
**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): **December 15, 2021**

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 a Material Definitive Agreement.

NYDIG Financing Agreement

On December 15, 2021, Stronghold Digital Mining BT, LLC (“Digital Mining BT”), a wholly owned subsidiary of Stronghold Digital Mining, Inc. (the “Company”) entered into a Master Equipment Finance Agreement (the “NYDIG Financing Agreement”) with NYDIG ABL LLC (“NYDIG”) whereby NYDIG agreed to lend Digital Mining BT up to \$53,952,000 to finance the purchase of certain Bitcoin miners and related equipment (the “NYDIG-Financed Equipment”). As of December 17, 2021, Digital Mining BT has drawn down \$18,559,488, which reflects amounts associated with two of three available tranches. The aggregate principal amount outstanding bears interest of 9.85% and is payable in 24 consecutive monthly installments. Under the terms of the NYDIG Financing Agreement, Digital Mining BT will pay a 1.25% fee on undrawn amounts on the third tranche if such amounts are not requested by April 30, 2022. Outstanding borrowings under the NYDIG Financing Agreement are secured by the NYDIG-Financed Equipment, contracts to acquire NYDIG-Financed Equipment, and the Bitcoin mined by the NYDIG-Financed Equipment. The NYDIG Financing Agreement includes customary restrictions on additional liens on the NYDIG-Financed Equipment. The NYDIG Financing Agreement may not be terminated by Digital Mining BT or prepaid in whole or in part. The foregoing description of the NYDIG Financing Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the NYDIG Financing Agreement, a copy of which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2021.

Item 7.01 Regulation FD Disclosure

On December 20, 2021, the Company issued a press release announcing the NYDIG Financing Agreement, Supplier Purchase Agreements, Cryptech Purchase Agreement and Luxor Purchase Agreement (as defined below). A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is being “furnished” pursuant to General Instruction B.2 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth in such filing.

Item 8.01 Other Events

NYDIG Forward Sale

On December 15, 2021, Stronghold Digital Mining, LLC (“Digital Mining”), a subsidiary of the Company, entered into a Prepaid Variable Digital Asset Forward Transaction with NYDIG Derivatives Trading LLC (“NYDIG Trading”) providing for the sale of 250 Bitcoin (the “Sold Bitcoin”) at a floor price of \$28,000 per Bitcoin (such sale, the “Forward Sale”). Pursuant to the Forward Sale, NYDIG Trading paid Digital Mining an amount equal to the floor price per Bitcoin (the “Initial Sale Price”) on December 16, 2021. On September 24, 2022, the Sold Bitcoin will be sold to NYDIG Trading at a price equal to the market price for Bitcoin on September 23, 2022, less the Initial Sale Price, subject to a capped final sale price of \$85,500 per Bitcoin.

Supplier Purchase Agreements

On December 10, 2021, Stronghold Digital Mining Operating, LLC, a Delaware limited liability company, and subsidiary of the Company, entered into a Hardware Purchase and Sale Agreement (the “First Supplier Purchase Agreement”) to acquire 3,000 MicroBT WhatsMiner M30S miners (the “M30S Miners”) with a hash rate per unit of 87 terahash per second (“TH/s”). Pursuant to the First Supplier Purchase Agreement, the unit price per M30S Miner is \$6,960 for a cumulative purchase price of \$20,880,000 that was paid in full within five business days of the execution of the First Supplier Purchase Agreement. The M30S Miners are expected to be delivered to the Scrubgrass power plant located at 2151 Lisbon Road, Kennerdell, PA (the “Scrubgrass Plant”) or the Panther Creek power plant located at 1001 Industrial Road, Nesquehoning, Pennsylvania, 18240 (the “Panther Creek Plant”) prior to December 31, 2021. The Scrubgrass Plant and Panther Creek Plant are wholly owned by affiliates of the Company. The Company expects the M30S Miners to be operational at the Scrubgrass Plant or Panther Creek Plant by January 15, 2022.

On December 16, 2021, Digital Mining entered into a Second Hardware Purchase and Sale Agreement (the “Second Supplier Purchase Agreement,” together with the First Supplier Purchase Agreement, the “Supplier Purchase Agreements”) to acquire a cumulative amount of approximately 4,280 M30S Miners and MicroBT WhatsMiner M30S+ miners with a hash rate per unit of 100 TH/s (the “M30S+ Miners”). Pursuant to the Second Supplier Purchase Agreement, the unit price per M30S Miner is \$2,714 and the unit price per M30S+ Miner is \$3,520 for a cumulative purchase price of \$11,340,373. The M30S Miners and M30S+ Miners are expected to be delivered to the Scrubgrass Plant or Panther Creek Plant in the first or second quarter of 2022.

Cryptech Purchase Agreement

On December 7, 2021, the Company entered into a Hardware Purchase and Sales Agreement (the “Cryptech Purchase Agreement”) with Cryptech Solutions, Inc to acquire 1,000 Bitmain S19a miners (the “Cryptech Miners”) with a hash rate of 96 TH/s for a total purchase price of \$8,592,000. Pursuant to the Cryptech Purchase Agreement, all hardware will be paid for in advance of being shipped to the Company. The Cryptech Miners are expected to be received by the Company at either the Scrubgrass Plant or the Panther Creek Plant prior to January 15, 2022. The Company expects the Cryptech Miners to be operational by January 15, 2022.

