borrower or any Subsidiary shall be subject to a Bankruptcy Event;

(vii) Borrower or any Subsidiary shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (A) involves an obligation greater than two hundred fifty thousand Dollars (\$250,000), whether such indebtedness now exists or shall hereafter be created, and (B) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable;

(viii) Borrower does not meet the current public information requirements under Rule 144;

(ix) any monetary judgment, writ or similar final process shall be entered or filed against Borrower, any subsidiary or any of their respective property or other assets for more than two hundred fifty thousand Dollars (\$250,000), and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of ninety (90) calendar days;

(x) any dissolution, liquidation or winding up by Borrower and its subsidiaries, taken as a whole, of a substantial portion of their business;

(xi) cessation of operations by Borrower and its subsidiaries, taken as a whole;

(xii) the failure by Borrower or any material Subsidiary to maintain any material intellectual property rights, personal, real property, equipment, leases or other assets which are necessary to conduct its business (whether now or in the future) which would have a Material Adverse Effect and such breach is not cured with twenty (20) days after written notice to Borrower from the Holder (notwithstanding the foregoing, Borrower may elect in its reasonable business judgment to abandon any intellectual property rights);

(xiii) an event resulting in the Common Stock no longer being listed or quoted on a Trading Market, or notification from a Trading Market that the Borrower is not in compliance with the conditions for such continued quotation and such non-compliance continues for twenty (20) days following such notification;

(xiv) a Commission or judicial stop trade order or suspension from its principal Trading Market;

(xv) the restatement after the date hereof of any financial statements filed by the Borrower with the Commission for any date or period prior to the date hereof and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statements, have constituted a Material Adverse Effect. For the avoidance of doubt, any restatement related to new accounting pronouncements or pending SEC Comment Letters shall not constitute a default under this Section;

(xvi) the Borrower effectuates a reverse split of its Common Stock without ten (10) days' prior written notice to the Holder;

(xvii) a default by the Borrower of a material term, covenant, warranty or undertaking of any other agreement to which the Borrower and Holder are parties, or the occurrence of an event of default under any such other agreement to which Borrower and Holder are parties which is not cured after any required notice and/or cure period; or

(xviii) any material provision of any Transaction Document shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by Borrower or any Subsidiary or any governmental authority having jurisdiction seeking to establish the invalidity or unenforceability thereof, or Borrower or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document.

(b) Remedies Upon Event of Default. Upon any Event of Default, the outstanding principal amount of this Note and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. Commencing on the Maturity Date and also five (5) days after the occurrence of any Event of Default interest on this Note shall accrue in addition to the ten percent (10%) per annum at an interest rate equal to the lesser of five percent (5%) per annum or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Note to or as directed by Borrower. In connection with such acceleration described herein, the Holder need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 8(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 9. Miscellaneous.

(a) Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (A) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (B) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to Borrower, to: Stronghold Digital Mining, Inc., 595 Madison Avenue, 28th Floor, New York, NY 10022 Attn: Chief Executive Officer, with a copy by email to (which shall not constitute notice): Vinson & Elkins LLP, 1114 Avenue of the Americas, 32nd Floor, New York, NY 10036, Attn: Daniel M. LeBey, Esq, and (ii) if to the Holder, to: the

address indicated on the front page of this Note, Attn: [●], email [●] with an additional copy by email only to (which shall not constitute notice): [●]

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of Borrower, which is absolute and unconditional, to pay the principal of and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of Borrower. This Note ranks pari passu with all Other Notes now or hereafter issued under the terms set forth herein.

(c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, Borrower shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to Borrower.

(d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding. **This Note shall be deemed an unconditional obligation of Borrower for the payment of money and, without limitation to any other remedies of Holder, may be enforced against Borrower by summary proceeding pursuant to New York Civil Procedure Law and Rules Section 3213 or any similar rule or statute in the jurisdiction where enforcement is sought. For purposes of such rule or statute, any other document or agreement to which Holder and Borrower are parties or which Borrower delivered to Holder, which may be convenient or necessary to determine Holder's rights hereunder or Borrower's obligations to Holder are deemed a part of this Note, whether or not such other document or agreement was delivered together herewith or was executed apart from this Note.**

(e) Waiver. Any waiver by Borrower or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of Borrower or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by Borrower or the Holder must be in writing.

(f) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

(g) Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. Borrower covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive Borrower from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of

this Note, and Borrower (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

(h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

(j) Amendment. Unless otherwise provided for hereunder, this Note may not be modified or amended or the provisions hereof waived without the written consent of Borrower and the Holders of a majority of the aggregate outstanding principal amounts under this Note and the Other Notes. Notwithstanding the foregoing, any modification, amendment or waiver which (i) forgives or alters the principal amount due hereunder, the rate of interest applicable to the Loans, the due date for any payment hereunder or the maturity thereof, (ii) materially adversely alters or changes any rights of any Holder under this Note or (iii) amends, modifies or waives Sections 4 or 9(j) of this Note must, in each case, be executed by the Borrower and the Holder.

(k) Facsimile Signature. In the event that the Borrower's signature is delivered by facsimile transmission, PDF, electronic signature or other similar electronic means, such signature shall create a valid and binding obligation of the Borrower with the same force and effect as if such signature page were an original thereof.

(Signature Pages Follow)

2022. **IN WITNESS WHEREOF**, Borrower has caused this Note to be signed in its name by an authorized officer as of the _____ day of _____

STRONGHOLD DIGITAL MINING, INC.

By: _____
Name:
Title:

Annex A
SERIES C PREFERRED STOCK SUMMARY OF TERMS

1. **Liquidation Preference:** \$1000.
2. **Coupon:** 8% per annum (accruing and payable upon redemption).
3. **Borrower Redemption Right:** Redeemable in whole or in part at any time at the Borrower's option.
4. **Investor Redemption Rights:** If the Borrower's total equity market capitalization is less than \$400,000,000 based on the 2-day VWAP of its common stock at any point after September 30, 2022 (a "**Redemption Right Trigger Date**"), Investors holding a majority of the outstanding shares of Series C Preferred Stock will have the right, acting on behalf of the holders of all of the outstanding shares of Series C Preferred Stock, to demand at any time during the period from the Redemption Right Trigger Date until September 30, 2023, that the Borrower redeem the outstanding shares of Series C Preferred Stock in equal quarterly increments, commencing with the quarter ended December 31, 2022. Upon receiving the Investors' redemption notice, the Borrower will redeem the portion of the Investors' shares of Series C Preferred Stock to be redeemed for each quarter on the 15th day of the month following each calendar quarter end following receipt of the redemption notice (each a "**Redemption Date**"). Each redemption payment shall include the liquidation preference and the accrued dividends application to the shares being redeemed on such Redemption Date and may be made, at the Borrower's option and with prior notice to the Investor (the "**Notice Date**"), in either cash or in shares of Class A Common Stock at a conversion price per share equal to 80% of the 20-day VWAP of the common stock to be calculated following the Notice Date. These rights will accumulate quarterly such that any redemption rights not exercised by Investors in previous quarters will be available in subsequent quarters (*i.e.*, if Investors holding a majority of the outstanding shares of Series C Preferred Stock do not elect to exercise their redemption rights in a quarter they could elect to exercise those redemption rights in a subsequent quarter in addition to such subsequent quarter's redemption rights).
5. **Investor Conversion Right:** In the event Investor has exercised its redemption rights under paragraph 4 above, and the Borrower fails to satisfy its redemption obligations in full pursuant to Paragraph 4, the Investor shall have the right to convert all of the unredeemed shares of Series C Preferred Stock into shares of Class A Common Stock at a conversion price per share equal to 80% of the 20-day VWAP of the common stock as of the end of the trading day immediately preceding the redemption date set forth in the Investor's redemption notice.
6. **Ranking:** The Series C Preferred Stock will rank, with respect to the rights to the payment of dividends and other distributions and the distribution of assets upon the Borrower's liquidation, dissolution or winding up, (i) senior to all classes of common stock and any other junior stock that the Borrower may issue in the future and (ii) on parity with the outstanding series of the Borrower preferred stock. The Borrower shall not issue any classes or series of preferred stock that rank senior to the Series C Preferred Stock while any shares of Series C Preferred Stock remain outstanding.
7. **No Additional Issuances:** No additional shares of Series C Preferred Stock may be issued without the consent of Investors holding a majority of the outstanding shares of Series C Preferred Stock.

**STRONGHOLD DIGITAL MINING, INC.
CLASS A COMMON STOCK WARRANT**

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW AND, IF THE CORPORATION REQUESTS, AN OPINION SATISFACTORY TO THE CORPORATION TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL.

Warrant Certificate No.: [W-A-1]

Original Issue Date: May [___], 2022

Reissuance Date, if any:

FOR VALUE RECEIVED, Stronghold Digital Mining, Inc., a Delaware corporation (the "**Company**"), hereby certifies that [___] or its registered assigns (the "**Holder**") is entitled to purchase from the Company [___] (the "**Aggregate Warrant Number**") duly authorized, validly issued, fully paid and nonassessable shares of Class A Common Stock, par value \$0.0001 per share, at a purchase price per share of \$[___] (the "**Strike Price**"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

1. **Definitions.** As used in this Warrant, the following terms have the respective meanings set forth below:

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Aggregate Strike Price**" means an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then outstanding, multiplied by (b) the Strike Price.

"**Black-Scholes value**" means the value of a Warrant immediately prior to the consummation of the applicable event based on the Black-Scholes Warrant Model for an American Call on Bloomberg Financial Markets ("**Bloomberg**"). For purposes of calculating such amount, (1) the price of each share of Common Stock shall be the volume weighted last reported average price of the Common Stock as reported during the ten (10) Trading Day period ending on the Trading Day prior to the effective date of the applicable event, (2) the assumed volatility shall be the lesser of (x) 100% and (y) the 90 day volatility obtained from the HVT function on Bloomberg determined as of the Trading Day immediately prior to the day of the announcement of the applicable event, and (3) the assumed risk-free interest rate shall correspond to the U.S. Treasury rate for a period equal to the remaining term of the Warrant.

“**Business Day**” means any day, except a Saturday, Sunday or legal holiday, on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

“**Common Stock**” means the Class A Common Stock, par value \$0.0001 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

“**Company**” has the meaning set forth in the preamble.

“**Distribution**” has the meaning set forth in Section 4(c)(iv).

“**Excluded Issuances**” means any issuance of (a) shares of any equity securities pursuant to an employee stock option plan, management incentive plan, restricted stock plan, stock purchase plan or stock, ownership plan or similar benefit plan, similar program or similar agreement as approved by the Board of Directors and shareholders of the Company existing on or prior to the date hereof, (b) shares of any equity securities issuable upon exercise of any warrants or upon conversion, exercise or redemption of other securities outstanding as of the date of this Warrant which have been disclosed in the Company’s reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (as amended, the “**Exchange Act**”) prior to the date of this Warrant, or (c) shares of Common Stock or securities convertible into Common Stock, as applicable, issued by the Company upon exercise of this Warrant or pursuant to any of the other Transaction Documents.

“**Exercise Date**” means, for any given exercise of this Warrant, the date on which the conditions to such exercise as set forth in Section 3 shall have been satisfied at or prior to 5:00 p.m., New York City, NY time, on a Business Day.

“**Exercise Period**” has the meaning set forth in Section 2.

“**Expiration Date**” means the earlier to occur of (x) 5:00 p.m., New York City, NY time, on the fifth anniversary of the Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day and (y) the date of consummation of a Sale Cash Only Transaction to which Section 4(c)(ii)(B)(2)(I) applies.

“**Holder**” has the meaning set forth in the preamble.

“**Independent Financial Expert**” means any independent investment banking or financial valuation firm of nationally recognized standing which does not (and whose directors, officers, employees and affiliates, to the knowledge of the Company, do not) have a material direct or indirect financial interest in the Company or any of its Affiliates (other than by virtue of compensation paid for valuation or fairness advice or opinions to the Company or any of its Affiliates).

“**Note**” means that certain 10.0% Convertible Note due May [___], 2024, between the Company and Holder, originally issued on May [___], 2022.

“**Original Issue Date**” means the first date hereabove written.

“**Person**” means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

“Purchase Agreement” means that certain Note and Warrant Purchase Agreement between the Company and Holder, dated as of May [], 2022.

“Redomestication Transaction” means a Non-Surviving Transaction in which all of the property received upon such Non-Surviving Transaction by each holder of shares of Common Stock consists solely of securities and the holders of the shares of Common Stock immediately prior to such Non-Surviving Transaction are the only holders of the equity securities of the Surviving Person immediately after the consummation of such Non-Surviving Transaction.

“Required Warrant Holders” means Holders of warrant certificates evidencing a majority of the then-outstanding Warrants.

“Sale Cash Only Transaction” means a Sale Transaction in which none of the property receivable upon such Sale Transaction by a holder of shares of Common Stock constituting a Qualifying Person that makes a Sale Maximum Securities Election constitutes securities.

“Sale Cash Percentage” means, with respect to any Sale Transaction, the percentage equal to the quotient of (i) the sum of the amount of cash and the fair market value of the amount of any non-cash property other than securities into which a share of Common Stock held by a Qualifying Person that makes a Sale Maximum Securities Election is converted, changed or exchanged in such Sale Transaction divided by (ii) the Sale Current Market Price with respect to such Sale Transaction.

“Sale Current Market Price” means, with respect to any Sale Transaction, the sum of the amount of cash and the fair market value on the date of consummation of such Sale Transaction of the amount of any securities or other non-cash property into which one share of Common Stock held by a Qualifying Person that makes a Sale Maximum Securities Election is converted, changed or exchanged in the related Sale Transaction.

“Sale Maximum Securities Election” means, with respect to any Sale Transaction, an election by a holder of a share of Common Stock to receive the maximum amount of securities pursuant to any rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon conversion, change or exchange of such share of Common Stock in such Sale Transaction.

“Sale Securities Only Transaction” means a Sale Transaction in which all of the property received upon such Sale Transaction by a holder of shares of Common Stock constituting a Qualified Person that makes a Sale Maximum Securities Election consists solely of securities.

“Sale Transaction” means any Transaction other than a Redomestication Transaction.

“Strike Price” has the meaning set forth in the preamble, subject to adjustments in accordance with the terms of this Warrant.

“Subsidiary” means a corporation association, company (including limited liability company), joint-stock company, business trust or other similar entity more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board, the OTCQB, or the OTCQX (or any successors to any of the foregoing).

“Transaction Documents” means the Note, the Purchase Agreement and this Warrant.

“Warrant” means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

“Warrant Shares” means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant in accordance with the terms of this Warrant.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported on the OTCQX, OTCQB or OTC Pink Marketplace maintained by the OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the volume weighted average price of the Common Stock on the first such facility (or a similar organization or agency succeeding to its functions of reporting prices), or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company. For purposes of calculating VWAP over any multiple-day period, the number of shares of Common Stock shall be adjusted for any stock splits, stock combinations, reclassifications or similar transaction.

2. **Term of Warrant.** Subject to the terms and conditions hereof, at any time or from time to time after the date that is six months following the Original Issue Date and prior to 5:00 p.m., New York City, NY time, on the fifth anniversary of the Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day (the **“Exercise Period”**), the Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares purchasable hereunder (subject to adjustment as provided herein).

3. **Exercise of Warrant.**

(a) **Exercise Procedure.** This Warrant may be exercised from time to time on any Business Day during the Exercise Period, for all or any part of the unexercised Warrant Shares, upon: surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with duly completed and executed exercise notice in the form attached hereto as Exhibit A (the **“Notice of Exercise”**).

(b) **RESERVED.**

(c) **Delivery of Warrant Shares Upon Exercise.** In accordance with and subject to Section 3(a) and Section 4 hereof, the Company shall, as promptly as practicable, and

in any event within three (3) Business Days thereafter, instruct the transfer agent (the “**Transfer Agent**”) for the Common Stock to record the issuance of the Warrant Shares purchased hereunder to the Holder in book-entry form pursuant to the Transfer Agent’s regular procedures. The Warrant Shares shall be registered in the name of the Holder or, subject to compliance with Section 5 below, such other Person’s name as shall be designated. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Delivery of New Warrant.** Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, the Company shall, at the time of delivery of the Warrant Shares being issued in accordance with Section 3(c) hereof, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(e) **Reservation of Shares.** During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant, and the par value per Warrant Share shall at all times be less than or equal to the applicable Strike Price. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Strike Price then in effect, and shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(f) **Exercise Restriction.** Notwithstanding anything herein to the contrary, the Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, and any such exercise shall be null and void and treated as if never made, to the extent that

(i) after giving effect to such exercise, the number of Warrant Shares then beneficially owned by the Holder and its Affiliates and any other Persons or entities whose beneficial ownership of Common Stock, for purposes of Section 13(d) of the Exchange Act, would be aggregated with the Holder’s (including any shares held by any “group” of which the Holder is a member, but excluding shares beneficially owned by virtue of the ownership of securities or rights to acquire securities that have limitations on the right to exchange, convert, exercise or purchase similar to the limitation set forth herein) would exceed 9.99% of the total number of Common Stock issued and outstanding; except that Holder may increase such threshold upon 61 days’ notice to the Company; or

(ii) such issuance, when aggregated with any other Common Stock theretofore or simultaneously therewith issued (including all of the transactions as contemplated under the Transaction Documents) to or otherwise beneficially owned by the Holder and its Affiliates and any other Persons or entities whose beneficial ownership of Common Stock would be aggregated with the Holder’s for purposes of Section 13(d) of the Exchange Act (including any shares held by any “group” of which the Holder is a member) would result in a “change of control” of the Company within the meaning of Nasdaq Listing Rule 5635(b) or otherwise require shareholder approval under Nasdaq Listing Rule 5635(d); except that such limitation under this (ii) shall not apply in the event that the Company obtains all necessary shareholder approvals for such exchange in accordance with the Nasdaq Listing Rules. The Company shall

use its commercially reasonable efforts to obtain any such necessary shareholder approval as soon as commercially practicable.

For purposes hereof, “group” has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the Securities and Exchange Commission, and the percentage held by the Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act.

4. **Mandatory Cashless Exercise; Adjustments.**

(a) **RESERVED.**

(b) **Cashless Exercise.** Upon the exercise of the Warrant in whole or in part, the Company will settle such exercise by paying or delivering, as applicable and as provided in this Section 4(b), shares of Common Stock, together, if applicable, with cash in lieu of fractional shares, in the amounts set forth herein. The Warrant shall only be settled in shares of Common Stock, other than any cash payments in lieu of fractional shares, and shall not be settled in cash. The consideration due upon settlement of the exercise of each Warrant will consist of the following:

(i) A number of shares of Common Stock equal to the greater of (x) zero; and (y) the quotient obtained by dividing $[(VP-SP) * (WS)]$ by (VP), where:

WS = the number of Warrant Shares being exercised, subject to any adjustments as set forth in this Section 4;

VP = the 20-day VWAP as of the market close on the trading day immediately preceding the Exercise Date; and

SP = the Strike Price in effect immediately after the close of business on such Exercise Date.

(ii) Additionally, if the calculation set forth in Section 4(b)(i) results in the issuance of fractional shares of Common Stock, in lieu of delivering any fractional share of Common Stock otherwise due upon exercise of any Warrant, the Company will pay cash based on the VP per share of Common Stock on the Exercise Date as set forth in Section 4(b)(i).

(c) **Strike Price and Warrant Share Adjustments.** Each of the Strike Price and the Warrant Shares will be adjusted from time to time as follows:

(i) *Adjustment Upon Stock Dividends, Certain Issuances, Subdivisions or Combinations of Common Stock.* If the Company, at any time while this Warrant is outstanding: (A) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock, (B) subdivides outstanding shares of Common Stock into a larger number of shares, (C) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Strike Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of Warrant Shares shall be proportionately adjusted such that the Aggregate Strike Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 4(c)(i) shall become effective immediately after the record date for the

determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) **Changes in Common Stock.** In case at any time or from time to time after the Original Issue Date while any Warrants remain outstanding and unexpired in whole or in part, the Company shall be a party to or shall otherwise engage in any transaction or series of related transactions constituting: (A) a merger of the Company into, a direct or indirect sale of all of the Company's equity to, a consolidation of the Company with, or a sale of all or substantially all of the assets of the Company and its Subsidiaries (taken as a whole) to, any other Person in which the previously outstanding shares of Common Stock shall be (either directly or upon subsequent liquidation) cancelled, reclassified or converted or changed into or exchanged for securities or other property (including cash) or any combination of the foregoing (a "**Non-Surviving Transaction**"), or (B) any merger of another Person into the Company in which the previously outstanding shares of Common Stock shall be cancelled, reclassified or converted or changed into or exchanged for securities of the Company or other property (including cash) or any combination of the foregoing (a "**Surviving Transaction**"; any Non-Surviving Transaction or Surviving Transaction being herein called a "**Transaction**"), then:

- (1) if such Transaction is a Redomestication Transaction or a Sale Transaction (other than a Sale Cash Only Transaction), the Company shall (or, in the case of any Non-Surviving Transaction, the Company shall cause such other Person to) execute and deliver a written instrument providing that:
 - (I) so long as any Warrant remains outstanding in whole or in part (including after giving effect to the changes specified under clause (II) below), such Warrant, upon the exercise thereof at any time on or after the consummation of such Transaction, shall be exercisable (on such terms and subject to such conditions as shall be as nearly equivalent as may be practicable to the provisions set forth in this Warrant) into, in lieu of the Common Stock issuable upon such exercise prior to such consummation, only the securities ("**Substituted Securities**") that would have been receivable upon such Transaction by a holder of the number of shares of Common Stock into which such Warrant was exercisable immediately prior to such Transaction assuming, in the case of any such Transaction, if (as a result of rights of election or otherwise) the kind or amount of securities, cash and other property receivable upon such Sale Transaction is not the same for each share of Common Stock held immediately prior to such Sale Transaction, (x) such holder of Common Stock is a Person ("**Qualifying Person**") that is neither (1) an employee of the Company or of any Subsidiary thereof nor (2) a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be ("**Constituent Person**"), or an Affiliate of a

Constituent Person; and (y) such holder makes a Sale Maximum Securities Election (if applicable); and