Luxor Purchase Agreement

On November 30, 2021, the Company entered into a purchase agreement (the “Luxor Purchase Agreement”) with Luxor Technology Corporation to acquire 400 Antminer T19 miners with a hash rate of 84 TH/s and 400 Antminer T19 miners with a hash rate of 88 TH/s (collectively, the “Luxor Miners”) for a total purchase price of \$6,260,800. The Luxor Miners are expected to be received by the Company at the Scrubgrass Plant or Panther Creek Plant prior to January 15, 2022. The Company expects the Luxor Miners to be operational by January 15, 2022.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1*	Press Release, dated as of December 20, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Furnished herewith.

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: December 20, 2021

STRONGHOLD

— DIGITAL MINING —

Stronghold Digital Mining Acquires 9,080 Bitcoin Miners and Secures \$54 Million Equipment Financing

NEW YORK, December 20, 2021 – [Stronghold Digital Mining, Inc.](#) (Nasdaq: SDIG) (“Stronghold”, or the “Company”), a vertically integrated Bitcoin mining company with a focus on environmentally beneficial operations, has entered into four separate agreements to acquire 9,080 Bitmain and MicroBT Bitcoin miners since the Company’s third quarter 2021 earnings release on November 30, 2021. The aggregate hash rate capacity of these miners is approximately 826 petahash per second (“PH/s”), and Stronghold expects 4,800 miners (representing 426 PH/s of hash rate capacity) to be delivered before the end of the year or in early January, with the remainder expected in the first half of 2022. All miners will be installed at Stronghold’s wholly owned reclamation and power generation facilities. The aggregate purchase price for the first 4,800 miners was approximately \$35.7 million, representing less than \$84 per terahash per second (“TH/s”), with the remaining 4,280 miners acquired under a profit share arrangement with its existing partner, Northern Data, with commercial terms that Stronghold considers highly favorable. To date, Stronghold has executed definitive purchase agreements or has installed over 54,000 miners with hash rate capacity of approximately 5.2 exahash per second.

“During our third quarter earnings call, we told our investors that we would continue to opportunistically procure miners from a variety of sources, as dictated by expected return profile and available capacity, and that is what we did over the last two weeks,” said Greg Beard, co-chairman and chief executive officer of Stronghold. “We believe these miner purchases further our rapid growth strategy, and the near-term delivery schedules for the open-market purchases enhance expected return profiles and mitigate timing risk. Additionally, the expansion of our profit share arrangement demonstrates our ability to creatively structure partnerships with industry leaders with a return profile that we believe is extremely attractive. These purchases also highlight one of the key benefits of our low-cost, vertically integrated business model: we have access to power and capacity to plug in miners.”

Separately, on December 15, 2021, Stronghold entered into an equipment financing agreement with NYDIG ABL LLC for up to approximately \$54.0 million. The Company has already received a first advance of approximately \$18.6 million (gross). The aggregate principal outstanding bears interest at 9.85% and will be repaid over the 24 months ending on December 25, 2023. The debt is non-recourse to Stronghold and is collateralized by the purchase of 12,000 Antminer S19j Pro miners from Bitmain Technologies, Ltd.

“We believe this financing demonstrates our ability to quickly raise non-dilutive capital at an attractive cost,” said Mr. Beard. “Equipment financing is our preferred non-equity source of capital given the flexible terms and non-recourse structure to Stronghold. We have been encouraged with recent developments in the miner equipment finance market, which is becoming more competitive, making terms more attractive for Stronghold. We expect to continue utilizing modest amounts of equipment financing with both existing and new partners, along with cash on the balance sheet and opportunistic monetization of our Bitcoin holdings, to continue funding our growth plans.”

About Stronghold Digital Mining, Inc.

Stronghold is a vertically integrated Bitcoin mining company with an emphasis on environmentally beneficial operations. Stronghold houses its miners at its wholly owned and operated Scrubgrass

Plant and Panther Creek Plant, both of which are low-cost, environmentally beneficial coal refuse power generation facilities in Pennsylvania.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained in this press release constitute “forward-looking statements.” within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements and the business prospects of Stronghold are subject to a number of risks and uncertainties that may cause Stronghold’s actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things: our dependence on the level of demand and financial performance of the crypto asset industry; our ability to manage growth, business, financial results and results of operations; our ability to raise capital to fund business growth; our ability to enter into purchase agreements and acquisitions; public health crises, epidemics, and pandemics such as the coronavirus pandemic; our ability to procure crypto asset mining equipment; our ability to respond to price fluctuations and rapidly changing technology; our ability to operate our coal refuse power generation facilities as planned; and legislative or regulatory changes, and liability under, or any future inability to comply with, existing or future energy regulations or requirements. More information on these risks and other potential factors that could affect our financial results is included in our filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our Registration Statement on Form S-1 (File No. 333-258188), filed on October 19, 2021, and any subsequently filed Quarterly Reports on Form 10-Q. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Investor Contact:

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