- (II) subject to any applicable reduction in the Strike Price pursuant to Section 4(c)(ii)(B)(2)(V), the rights and obligations of the Company (or, in the event of a Non-Surviving Transaction, such other Person) and the Holders in respect of Substituted Securities shall be substantially unchanged to be as nearly equivalent as may be practicable to the rights and obligations of the Company and Holders in respect of Common Stock hereunder;
- (2) if such Transaction is a Sale Transaction (other than a Sale Securities Only Transaction), then, at the effective time of the consummation of such Sale Transaction:
- (I) if such Sale Transaction constitutes a Sale Cash Only Transaction, then any Warrants not exercised prior the closing of such Sale Cash Only Transaction shall automatically terminate and become void;
 - (II) if the effective time of the consummation of such Sale Transaction is before the third anniversary of the Original Issue Date, the Company shall deliver or cause to be delivered to the Holder of the warrant certificate evidencing any unexercised Warrants cash and, if applicable, non-cash property other than securities having a fair market value (in proportion to the cash and any non-cash property other than securities into which shares of Common Stock are being converted, changed or exchanged) in an amount equal to the product of (x) the aggregate Black-Scholes value with respect to such Sale Transaction of such Warrants and (y) the Sale Cash Percentage with respect to such Sale Transaction, and following such delivery by the Company all unexercised Warrants shall automatically terminate and become void;
 - (III) if the effective time of the consummation of such Sale Transaction is on or after the third anniversary of the Original Issue Date and before the Expiration Date and the Sale Current Market Price is not greater than the Strike Price in effect immediately prior to such time, the Company shall deliver or cause to be delivered to the Holder of a warrant certificate evidencing any unexercised Warrants cash and, if applicable, non-cash property other than securities having a fair market value (in proportion to the cash and any non-cash property other than securities into which shares of Common Stock are

being converted, changed or exchanged) in an amount equal to the product of (x) the aggregate Black-Scholes value with respect to such Sale Transaction of such Warrants and (y) the Sale Cash Percentage with respect to such Sale Transaction, and following such delivery by the Company all unexercised Warrants shall automatically terminate and become void;

- (IV) if the effective time of the consummation of such Sale Transaction is on or after the third anniversary of the Original Issue Date and before the Expiration Date and the Sale Current Market Price is greater than the Strike Price in effect immediately prior to such time, the Company shall deliver or cause to be delivered to the Holder of the warrant certificate evidencing any unexercised Warrants cash and, if applicable, non-cash property other than securities having a fair market value (in proportion to the cash and any non-cash property other than securities into which shares of Common Stock are being converted, changed or exchanged) in an amount equal to the product of (x) the excess of the Sale Current Market Price over such Strike Price and (y) the Sale Cash Percentage with respect to such Sale Transaction, and following such delivery by the Company all unexercised Warrants shall automatically terminate and become void; and
 - (V) if such Sale Transaction is not a Sale Cash Only Transaction, the Strike Price of each Warrant immediately prior to such time shall be decreased (to an amount not less than the lesser of the par value of the Common Stock as of the date hereof and such par value as of such date of determination)) by an amount equal to the product of (x) such Strike Price and (y) the Sale Cash Percentage with respect to such Sale Transaction; and
- (3) with respect to any Redomestication Transaction or Sale Transaction (other than a Sale Cash Only Transaction), such written instrument under clause (1) above shall provide for adjustments which, for events subsequent to the effective date of such written instrument, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4(c). The above provisions of this Section 4(c)(ii) shall similarly apply to successive Transactions.
- (4) If the Required Warrant Holders object to any determination by the Board of Directors of the fair market value of the non-cash property other than securities or of the non-cash property (other than any securities listed or

admitted for trading on any U.S. national securities exchange) receivable upon conversion, change or exchange of shares of Common Stock in any Sale Transaction, the Required Warrant Holders shall have the right to deliver a written notice ("**Sale Transaction Appraisal Request Notice**") to the Company within 10 Business Days after the Company delivers written notice to Holders of such Sale Transaction requesting that an Independent Financial Expert calculate (x) the fair market value of the non-cash property other than securities and non-cash property (other than any securities listed or admitted for trading on a U.S. national securities exchange) so receivable, in each case as of the date of consummation of such Sale Transaction, and (y) the Black-Scholes value with respect to such Sale Transaction.

(iii) *Common Stock and Convertible Securities.* If the Company, at any time while this Warrant is outstanding, sells or grants any shares of Common Stock, or any securities convertible into or exercisable for Common Stock (such issuances collectively, a "**Dilutive Issuance**"), at a price per share of Common Stock, or at the exercise price per share for securities convertible into Common Stock, that is at a more than a 5% discount to the Fair Market Value, then simultaneously with the consummation of each Dilutive Issuance,

- (A) the Strike Price in effect immediately prior to such Dilutive Issuance will immediately be reduced to the price determined by multiplying the Strike Price in effect immediately prior to such Dilutive Issuance by a fraction, (x) the numerator of which shall be the sum of (1) the product obtained by multiplying the Common Stock Deemed Outstanding prior to such issuance or sale by the Fair Market Value of the Common Stock immediately prior to such Dilutive Issuance, plus (2) the aggregate consideration, if any, received by the Company for the total number of such additional shares of Common Stock or securities convertible into or exercisable for Common Stock, and (y) the denominator of which shall be the product obtained by multiplying (1) the number of shares of Common Stock outstanding immediately after such Dilutive Issuance by (2) the Fair Market Value of the shares of Common Stock immediately prior to such Dilutive Issuance; and
- (B) the number of Warrant Shares issuable upon the exercise of this Warrant shall be adjusted to a number equal to the quotient obtained by dividing: (i) the product of (A) the Strike Price in effect immediately prior to any such Dilutive Issuance multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such Dilutive Issuance; by (ii) the Strike Price resulting from such adjustment (as set forth in Section 4(c)(iii)(A)).
- (C) For purposes of this Section 4(c)(iii), "Common Stock Deemed Outstanding" shall mean the total number of shares of common stock outstanding as of such date, expressed on a fully-diluted basis and "Fair Market Value" shall mean the 10-day VWAP prior to the date of the Dilutive Issuance.

(iv) *Other Distributions.* During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) other than any such dividend or distribution that is subject to Section 4(c)(i) hereof (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case, the Strike Price shall be adjusted by multiplying the Strike Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such Distribution by a fraction of which the denominator shall be the closing price on the record date mentioned above, and of which the numerator shall be such closing price on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith, and the number of Warrant Shares shall be proportionately adjusted such that the Aggregate Strike Price of this Warrant shall remain unchanged. In either case the adjustments shall be described in a statement provided to the Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

(v) *Repurchases.* Unless otherwise adjusted pursuant to Section 4(c)(i) through (x) hereof, if, at any time while this Warrant is outstanding, the Company effects any Repurchases, then, following the completion of the Repurchase, the Strike Price shall be reduced to the price determined by multiplying the Strike Price in effect immediately prior to the date of the Repurchase by a fraction of which the numerator shall be (a) the product of (1) the number of shares of Common Stock outstanding immediately prior to the date of the Repurchase and (2) the closing price of the Common Stock on the trading day immediately preceding the Company’s first public disclosure of its intent to effect such Repurchases, minus (b) the Assumed Payment Amount, and of which the denominator shall be the product of (X) the number of shares of Common Stock outstanding immediately prior to the date of the Repurchase minus the number of shares of Common Stock so repurchased and (Y) the closing price of the Common Stock on the trading day immediately preceding the Company’s first public disclosure of its intent to effect such Repurchases. In such event, the number of Warrant Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by multiplying such number of Warrant Shares by the quotient of (A) the Strike Price in effect immediately prior to the date of the Repurchases divided by (B) the new Strike Price determined in accordance with the immediately preceding sentence. For purposes of the foregoing, the “Assumed Payment Amount” with respect to any Repurchases shall mean the closing price as of the date of such Repurchases, of the aggregate consideration paid to effect such Repurchases and “Repurchases” means any transaction or series of related transactions to purchase Common Stock of the Company for a purchase price greater than the closing price on the trading day immediately prior to such transactions pursuant to any tender offer or exchange offer.

(vi) *Exceptions to Adjustment Upon Issuance of Common Stock.* Notwithstanding anything herein to the contrary herein, there shall be no adjustment to the number of Warrant Shares issuable upon exercise of this Warrant or with respect to the Strike Price with respect to any Excluded Issuance.

(d) **Notices.** Whenever the Strike Price or the Warrant Shares are adjusted pursuant to any provision of this Section 4, the Company shall mail to the Holder a notice setting forth the adjusted Strike Price or the Warrant Shares and a brief statement of the facts requiring such adjustment. In the event the Company shall consummate any Sale Transaction then, unless the Company has made a filing with the Securities and Exchange Commission, including pursuant to a Current Report on Form 8-K, which filing discloses such Sale Transaction, the

Company shall give to each Holder of a warrant certificate a written notice of such Sale Transaction.

5. **Transfer of Warrant.** Subject to the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at the address for notices in Section 10 below (email being sufficient) with a properly completed and duly executed assignment in the form set forth on Exhibit B and any other documentation as may be reasonably requested from the Company. Upon such compliance, surrender and delivery and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

6. **Holder Not Deemed a Stockholder; Limitations on Liability.** Other than as set forth herein, prior to the issuance to the Holder of the Warrant Shares to which the Holder is then entitled to receive upon the due exercise of this Warrant, the Holder shall not be entitled to vote or be deemed the holder of shares of capital stock of the Company for any purpose (other than for tax purposes), nor shall anything contained in this Warrant be construed to confer upon the Holder, as such, any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise) or receive notice of meetings. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

7. **Replacement on Loss; Division and Combination.**

(a) **Replacement of Warrant on Loss.** Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant.** Subject to compliance with the applicable provisions of this Warrant as to any transfer or other assignment which may be involved in such division or combination, this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys, along with any other documentation that the Company may reasonably request. Subject to compliance with the applicable provisions of this Warrant as to any transfer or assignment which may be involved in such division or combination, the Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

8. **Compliance with the Act.** The Holder, by acceptance of this Warrant, agrees to comply in all respects with the provisions of this Section 8 and the restrictive legend requirements set forth on the face of this Warrant and further agrees that such Holder shall not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances that will not result in a violation of the Act. This Warrant and all Warrant Shares issued upon exercise of this Warrant (unless registered under the Act) shall be stamped or imprinted with a legend in substantially the following form:

“THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW AND, IF THE CORPORATION REQUESTS, AN OPINION SATISFACTORY TO THE CORPORATION TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL.”

9. **Warrant Register.** The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

10. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission); or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10).

If to the Company: Stronghold Digital Mining, Inc.
595 Madison Avenue, 28th Floor
New York, NY 10022
Attention: Matthew Smith

with a copy to: Vinson & Elkins LLP
901 East Byrd Street, Suite 1500
Richmond, VA 23219
Attention: Daniel M. LeBey

If to the Holder: To such Holder at the address of such Holder as listed in the stock record books of the Company.

11. **Cumulative Remedies.** Except to the extent expressly provided to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

12. **Equitable Relief.** Each of the Company and the Holder acknowledges that a breach or threatened breach by such party of any of its obligations under this Warrant would give rise to irreparable harm to the other party hereto for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction.

13. **Entire Agreement.** This Warrant, together with the Transaction Documents, constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Warrant and any of the Transaction Documents, the statements in the body of this Warrant shall control.

14. **Successor and Assigns.** This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the parties hereto and the successors of the Company and the successors and permitted assigns of the Holder. Such successors and/or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder.

15. **No Third-Party Beneficiaries.** This Warrant is for the sole benefit of the Company and the Holder and their respective successors and, in the case of the Holder, permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Warrant.

16. **Headings.** The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

17. **Amendment and Modification; Waiver.** Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. **Severability.** If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.

19. **Governing Law.** This Warrant shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of

law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Delaware.

20. **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the Chancery Court of the State of Delaware in each case located in the city of Wilmington, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

21. **Waiver of Jury Trial.** Each party acknowledges and agrees that any controversy which may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

22. **Counterparts.** This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.

23. **No Strict Construction.** This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant as of the Original Issue Date.

STRONGHOLD DIGITAL MINING, INC.

By: _____
Name: Matthew J. Smith
Title: Chief Financial Officer

Signature Page to Common Stock Warrant

ACKNOWLEDGED AND AGREED:

ADAGE CAPITAL PARTNERS, LP

By: Adage Capital Partners, GP, LLC, its General Partner

By: Adage Capital Advisors, LLC, its Managing Member

By: _____
Name: Dan Lehan
Title: Chief Operating Officer

Signature Page to Common Stock Warrant

ACKNOWLEDGED AND AGREED:

PARALLAXES CAPITAL OPPORTUNITY FUND IV, L.P.

By: _____

Name: Andrew Lee

Title: Chief Investment Officer

Signature Page to Common Stock Warrant

ACKNOWLEDGED AND AGREED:

CONTINENTAL GENERAL INSURANCE COMPANY

By: _____
Name: Michael Gorzynski
Title: Executive Chairman

Signature Page to Common Stock Warrant

EXHIBIT A

NOTICE OF EXERCISE

To: STRONGHOLD DIGITAL MINING, INC.

Reference is made to that certain Class A Common Stock Warrant (the “**Warrant**”) issued by Stronghold Digital Mining, Inc. (the “**Company**”) on May [___], 2022. Capitalized terms used but not otherwise defined herein shall have the respective meanings given thereto in the Warrant.

(1) The undersigned Holder of the Warrant hereby elects to exercise the Warrant for Warrant Shares, subject to tender of Warrant Shares pursuant to the cashless exercise provisions of Section 4 of the Warrant.

The undersigned Holder hereby instructs the Company to issue the applicable net number of shares of Common Stock issuable upon exercise of the Warrant pursuant to the cashless exercise provisions of Section 4 of the Warrant, in the name of the undersigned Holder. [The Holder’s calculation of such net number shall be provided to the Company upon request.]

(2) The undersigned Holder hereby represents and warrants to the Company that, as of the date hereof:

(a) **Experience; Accredited Investor Status.** The Holder (i) is an accredited investor as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, (ii) is capable of evaluating the merits and risks of its investment in the Company, (iii) has the capacity to protect its own interests, and (iv) has the financial ability to bear the economic risk of its investment in the Company.

(b) **Company Information.** The Holder has been provided access to all information, including through the Company’s publicly available documents and filing, regarding the business and financial condition of the Company, its expected plans for future business activities, material contracts, intellectual property, and the merits and risks of its purchase of the Warrant Shares, which it has requested or otherwise needs to evaluate an investment in the Warrant Shares. It has had an opportunity to discuss the Company’s business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company’s operations and facilities. It has also had the opportunity to ask questions of, and receive answers from, the Company and its management regarding the terms and conditions of this investment and all such questions have been answered to its satisfaction.

(c) **Investment.** The Holder has not been formed solely for the purpose of making this investment and is acquiring the Warrant Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution of any part thereof. It understands that the Warrant Shares have not been registered under the Securities Act or applicable state and other securities laws and are being issued by reason of a specific exemption from the registration provisions of the Securities Act and applicable state and other securities laws, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of its representations as expressed herein.

(d) **Transfer Restrictions.** The Holder acknowledges and understands that (i) transfers of the Warrant Shares are subject to transfer restrictions under the federal securities laws and (ii) it may have to bear the economic risk of this investment for an indefinite period of

time unless the Warrant Shares are subsequently registered under the Securities Act and applicable state and other securities laws or unless an exemption from such registration is available.

Name of Registered Owner: _____

Signature of Authorized Signatory of Registered Owner: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

NOTE AND WARRANT PURCHASE AGREEMENT

THIS NOTE AND WARRANT PURCHASE AGREEMENT (this “**Agreement**”), is made as of May 15, 2022 by and among Stronghold Digital Mining, Inc., a Delaware corporation (the “**Company**”) and the investors listed on the signature page hereto (each a “**Purchaser**” and collectively, the “**Purchasers**”).

RECITALS

A. The Purchasers wish to purchase from the Company, and the Company wishes to sell and issue to the Purchasers, upon the terms and conditions stated in this Agreement (i) up to \$33,750,000 aggregate principal amount of 10.00% unsecured convertible promissory notes (the “**Notes**”) and (ii) warrants (the “**Warrants**”) representing the right to purchase up to 6,318,000 shares of Class A Common Stock, par value \$0.0001 per share (“**Class A Common Stock**”), of the Company at an exercise price set forth in the Warrant Agreement (as defined below), on the terms and subject to the conditions set forth in this Agreement and, in the case of the Warrants, the Warrant Agreement.

B. The Company and the Purchasers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act (as defined below) and Rule 506(b) of Regulation D promulgated thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual terms, conditions and other agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree to the sale and purchase of the Purchased Interests (as defined below) as set forth herein.

1. Purchase and Sale of Notes and Warrants.

1.1 Sale and Issuance of Notes and Warrants. Subject to the terms and conditions of this Agreement, each Purchaser agrees, severally and not jointly, to purchase at the Closing (as defined below) and the Company agrees to sell and issue to each Purchaser at the Closing the Notes and the Warrants at the purchase price set forth opposite each Purchaser’s name on the signature page hereto (the “**Purchase Price**”). The Notes and Warrants issued to the Purchasers pursuant to this Agreement shall be referred to in this Agreement as the “**Purchased Interests.**” For the avoidance of doubt, no Purchaser shall be liable for any obligations of any other Purchaser.

1.2 Closing; Delivery.

(a) The purchase and sale of the Purchased Interests shall take place remotely via the exchange of documents and signatures on such date and at such time as the Company and the Purchasers mutually agree, orally or in writing (which time and place are designated as the “**Closing**”).

(b) Following the Closing, the Company shall deliver to each Purchaser the Purchased Interests being purchased by such Purchaser at Closing upon receipt of payment of the Purchase Price therefor, to be received at 9:00 AM ET on the business day following the Closing by wire transfer to the Company’s corporate bank account utilizing the wire instructions separately provided to the Purchasers in writing by the Company.

1.3 Use of Proceeds. The Company will use the proceeds from the sale of the Purchased Interests for general corporate purposes.

1.4 Defined Terms Used in this Agreement. In addition to the terms defined elsewhere in this Agreement, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) **“Affiliate”** means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

(b) **“Certificate of Designation”** means that certain Certificate of Designation of the Series C Preferred Stock of the Company.

(c) **“Code”** means the Internal Revenue Code of 1986, as amended.

(d) **“Common Conversion Shares”** mean shares of Class A Common Stock into which the Preferred Conversion Shares may be convertible pursuant to the terms of the Series C Preferred Stock.

(e) **“Company SEC Filings”** mean the Company’s forms, registration statements, reports, schedules and statements filed or furnished by it under the Exchange Act or the Securities Act with the SEC, and (ii) the draft, dated as of May 11, 2022, of the Company’s Form 10-Q for the quarter ended March 31, 2022 that was provided to each Purchaser.

(f) **“Conversion Shares”** mean the Preferred Conversion Shares, the Common Conversion Shares and Note Conversion Shares.

(g) **“Knowledge,”** including the phrase **“to the Company’s knowledge,”** shall mean the actual knowledge, after reasonable investigation, of its Chief Executive Officer and Chief Financial Officer.

(h) **“Material Adverse Effect”** means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company and OpCo, taken as a whole.

(i) **“Note”** means that certain unsecured 10.0% Convertible Note due May 15, 2024, by and between the Company and each Purchaser, in the form of Exhibit A attached to this Agreement.

(j) **“Note Conversion Shares”** mean shares of Class A Common Stock which may be payable pursuant to the terms of the Note.

(k) **“OpCo”** means Stronghold Digital Mining Holdings, LLC, a Delaware limited liability company.

(l) **“Person”** means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(m) **“Preferred Conversion Shares”** mean shares of Series C Preferred Stock into which the Notes may be convertible pursuant to the terms of the Note.

(n) **“Purchaser”** has the meaning ascribed to such term in the preamble.

(o) **“SEC”** means the United States Securities and Exchange Commission.

(p) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(q) “**Series C Preferred Stock**” means the Series C Convertible Redeemable Preferred Stock that may be received upon conversion of the Note in accordance with the terms therein.

(r) “**Subsidiary**” means any Person with respect to which a specified Person owns a majority of the common stock or other equity securities or otherwise has the power to vote or direct the voting of sufficient securities to elect a majority of the directors or other governing body, any limited partnership with respect to which any Person serves as the general partner with the power and authority to manage the day-to-day business and affairs of the limited partnership, or any limited liability company with respect to which any Person serves as the managing member with the power and authority to manage the day-to-day business and affairs of the limited liability company.

(s) “**Transaction Agreements**” means this Agreement (and all exhibits thereto), the Note and the Warrant Agreement.

(t) “**Warrant Agreement**” means that certain warrant agreement, including the form of warrant attached thereto, by and between the Company and the holders thereto, dated as of the date of the Closing, in the form of Exhibit B attached to this Agreement.

(u) “**Warrant Shares**” means the shares of Class A Common Stock issuable upon the exercise of the Warrants in accordance with the Warrant Agreement.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to each Purchaser that the following representations are true and complete as of the date of the Closing, except as otherwise indicated.

2.1 Capitalization. The Company has the authorized capitalization as set forth in the Company’s Second Amended and Restated Certificate of Incorporation (the “**Certificate of Incorporation**”) and the Company SEC Filings. Except as described in the Company SEC Filings or otherwise disclosed to the Purchasers, there are no outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its Subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such Subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; and, except as otherwise disclosed in the Company SEC Filings, all the outstanding shares of capital stock or other equity interests of each Subsidiary owned, directly or indirectly, by the Company are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other similar claim of any third party.

2.2 Organization, Good Standing, Corporate Power and Qualification. Each of the Company and its Subsidiaries has been duly organized and is validly existing as a corporation or other legal entity as applicable in good standing (or its equivalent) under the laws of its jurisdiction of incorporation or organization. Each of the Company and its Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation or other legal entity in each jurisdiction in which its ownership or lease of its properties or the conduct of its business requires such qualification and has all corporate power and authority necessary to own or hold its properties and to conduct the businesses in which each is engaged as described in the Company SEC Filings, except where the failure to so qualify or have such power or authority would not reasonably be expected to have a Material Adverse Effect on the business, properties, financial condition, results of operations or prospects of the Company and its consolidated subsidiaries taken as a whole or the ability of the Company to perform its obligations under, and consummate the transactions contemplated by, this Agreement.

2.3 Absence of Breach or Violation.

(a) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein do not and will not conflict or result in a breach of or violation of or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any assets or properties of the Company or any of its Subsidiaries pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which it or any of them may be bound or to which any of the assets or properties of the Company or any of its Subsidiaries is subject, the result of which could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, nor will such action result in any violation of (i) the provisions of the Certificate of Incorporation or the Amended and Restated Bylaws of the Company or similar organizational documents of any of its Subsidiaries (“**organizational documents**”) or (ii) any applicable law or statute or any order, rule, regulation or judgment of any court or governmental agency or body having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations (each, a “**Law**”), except, with respect to (ii) above, for any such violations that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as disclosed in the Company SEC Filings, neither the Company nor any of its Subsidiaries is in violation of its organizational documents, as applicable, or in default (nor has any event occurred which with notice or lapse of time or both would constitute a default or acceleration) in the performance of any obligation, agreement or condition contained in any indenture, mortgage, loan agreement, bond, debenture, note agreement or other evidence of indebtedness, lease, contract or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them or their respective properties is bound or affected and none of the Company or any of its Subsidiaries is in violation of any judgment, ruling, decree, order, franchise, license or permit or any statute, rule or regulation applicable to the business or properties of any of the Company or any of its Subsidiaries, except for such violations or defaults which do not, individually or in the aggregate, have a Material Adverse Effect.

2.4 Authorization. The Company has the full legal right, power and authority to execute and deliver, and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by the Company, and when executed and delivered, assuming due authorization, execution and delivery by each Purchaser, constitutes and will constitute valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or similar laws affecting the enforcement of creditors’ rights generally and to general equitable principles (whether considered in a proceeding in equity or at law).

2.5 Valid Issuance of Notes and Conversion Shares.

(a) The Notes have been duly authorized and, when issued and duly delivered by the Company against payment therefor as contemplated by this Agreement, will have been duly executed, authenticated, issued and delivered and, free and clear of any pledge, lien, encumbrance, security interest or other claim, and the issuance and sale of the Notes by the Company is not subject to preemptive or other similar rights (whether arising by operation of law, under the organizational documents of the Company or under any agreement to which the Company or any Subsidiary is a party or otherwise).

(b) When the Notes are delivered and paid for in accordance with this Agreement, such Notes may, in accordance with the provisions of the Note, (i) be convertible into the Preferred Conversion Shares, and the Preferred Conversion Shares may, in accordance with the provisions to be set forth in the Certificate of Designation, be convertible into the Common Conversion Shares and (ii) be payable in Note Conversion Shares. The maximum number of shares of Preferred Conversion Shares, Common Conversion Shares or Note Conversion Shares initially issuable upon conversion of the Notes have been or will be duly authorized and reserved for issuance upon such conversion. When the Preferred Conversion Shares, if any, have been issued upon conversion of the Notes in accordance with the Note, the Preferred Conversion Shares will be validly issued and

outstanding, fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim. When the Common Conversion Shares, if any, have been issued upon conversion of the Preferred Conversion Shares in accordance with the terms of the Certificate of Designation, the Common Conversion Shares will be validly issued and outstanding, fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim. When the Note Conversion Shares, if any, have been issued in accordance with the terms of the Note, the Note Conversion Shares will be validly issued and outstanding, fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim. The issuance and sale of the Conversion Shares by the Company is not subject to preemptive or other similar rights (whether arising by operation of law, under the organizational documents of the Company or under any agreement to which the Company or any Subsidiary is a party or otherwise).

2.6 Valid Issuance of Warrants and Warrant Shares. The Warrants have been duly authorized and, when issued and duly delivered by the Company against payment therefor as contemplated by this Agreement, will be validly issued and constitute binding obligation of the Company. The Warrant Shares have been duly authorized and, when issued and duly delivered by the Company against payment as contemplated in the Warrant Agreement, will be validly issued and outstanding, fully paid and non-assessable, free and clear of any pledge, lien, encumbrance, security interest or other claim. The issuance and sale of the Warrants and Warrant Shares by the Company is not subject to preemptive or other similar rights (whether arising by operation of law, under the organizational documents of the Company or under any agreement to which the Company or any Subsidiary is a party or otherwise). The maximum number of Warrant Shares initially issuable upon exercise of the Warrants have been duly authorized and reserved for issuance upon such exercise.

2.7 Valid Issuance of Capital Stock. All issued and outstanding shares of capital stock of the Company outstanding prior to the issuance of the Purchased Interests are validly issued, fully paid and non-assessable and were issued in compliance in all material respects with United States federal and applicable state securities laws.

2.8 Governmental Consents and Approvals. No approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency is required in connection with the Company's execution, delivery and performance of this Agreement, its consummation of the transactions contemplated herein and in the Transaction Agreements, and its sale and delivery of the Purchased Interests, and the compliance by the Company with its obligations hereunder, other than (a) such as have been obtained or made, or will have been obtained or made at the Closing under the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**"), (b) such approvals or notifications in connection with the listing of the Common Conversion Shares, Note Conversion Shares and Warrant Shares on the Nasdaq Global Market ("**Nasdaq**"), (c) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Purchased Interests are being offered by the Company or by the rules of FINRA, or (d) state filings required under the Delaware General Corporation Law.

2.9 Permits. Each of the Company and the Subsidiaries has all necessary permits, licenses, authorizations, consents and approvals (the "**Permits**") and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary authorizations, consents and approvals from other persons, required to conduct their respective businesses as described in the Company SEC Filings, except to the extent that any failure to have any such Permits, to make any such filings or to obtain any such authorizations, consents or approvals would not, individually or in the aggregate, have a Material Adverse Effect. None of the Company or any of the Subsidiaries is not in compliance with, or is in violation of, in default under, or has received any notice regarding a possible violation, default, modification or revocation of, any such Permit or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or any of the Subsidiaries, the effect of which, individually or in the aggregate, would result in a Material Adverse Effect.

2.10 Litigation. Except as described in the Company SEC Filings or otherwise disclosed to the Purchasers, there are no actions, suits, proceedings, inquiries or investigations pending or,

to the Company's knowledge, threatened against the Company or any Subsidiary or any of their respective officers and directors or to which the properties, assets or rights of any such entity are subject, at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority, arbitral panel or agency which, individually or in the aggregate, would be reasonably likely to result in a judgment, decree, award or order having a Material Adverse Effect.

2.11 Financial Statements. The Company's financial statements, together with the related notes and schedules thereto, fairly present, in all material respects, the financial position and the results of operations and changes in financial position of the Company and its consolidated Subsidiaries and other consolidated entities at the respective dates or for the respective periods therein specified. Such statements and related notes and schedules have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods involved except as may be set forth in the related notes. The financial statements, together with the related notes and schedules, comply as to form in all material respects with Regulation S-X under the Exchange Act.

2.12 Independent Registered Public Accounting Firm. Urish Popeck & Co., LLC, whose reports on the consolidated financial statements (including the notes and schedules thereto) of the Company and the Subsidiaries are filed with the SEC are, and were during the periods covered by their reports independent public accountants as required by the Securities Act and the rules of the Public Company Accounting Oversight Board.

2.13 Absence of Changes. Since the date of the most recent financial statements of the Company included or incorporated by reference in the Company SEC Filings, except as otherwise disclosed to the Purchasers, there has not been (a) any Material Adverse Effect, (b) any transaction that is material to the Company and the Subsidiaries taken as a whole, contemplated or entered into by the Company or any of the Subsidiaries, except as disclosed to the Purchasers, (c) any obligation, contingent or otherwise (including off-balance sheet obligations), directly or indirectly incurred by the Company or any Subsidiary (including, without limitation, any losses or interference with their respective businesses from fire, explosion, flood, earthquakes, accident, war, terrorism, epidemic or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree) that is material to the Company and Subsidiaries taken as a whole, (d) any change in the capital stock (other than as a result of (i) the exercise, if any, of stock options or the award, if any, of stock options or restricted stock in the ordinary course of business pursuant to each of the Company's or its Subsidiaries' equity plans that are described in the Company SEC Filings, or (ii) the issuance, if any, of stock upon conversion of securities of the Company or its Subsidiaries as described in the Company SEC Filings) or outstanding indebtedness of the Company or any Subsidiaries, or (e) any dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

2.14 Officer Certificates. Any certificate signed by any officer of the Company or any Subsidiary in such capacity delivered to each Purchaser or to counsel for each Purchaser pursuant to or in connection with this Agreement or the offer, issuance, and sale of the Purchased Interests hereunder shall be deemed a representation and warranty by the Company to each Purchaser as to the matters covered thereby.

2.15 Real and Personal Property. Each of the Company and the Subsidiaries have good and marketable title to all real property owned by them, if any, and good and marketable title to all personal property described in the Company SEC Filings, in each case free and clear of all liens, security interests, pledges, charges, encumbrances, mortgages, equities, adverse claims and other defects, except such as are disclosed in the Company SEC Filings or such as do not materially and adversely affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Company and the Subsidiaries. Any real property, improvements, buildings, equipment and personal property held under lease by the Company or any Subsidiary are held under valid, existing and enforceable leases, with such exceptions as are disclosed in the Company SEC Filings or are not material and do not interfere with the use made or proposed to be made of such real property, improvements, buildings, equipment and personal property by the Company or such Subsidiary.

2.16 Contracts. The descriptions in the Company SEC Filings of the legal or governmental proceedings, contracts, leases and other legal documents therein described present fairly in all material respects the information required to be shown, and there are no legal or governmental proceedings, contracts, leases, or other documents of a character required to be described in the Company SEC Filings or filed as exhibits thereto. All agreements between the Company or any of the Subsidiaries and third parties expressly referenced in the Company SEC Filings are legal, valid and binding obligations of the Company or one or more of the Subsidiaries, enforceable in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles and except where the failure of any such agreement to be enforceable in accordance with its terms would not, individually or in the aggregate, have a Material Adverse Effect.

2.17 Intellectual Property. The Company owns, possesses, licenses or has other rights to use all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets, technology, know-how and other intellectual property (collectively, the "**Intellectual Property**") described in the in the Company SEC Filings as being owned or licensed by them or which are reasonably necessary for the conduct of the Company's business as now conducted or as proposed in the Company SEC Filings, except where the failure to own or have the right to use such Intellectual Property would not have a Material Adverse Effect. The Company has not received any notice of infringement, misappropriation or other conflict with (and the Company is not otherwise aware of any infringement, misappropriation or other conflict with) the Intellectual Property of any other person, except for such infringement, misappropriation or other conflict as, if the subject of an unfavorable decision, would not have a Material Adverse Effect. To the Company's knowledge, there is no material infringement by third parties of any such Intellectual Property owned by or exclusively licensed to the Company. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's rights in or to, or the validity or scope of, any such Intellectual Property owned by or exclusively licensed to the Company, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim, other than any action, suit, proceeding or claim as, if the subject of an unfavorable decision, would not have a Material Adverse Effect. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others asserting that the Company infringes or otherwise violates any Intellectual Property of others. None of the Company-owned Intellectual Property employed by the Company or its Subsidiaries has been obtained or is being used by the Company or any of its Subsidiaries in violation of any contractual obligation binding on the Company or its Subsidiaries or any of their respective officers, directors or employees, other than violations that would not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its Subsidiaries have complied with the terms of each written agreement pursuant to which Intellectual Property has been licensed to the Company or any Subsidiary (other than non-compliance that would not, individually or in the aggregate, have a Material Adverse Effect), and all such agreements are, to the Company's knowledge, in full force and effect.

2.18 IT Systems. Except as disclosed in the Company SEC Filings, (a) to the Company's knowledge, there has been no security breach or other compromise of any Company's information technology and computer systems, networks, hardware, software, data (including the data of their respective customers, employees, suppliers, vendors and any third-party data maintained by or on behalf of them), equipment or technology (collectively, "**IT Systems and Data**") which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect and (b) the Company has not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to their IT Systems and Data which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

2.19 Tax Returns. Except for cases in which failure to be true would not, individually or in the aggregate, have a Material Adverse Effect: (a) each of the Company and the Subsidiaries has filed or caused to be filed on a timely basis all necessary U.S. federal, state and local and foreign income and franchise tax returns required to be filed through the date hereof or has properly requested extensions thereof and has timely paid all taxes shown as due thereon and, if due and payable, any related or similar assessment, fine or penalty levied against any such entity except as may be being contested in good faith and by appropriate proceedings and as to which adequate reserves have been provided and will be

maintained; and (b) no tax deficiency has been asserted in writing against any such entity, nor does any such entity know of any tax deficiency which is likely to be asserted against any such entity.

2.20 Insurance. Each of the Company and the Subsidiaries maintains insurance (issued by insurers of recognized financial responsibility) of the types, in the amounts and with such coverage generally deemed adequate for their respective businesses and consistent with insurance coverage maintained by similar companies in similar businesses, all of which insurance is in full force and effect in all material respects.

2.21 Environmental Matters. Except as could not reasonably be expected to have a Material Adverse Effect (a) the Company is and has been in compliance with all Environmental Laws; (b) there has been no release or to the Company's knowledge threatened release of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "**Hazardous Substance**"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Company; (c) there have been no Hazardous Substances generated by the Company that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any governmental authority in the United States; and (d) to the Company's knowledge, there are no underground storage tanks located on, no polychlorinated biphenyls ("**PCBs**") or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by the Company, except for the storage of hazardous waste in compliance with Environmental Laws. For purposes of this Subsection 2.21, "**Environmental Laws**" means any law, regulation, or other applicable requirement relating to (i) releases or threatened releases of any Hazardous Substance; (ii) pollution or protection of employee health or safety, public health or the environment; or (iii) the manufacture, handling, transport, use, treatment, storage, or disposal of Hazardous Substances.

2.22 Employee Matters.

(a) Neither the Company nor any Subsidiary is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, nor any applicable federal or state wages and hours law, the violation of any of which would have a Material Adverse Effect.

(b) The Company and each of the Subsidiaries and any "employee benefit plan" (as defined under ERISA (as defined below)) established or maintained by the Company, its Subsidiaries or their respective ERISA Affiliates (as defined below) are in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"). No "reportable event" (as defined in ERISA) has occurred or is reasonably likely to occur with respect to any "pension plan" (as defined in ERISA) for which the Company or any of the Subsidiaries or their respective ERISA Affiliates would have any liability. The Company and each of the Subsidiaries and each of their respective ERISA Affiliates have not incurred and do not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Section 412, 4971, 4975, or 4980B of the Code, including the regulations and published interpretations thereunder. Each "pension plan" for which the Company and each of its Subsidiaries and their respective ERISA Affiliates would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification. For the purposes of this paragraph, "**ERISA Affiliate**" means, with respect to the Company or any of its Subsidiaries, any member of any group of organizations described in Sections 414(b), (c), (m) or (o) of the Code of which the Company or such Subsidiary is a member.

(c) None of the Company, any of its Subsidiaries, any officer or director purporting to act on behalf of the Company, or, to the Company's knowledge, any of the Subsidiaries or any of their respective employees or agents has at any time (i) made any contributions to any candidate for political office, or failed to disclose fully any such contributions, in violation of law, (ii) made any payment to any state, federal or foreign governmental officer or official, or other person charged with

similar public or quasi-public duties, other than payments required or allowed by applicable law, or (iii) engaged in any transactions, maintained any bank account or used any corporate funds except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company and the Subsidiaries.

(d) There are no existing or, to the Company's knowledge, threatened labor disputes with, or other work stoppages of, the employees of the Company or any of its Subsidiaries, which would have, individually or in the aggregate, a Material Adverse Effect.

2.23 Broker Fees. Except pursuant to this Agreement, the Company has not incurred any liability for, and there is no broker, finder or other party that is entitled to receive from the Company, any brokerage or finder's fees or other fee or commission or similar payment in connection with the offering of the Purchased Interests.

2.24 Compliance with Sarbanes-Oxley Act of 2002. The Company is in compliance in all material respects with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated thereunder or is implementing the provisions thereof that are currently in effect.

2.25 Disclosure Controls and Procedures. The Company has established and maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), which (a) comply with the requirements of the Exchange Act, (b) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, and (c) are effective in all material respects to perform the functions for which they were established.

2.26 Internal Controls. Except as disclosed in the Company SEC Filings, the Company and each of its Subsidiaries maintains a system of internal controls over financial reporting (as defined under Rules 13a-15 and 15d-15 under the Exchange Act) sufficient to provide reasonable assurances that (a) transactions are executed in accordance with management's general or specific authorizations; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company is not aware of (i) any change in its internal control over financial reporting that has occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

2.27 Investment Company Act. None of the Company or any of the Subsidiaries is and, after giving effect to the offering and sale of the Purchased Interests or the application of the proceeds therefrom will be, or will be required to register as an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

2.28 FCPA. None of the Company or any of the Subsidiaries or any director or officer of the Company or any of its Subsidiaries or, to the Company's knowledge, agent, employee or affiliate of the Company or any of its Subsidiaries is in violation of or is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and the Subsidiaries and, to the Company's knowledge,

their affiliates have conducted their businesses in compliance in all material respects with the FCPA and will use commercially reasonable efforts to institute and maintain policies and procedures designed to ensure compliance therewith.

2.29 Compliance with Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Money Laundering Control Act of 1986, as amended, any other money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “**Money Laundering Laws**”), except for any such non-compliance as would not, individually or in the aggregate, result in a Material Adverse Effect, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the Company’s knowledge, threatened.

2.30 Disclosure. The Company has made available to the Purchasers all the information reasonably available to the Company that the Purchasers have requested in connection with their investigation of the Company and their investment decision regarding the Purchased Interests. No representation or warranty of the Company contained in this Agreement, as qualified by the Company SEC Filings, and no certificate furnished or to be furnished to the Purchasers at the Closing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in the light of the circumstances under which they were made.

3. Representations and Warranties of the Purchasers. Each Purchaser hereby represents and warrants to the Company that:

3.1 Authorization. The Purchaser is duly organized and validly existing and in good standing under the laws of its state of formation, with all necessary power and authority to own properties and to conduct its business as currently conducted. The Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Purchaser is a party, when executed and delivered by the Purchaser, will constitute valid and legally binding obligations of the Purchaser, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors’ rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies. The execution, delivery and performance of the Agreement by the Purchaser and the consummation by the Purchaser of the transactions contemplated herein will not (a) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any agreement to which the Purchaser is a party or by which the Purchaser is bound or to which any of the property or assets of the Purchaser is subject, (b) conflict with or result in any violation of the provisions of the organizational documents of the Purchaser, or (c) violate any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Purchaser or the property or assets of the Purchaser, except in the case of clauses (a) and (c), for such conflicts, breaches, violations or defaults would not prevent the consummation of the transactions contemplated by this Agreement.

3.2 No Reliance. Purchaser understands that none of the Company, or its owners, officers, members, directors, managers, employees or affiliates, legal counsel, or advisors represent Purchaser in any way in connection with the purchase of the Purchased Interests and the entering into any of the Transaction Agreements. Purchaser also understands that legal counsel to the Company and its affiliates does not represent, and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing, Purchaser. With respect to legal, tax, accounting, financial and other considerations involved in the transactions contemplated by this Agreement, including the purchase of the Purchased Interests, the Purchaser is not relying on the Company (or any agent or representative thereof). The Purchaser has carefully considered and, to the extent it believes such discussion is necessary, discussed with professional legal, tax, accounting, financial and other advisors the suitability of the transactions contemplated by this Agreement, including the purchase of the

Purchased Interests. The Purchaser acknowledges that it has not relied upon any express or implied representations or warranties of any nature made by or on behalf of the Company, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of the Purchaser in this Agreement. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchaser to rely thereon.

3.3 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms that the Purchased Interests to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third party, with respect to any of the Purchased Interests. The Purchaser has not been formed for the specific purpose of acquiring the Purchased Interests.

3.4 Disclosure of Information; Risk of Loss. The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Purchased Interests with the Company's management and has had access to the Company SEC Filings and to certain financial and other information to inform its decision to purchase the Purchased Interests. The Purchaser understands that its purchase of the Purchased Interests involves a high degree of risk. The Purchaser is a sophisticated investor capable of bearing the risk of loss associated with the investment in the Purchased Interests. The Purchaser has been furnished with all materials and information requested by either Purchaser or others representing Purchaser, including any information requested to verify any information furnished to Purchaser. The Purchaser has adequate information concerning the business and financial condition of the Company to make an informed decision regarding the purchase of the Purchased Interests and has, independently and without reliance upon the Company, made its own analysis and decision to purchase the Purchased Interests. The Purchaser acknowledges and agrees that the Company shall have no obligation to disclose to it any additional information, and hereby waives and releases, to the fullest extent permitted by applicable law, any and all claims and causes of action it has or may have against the Company and its affiliates, officers, partners, directors, employees, agents and representatives based upon, relating to or arising out of nondisclosure of information or the purchase of the Purchased Interests hereunder.

3.5 Restricted Securities. The Purchaser understands that each of the Purchased Interests, Series C Preferred Stock, the Conversion Shares and Warrant Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that each of the Purchased Interests, Series C Preferred Stock, the Conversion Shares and Warrant Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold such securities indefinitely unless they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Purchased Interests, Series C Preferred Stock, the Conversion Shares or Warrant Shares for resale. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the security, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy. The Purchaser represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

3.6 Legends. The Purchaser understands that the Warrant and any securities issued in respect of or exercise, conversion or redemption of the Purchased Interests (including the Series C Preferred Stock, the Conversion Shares and Warrant Shares), may be notated with one or all of the following legends:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW AND, IF THE CORPORATION REQUESTS, AN OPINION SATISFACTORY TO THE CORPORATION TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL.”

(a) Any legend set forth in, or required by, the other Transaction Agreements.

(b) Any legend required by the securities laws of any state to the extent such laws are applicable to the Purchased Interests, Series C Preferred Stock, the Conversion Shares and Warrant Shares represented by the certificate, instrument, or book entry so legended.

3.7 Accredited Investor. The Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and is able to bear the risk of its investment in the Purchased Interests. The Purchaser acknowledges that it is able to fend for itself, can bear the economic risk of its investment and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of the Purchased Interests.

3.8 No General Solicitation. Neither the Purchaser, nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Interests.

3.9 Foreign Investors. If the Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Code), the Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Purchased Interests or any use of this Agreement, including (a) the legal requirements within its jurisdiction for the purchase of the Purchased Interests, (b) any foreign exchange restrictions applicable to such purchase, (c) any governmental or other consents that may need to be obtained, and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Purchased Interests. The Purchaser’s subscription and payment for and continued beneficial ownership of the Purchased Interests will not violate any applicable securities or other laws of the Purchaser’s jurisdiction.

3.10 Risk Factors. The Purchaser understands that its investment in the Purchased Interests being purchased by the Purchaser from the Company involves a high degree of risk. The Purchaser understands that no U.S. federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Purchased Interests being purchased by the Purchaser from the Company. The Purchaser warrants that such Purchaser is able to bear the complete loss of such Purchaser’s investment in the Purchased Interests being purchased by the Purchaser from the Company. The Purchaser represents and warrants that it has read and understands the risk factors relating to the Company set forth in the Company SEC Filings under the respective “Risk Factors” heading.

3.11 Exculpation Among Purchasers. The Purchaser acknowledges that it is not relying upon any Person in making its investment or decision to invest in the Company.

3.12 Residence. If the Purchaser is an individual, then the Purchaser resides in the state or province identified in the address of the Purchaser set forth on signature page hereto; if the Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices

of the Purchaser in which its principal place of business is identified in the address or addresses of the Purchaser set forth on the signature page hereto.

3.13 Not an Electric Utility Company or Holding Company. The Purchaser, individually or on a coordinated basis with other Purchasers, does not, directly or indirectly, own, operate or control, and is not Affiliated with, an Electric Utility Company or a Holding Company. The Purchaser does not, directly or indirectly, own, operate or control and is not Affiliated with, a person or entity making sales of electric energy for resale. Capitalized terms used, but not otherwise defined, in this Subsection 3.13 have the meanings ascribed to them in the Public Utility Holding Company Act of 2005, 42 U.S.C. section 15801 (Definitions).

4. Conditions to the Purchasers' Obligations at Closing. The obligations of each Purchaser to purchase the Purchased Interests at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of Closing.

4.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before Closing.

4.3 Compliance Certificate. The President or Chief Financial Officer of the Company shall deliver to the Purchasers at Closing a certificate certifying that the conditions specified in Subsections 4.1 and 4.2 have been fulfilled.

4.4 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Interests pursuant to this Agreement shall be obtained and effective as of Closing.

4.5 Warrant Agreement. The Company and each Purchaser shall have executed and delivered the Warrant Agreement.

4.6 Note. The Company and each Purchaser shall have executed and delivered the Note.

4.7 Secretary's Certificate. The Secretary of the Company shall have delivered to each Purchaser at the Closing a certificate certifying (a) the Certificate of Incorporation of the Company, (b) the Amended and Restated Bylaws of the Company, and (c) resolutions of the Board of Directors of the Company approving the Transaction Agreements and the transactions contemplated under the Transaction Agreements.

4.8 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to each Purchaser, and each Purchaser (or its counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested. Such documents may include good standing certificates.

5. Conditions of the Company's Obligations at Closing. The obligations of the Company to sell the Purchased Interests to the Purchasers at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. The representations and warranties of each Purchaser contained in Section 3 shall be true and correct in all respects as of the Closing.

5.2 Performance. Each Purchaser shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before the Closing.

5.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchased Interests pursuant to this Agreement shall be obtained and effective as of the Closing.

5.4 Warrant Agreement. The Company and each Purchaser shall have executed and delivered the Warrant Agreement.

5.5 Note. The Company and each Purchaser shall have executed and delivered the Note.

6. Covenants.

6.1 Certificate of Designation. Following the Closing and prior to the Conversion Date (as defined in the Note), the Company and the Purchasers shall negotiate in good faith the form of the Certificate of Designation to govern the Series C Preferred Stock. The Series C Preferred Stock shall include the terms set forth on Exhibit C hereto unless otherwise waived in writing by the Company and all Purchasers.

6.2 Stockholder Approval. Notwithstanding anything herein to the contrary, the Company shall not effect the exercise of any portion of the Warrant, issue any Preferred Conversion Shares, issue any Common Conversion Shares, or issue any Note Conversion Shares (collectively, a “**Common Stock Conversion Event**”) and each Purchaser shall not have the right to effect a Common Stock Conversion Event, and any such exercise, conversion, or issuance, as applicable, shall be null and void and treated as if never made, to the extent that:

(a) after giving effect to such exercise, conversion, or issuance, the number of Class A Common Stock then beneficially owned by such Purchaser and its Affiliates and any other Persons or entities whose beneficial ownership of Class A Common Stock, for purposes of Section 13(d) of the Exchange Act, would be aggregated with such Purchaser’s (including any shares held by any “group” of which such Purchaser is a member, but excluding shares beneficially owned by virtue of the ownership of securities or rights to acquire securities that have limitations on the right to exchange, convert, exercise or purchase similar to the limitation set forth herein) would exceed 9.99% of the total number of Class A Common Stock issued and outstanding, except that Holder may increase such threshold upon 61 days’ notice to the Company; or

(b) such issuance, when aggregated with any other common stock held by such Purchaser and its Affiliates or to be issued pursuant to any arrangement (including issuances of Conversion Shares as contemplated by the transactions under this Agreement) or otherwise beneficially owned by Purchasers and its Affiliates and any other Persons or entities whose beneficial ownership of common stock would be aggregated with such Purchaser’s for purposes of Section 13(d) of the Exchange Act (including any shares held by any “group” of which such Purchaser is a member) would result in a “change of control” of the Company within the meaning of Nasdaq Listing Rule 5635(b) or otherwise require shareholder approval under Nasdaq Listing Rule 5635(d); except that such limitation in this subsection (b) shall not apply in the event that the Company obtains all necessary shareholder approvals for such exchange in accordance with the Nasdaq Listing Rules. The Company shall use its commercially reasonable efforts to obtain such necessary shareholder approval as soon as commercially practicable.

(c) For purposes of this Subsection 6.2, “group” has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the SEC, and the percentage held by each Purchaser shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. To the extent any provisions of the Note, Warrant Agreement or the Certificate of Designation conflict with this Subsection 6.2, this Subsection 6.2 shall govern.

6.3 Registration Rights. If the Warrant Shares issuable upon conversion of the Warrants (the “**Newly Issued Shares**”) are not tradeable on the next business day immediately following the date 6 months after the issuance date of the Warrant pursuant to Rule 144 promulgated under the Securities Act, the Company shall provide for the registration of the transfer of the Newly Issued Shares on a registration statement under the Securities Act permitting the resale by the Purchasers of the Newly Issued Shares, on the terms and conditions set forth therein in the form mutually agreed by the Company and the Purchasers.

7. Miscellaneous.

7.1 Survival. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and each Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing for a period of one (1) year and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of such Purchaser or the Company. Further, the obligations set forth in Section 6 hereof shall survive any termination of this Agreement and the sale and delivery of the Purchased Interests for such period of time as set forth therein.

7.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Except as otherwise expressly provided in this Agreement, nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

7.3 Governing Law. This Agreement shall be governed by the internal law of the State of New York, without regard to conflict of law principles that would result in the application of any law other than the law of the State of New York.

7.4 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

7.6 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile, (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page, or to such e-mail address, facsimile number or address as subsequently modified by written notice given in accordance with this Subsection 7.6. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the parties. If notice is given to the Company, a copy, which shall not constitute notice, shall also be sent to Vinson & Elkins LLP, 901 East Byrd Street, Suite 1500, Richmond, VA 23219, Attention: Daniel LeBey.

7.7 No Finder’s Fees. Each party represents that it neither is nor will be obligated for any finder’s fee or commission in connection with this transaction. Each Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder’s or broker’s fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which such Purchaser or any of its officers, employees or representatives is responsible.

7.8 Fees and Expenses. Each party shall be responsible for its own fees and expenses incurred in connection with the entry into this Agreement and the Transaction Agreements, except that the Company shall pay for the reasonable legal fees incurred by Adage.

7.9 Attorneys' Fees. If any action at law or in equity (including, arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

7.10 Amendments and Waivers. Except as set forth in Subsection 1.2(a) of this Agreement, any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the holders of at least a majority of the then-outstanding Purchased Interests (except that the rights of any one Purchaser cannot be materially and disproportionately adversely affected without the consent of such Purchaser). Any amendment or waiver effected in accordance with this Subsection 7.10 shall be binding upon the Purchasers and each transferee of the Purchased Interests (or the Conversion Shares), each future holder of all such securities, and the Company.

7.11 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

7.12 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

7.13 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

7.14 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York State or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

7.15 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SUBSECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE

PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Note and Warrant Purchase Agreement as of the date first written above.

COMPANY:

STRONGHOLD DIGITAL MINING, INC.

By: /s/ Matthew J. Smith

Name: Matthew J. Smith

Title: Chief Financial Officer

Address:

Telephone:

Email:

PURCHASER:

ADAGE CAPITAL PARTNERS, LP

By: Adage Capital Partners, GP, LLC, its General Partner

By: Adage Capital Advisors, LLC, its Managing Member

By: /s/ Dan Lehan

Name: Dan Lehan

Title: Chief Operating Officer

Purchase Price:

Address:

Telephone:

Email:

**PURCHASER:
PARALLAXES CAPITAL OPPORTUNITY FUND IV, L.P.**

By: /s/ Andrew Lee

Name: Andrew Lee

Title: Chief Investment Officer

Purchase Price:

Address:

Telephone:

Email:

PURCHASER:
CONTINENTAL GENERAL INSURANCE COMPANY

By: /s/ Michael Gorzynski
Name: Michael Gorzynski
Title: Executive Chairman

Purchase Price:

Address:

Telephone:

Email:

EXHIBIT A
Form of Note

Exhibit A-1

EXHIBIT B
Form of Warrant Agreement

Exhibit B-1

EXHIBIT C

Terms of Series C Preferred Stock

Exhibit C-1

GUARANTY AGREEMENT

This GUARANTY AGREEMENT (this “Guaranty”), dated as of May 15, 2022, by and among STRONGHOLD DIGITAL MINING, INC. (the “Borrower”), the subsidiaries of the Borrower listed on the signature page hereof (each a “Guarantor” and collectively, the “Guarantors”), and each Holder of a Notes referred to below (in such capacity, together with any successor thereto, the “Holder”).

WITNESSETH:

WHEREAS, the Borrower has entered into (i) that certain 10.0% Convertible Note due May 15, 2024 in favor of Adage Capital Partners, LP, (ii) that certain 10.0% Convertible Note due May 15, 2024 in favor of Continental General Insurance Company and (iii) that certain 10.0% Convertible Note due May 15, 2024 in favor of Parallaxes Capital Opportunity Fund IV, L.P. (collectively, the “Notes” and each, individually, a “Note”) in order to finance, among other things, the ongoing working capital needs of the Borrower;

WHEREAS, it is a condition to the extension of credit under the Notes that each Guarantor shall have executed and delivered this Guaranty to guaranty the obligations of the Borrower thereunder; and

WHEREAS, each Guarantor will obtain benefits from the incurrence of the indebtedness evidenced by the Notes by the Borrower, and accordingly desires to execute this Guaranty in order to satisfy the conditions described in the preceding paragraph and to induce the Holders to extend credit to the Borrower under the Notes.

1. DEFINITIONS

Capitalized terms used herein shall have the meanings assigned to them in the Notes, unless otherwise defined herein. References to this “Guaranty” shall mean this Guaranty, including all amendments, modifications and supplements and any annexes, exhibits and schedules to any of the foregoing, and shall refer to this Guaranty as the same may be in effect at the time such reference becomes operative.

2. THE GUARANTY

(a) Guaranty of Guaranteed Obligations. Subject to the limitation in Section 2(g) below, each Guarantor unconditionally guarantees to the Holders, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the punctual payment and performance of the obligations of the Borrower under the Notes when due (whether at stated maturity, by acceleration or otherwise) (the “Guaranteed Obligations”) for the ratable benefit of the Holders. Each Guarantor further agrees that the Guaranteed Obligations may be extended, modified, amended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension, modification, amendment or renewal of any Guaranteed Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Guarantor of any of the Guaranteed Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. Each Guarantor, jointly with the other Guarantors and severally, shall pay any and all reasonable and documented expenses (including attorneys’ fees of outside counsel) incurred by Holders in enforcing or protecting their rights under this Guaranty.

(b) Guaranty of Payment and Performance. Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment and performance when due and not of collection, and waives any right to require that any resort be had by the Holders against Borrower or to any security held for the payment or performance of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of the Holder in favor of the Borrower or any other person.

(c) No Limitations. Except (i) as set forth in Section 2(g) below and (ii) for termination or release of a Guarantor's obligations hereunder as expressly provided for in Section 5(g), the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise (other than defense of payment or performance). Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by: (i) the failure of any Holder to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Note or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Note or any other agreement, including with respect to any other Guarantor under this Guaranty; (iii) the release of, or the failure to perfect any security interest in, or the exchange, substitution, release or any impairment of, any security held by the Holders for the Guaranteed Obligations; (iv) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations; (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the payment in full of all the Guaranteed Obligations); (vi) any illegality, lack of validity or enforceability of any Guaranteed Obligation; (vii) any change in the corporate existence, structure or ownership of the Borrower or any other Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any other Guarantor or its assets or any resulting release or discharge of any Guaranteed Obligation (other than the payment in full of all the Guaranteed Obligations); (viii) the existence of any claim, set-off or other rights that the Guarantor may have at any time against the Borrower or any other Guarantor, any Holder, or any other entity or person, whether in connection herewith or any unrelated transactions, provided that nothing herein will prevent the assertion of any such claim by separate suit or compulsory counterclaim; and (ix) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by any Holder that might otherwise constitute a defense to, or a legal or equitable discharge of, the Borrower or any other Guarantor or any other guarantor or surety. Each Guarantor expressly authorizes the Holder to take and hold security for the payment and performance of the Guaranteed Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Guaranteed Obligations, all without affecting the obligations of any Guarantor hereunder. To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of any other Guarantor or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Guarantor, other than the payment in full in cash or immediately available funds of all the Guaranteed Obligations. The Holders may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with the Borrower or any other Guarantor or exercise any other right or remedy available to them against the Borrower or any other Guarantor, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full

in cash or immediately available funds. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against any other Guarantor, as the case may be, or any security.

(d) Reinstatement. Notwithstanding the provisions of Section 5(g)(i), each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored or returned by the Holders upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any other Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any other Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

(e) Agreement To Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Holder has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Guarantor to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, promptly to the Holders such unpaid Guaranteed Obligation upon demand. Upon payment by any Guarantor of any sums to the Holders as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be fully subordinated to the indefeasible payment of the Guaranteed Obligations pursuant to the terms of Section 6 of this Guaranty.

(f) Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that the Holders will not have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

(g) Excluded Guarantors. Notwithstanding anything to the contrary in this Guaranty or any Note, to the extent any Guarantor which is not permitted to guarantee or incur indebtedness pursuant to the terms of any contractual agreement to which it is a party as of the date hereof shall explicitly and absolutely excluded from, and shall have no obligations under or with respect to, this Guaranty and the Guaranteed Obligations for so long as such applicable contractual obligation limits any such guarantee or the incurrence of indebtedness. For the avoidance of doubt, as of the date hereof, each of the following subsidiaries of the Borrower are subject to contractual obligations that limit the incurrence of indebtedness and guarantees, (i) Scrubgrass Reclamation Company, L.P., as a result of its obligations under Sections 3.01 and 3.02 of the Negative Pledge Agreement between it and with WhiteHawk Finance, LLC, (ii) Panther Creek Power Operating, LLC, as a result of its obligations under Sections 3.01 and 3.02 of the Negative Pledge Agreement between it and with WhiteHawk Finance, LLC and (iii) Stronghold Digital Mining Equipment, LLC as a result of its obligations under Section 8(b)(ix) of the Financing Agreement with WhiteHawk Finance, LLC.

3. FURTHER ASSURANCES

Each Guarantor agrees, upon the written request of the Holders, to execute and deliver to the Holders, from time to time, any additional instruments or documents reasonably

considered necessary by the Holders to cause this Guaranty to be, become or remain valid and effective in accordance with its terms.

4. **REPRESENTATIONS OF GUARANTORS.** Each Guarantor represents and warrants to the Holders that this Guaranty has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

5. **OTHER TERMS**

(a) **Entire Agreement.** This Guaranty, together with the Notes, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to a guaranty of the loans and advances under the Notes.

(b) **Headings.** The headings in this Guaranty are for convenience of reference only and are not part of the substance of this Guaranty.

(c) **Severability.** Whenever possible, each provision of this Guaranty shall be interpreted in such a manner to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(d) **Notices.** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be given as provided in Section 9(a) of each Note.

(e) **Successors and Assigns.** Whenever in this Guaranty any Guarantor is referred to, such reference shall be deemed to include the permitted successors and assigns of such party (in accordance with the terms of the Notes); and all covenants, promises and agreements by any Guarantor that are contained in this Guaranty shall bind and inure to the benefit of its respective permitted successors and assigns; provided that no Guarantor may assign its rights, interest or obligations hereunder to any other person without the prior written consent of the Holders and any purported assignment absent such consent is void.

(f) **No Waiver; Cumulative Remedies; Amendments.** No failure or delay by the Holders in exercising any right, power or remedy hereunder shall operate as a waiver hereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Holders hereunder are cumulative and are not exclusive of any rights, powers or remedies that it would otherwise have. No waiver of any provision of this Guaranty or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be permitted by this Section 5(f), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, any extension of credit under the Notes shall not be construed as a waiver of any Event of Default, regardless of whether any Holder may have had notice or knowledge of such Event of Default at the time. No notice or demand on any Guarantor in any case shall entitle any Guarantor to any other or further notice or demand in similar or other circumstances. When making any demand hereunder against any of the Guarantors, the Holders may, but shall be under no obligation to, make a similar demand on the Borrower or any other Guarantor or

guarantor, and any failure by the Holders to make any such demand or to collect any payments from the Borrower or any such other Guarantor or guarantor or any release of the Borrower or such other Guarantor or guarantor shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Holders against any of the Guarantors. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings. Neither this Guaranty nor any provision hereof may be waived, amended or modified (other than termination of this Guaranty pursuant to Section 5(g)) except pursuant to an agreement or agreements in writing entered into by the Holders and the Guarantor or Guarantors with respect to which such waiver, amendment or modification is to apply.

(g) Termination and Release.

(a) This Guaranty shall terminate, when all the Guaranteed Obligations (other than any contingent or indemnification obligations not then due) have been indefeasibly paid in full as set forth in the Notes.

(b) In connection with any release pursuant to this Section 5(g), the Holders shall execute and deliver to the Borrower, at the Borrower’s expense, all documents that the Borrower shall reasonably request to evidence such release. Any execution and delivery of documents pursuant to this Section 5(g) shall be without recourse to or warranty by the Holders.

(h) Counterparts. This Guaranty may be executed in any number of counterparts (including by facsimile or other electronic transmission, i.e. a “pdf” or a “tif”), each of which shall collectively and separately constitute one and the same agreement.

6. INDEMNITY, SUBROGATION AND SUBORDINATION

(a) Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6(c)), the Borrower agrees that (i) in the event a payment shall be made by any Guarantor under this Guaranty in respect of any Obligation of the Borrower, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (ii) in the event any assets of any Guarantor shall be sold pursuant to this Guaranty to satisfy in whole or in part an obligation of the Borrower under the Note, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

(b) Contribution and Subrogation. Each Guarantor (a “Contributing Guarantor”) agrees (subject to Section 6(c)) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any obligation of the Borrower under the Note to satisfy any Guaranteed Obligation owed to any Holder and such other Guarantor (the “Claiming Guarantor”) shall not have been fully indemnified by the Borrower as provided in Section 6(a), the Contributing Guarantor shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as applicable, in each case multiplied by a fraction of which the numerator shall be the net worth of such Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto after the date hereof, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6(b) shall be subrogated to the rights of such Claiming Guarantor under

Section 6(a) to the extent of such payment. The provisions of this Section 6(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Holders, and each Guarantor shall remain liable to the Holders for the full amount guaranteed by such Guarantor hereunder.

(c) Subordination. Notwithstanding any provision of this Guaranty to the contrary, all rights of the Guarantors under Sections 6(a) and 6(b) and all other rights of indemnity, contribution or subrogation of any Guarantor under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full of the Guaranteed Obligations. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation or application of funds of any of the Guarantors by any Holder, no Guarantor shall be entitled to be subrogated to any of the rights of the Holders against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by any Holder for the payment of the obligations under the Notes until indefeasible payment in full of the Guaranteed Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder until payment in full of the Guaranteed Obligations. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to payment in full of the Guaranteed Obligations, such amount shall be held by such Guarantor in trust for the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be paid to the Holders to be credited and applied against the obligations under the Note, whether matured or unmatured, in accordance with the terms of the Notes. No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6(a) and 6(b) (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of the obligations of such Guarantor hereunder.

7. GOVERNING LAW; JURISDICTION; VENUE; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS; INDEMNITY

(a) The terms of 9(d) of the Notes with respect to governing law, submission of jurisdiction, venue and waiver of trial by jury are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

(b) Each party to this Guaranty irrevocably consents to service of process in the manner provided for notices in Section 5(d). Nothing in this Guaranty will affect the right of any party to this Guaranty to serve process in any other manner permitted by law.

8. RIGHT OF SET OFF

After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Holder provided by law, each Holder shall have the right, without prior notice to any Guarantor, any such notice being expressly waived by such Guarantor to the extent permitted by applicable law, upon any amount becoming due and payable by any Guarantor hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Holder to or for the credit or the account of any Guarantor. The rights of each Holder under this Section 8 are in addition to other rights and remedies (including other rights of set-off) that such Holder may have.

9. ADDITIONAL SUBSIDIARIES

Upon execution and delivery by the any newly formed subsidiary of the Borrower that is required to become a party hereto by the Notes of an instrument in the form of Exhibit I hereto, such subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Guaranty. The rights and obligations of each party to this Guaranty shall remain in full force and effect notwithstanding the addition of any new party to this Guaranty. Each reference to "Guarantor" in this Guaranty shall be deemed to include such Subsidiary.

(Remainder of page left intentionally blank.)

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be executed and delivered as of the date first above written.

GUARANTORS:

STRONGHOLD DIGITAL MINING, INC., as the Borrower

By: /s/ Matthew J. Smith
Name: Matthew J. Smith
Title: Chief Financial Officer

STRONGHOLD DIGITAL MINING HOLDINGS, LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

LIBERTY BELL FUNDING, LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

PANTHER CREEK POWER OPERATING, LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

EIF SCRUBGRASS, LLC, as Guarantor

Signature Page to Guaranty Agreement

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

FALCON POWER LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

SCRUBGRASS POWER LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

SCRUBGRASS RECLAMATION COMPANY, L.P., as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

LEECHBURG PROPERTIES, INC., as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

CLEARFIELD PROPERTIES INC., as Guarantor

Signature Page to Guaranty Agreement

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

STRONGHOLD DIGITAL MINING OPERATING, LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

STRONGHOLD DIGITAL MINING LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

STRONGHOLD DIGITAL MINING EQUIPMENT, LLC, as Guarantor

By: /s/ Gregory A. Beard
Name: Gregory A. Beard
Title: Authorized Person

Signature Page to Guaranty Agreement

**Exhibit I
to Guaranty**

SUPPLEMENT NO. _____ dated as of _____ (this “Supplement”), to the Guaranty Agreement dated as of May 15, 2022 (the “Guaranty”), among STRONGHOLD DIGITAL MINING, INC. (the “Borrower”), the subsidiaries of the Borrower listed on the signature page thereto (each an “Existing Guarantor” and collectively, the “Guarantors”), and each Holder of a Notes referred to below (in such capacity, together with any successor thereto, the “Holders”).

A. Reference is made to (i) that certain 10.0% Convertible Note due May 15, 2024 in favor of Adage Capital Partners, LP, (ii) that certain 10.0% Convertible Note due May 15, 2024 in favor of Continental General Insurance Company and (iii) that certain 10.0% Convertible Note due May 15, 2024 in favor of Parallaxes Capital Opportunity Fund IV, L.P. (collectively, the “Notes” and each, individually, a “Note”).

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Notes and the Guaranty, as applicable.

C. The Existing Guarantors have entered into the Guaranty in order to induce the Holders to extend credit under the Notes to the Borrower. Section 9 of the Guaranty provides that additional Subsidiaries may become Guarantors under the Guaranty by execution and delivery of an instrument in the form of this Supplement. The undersigned subsidiary of the Borrower (the “New Subsidiary”) is executing this Supplement in accordance with the requirements of the Notes to become a Guarantor under the Guaranty as consideration for the extensions of credit previously made to the Borrower pursuant to the Notes.

Accordingly, the New Subsidiary agrees as follows:

SECTION 1. In accordance with Section 9 of the Guaranty, the New Subsidiary by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Guarantor and the New Subsidiary hereby agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder. In furtherance of the foregoing, the New Subsidiary does hereby guarantee to the Holders the due and punctual payment and performance of the Guaranteed Obligations (whether at stated maturity, by acceleration or otherwise) as set forth in the Guaranty. Each reference to a “Guarantor” in the Guaranty and in this Supplement shall be deemed to include the New Subsidiary. The Guaranty is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Holders that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors’ rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. This Supplement shall become effective when the Holders shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission, i.e. a “pdf” or a “tif” shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In the event any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5(d) of the Guaranty.

SECTION 8. The New Subsidiary agrees to reimburse the Holders for their reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable and documented fees, disbursements and other charges of counsel to the Holders.

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Supplement to the Guaranty as of the day and year first above written.

(Remainder of page left intentionally blank.)

[Name of New Subsidiary]

By: _____
Name:
Title: