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): **November 14, 2023**

Stronghold Digital Mining, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-40931**	**86-2759890**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

595 Madison Avenue, 28th Floor **New York, New York**	**10022**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(845) 579-5992**

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:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
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 2.02 Results of Operations and Financial Condition.

On November 14, 2023, Stronghold Digital Mining, Inc. (the "Company") issued a press release announcing the Company's financial and operating results for the third quarter of 2023 and the Company's carbon capture initiative. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any filing under the Securities Act of 1933 unless specifically identified therein as being incorporated therein by reference.

Item 8.01 Other Events.

On November 14, 2023 at 11:00 a.m. Eastern Time, the Company will host its third quarter of 2023 earnings conference call and webcast. Via webcast, the Company will present its third quarter 2023 earnings call presentation (the "Earnings Call Presentation"), which contains a summary of the Company's financial results for the third quarter of 2023, financial estimates, and certain other financial and operating information, including the Company's carbon capture initiative, regarding the Company. A copy of the Earnings Call Presentation is filed as Exhibit 99.2 to this report and incorporated into this Item 8.01 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1*	Press Release issued by Stronghold Digital Mining, Inc., dated as of November 14, 2023
99.2	Third Quarter 2023 Earnings Presentation
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 Chairman

Date: November 14, 2023

Exhibit 99.1

Stronghold Announces Third Quarter 2023 Operating and Financial Results and

Launches Carbon Capture Initiative

Stronghold to Hold Analyst and Investor Day on December 12, 2023

NEW YORK, November 14, 2023 – Stronghold Digital Mining, Inc. (NASDAQ: SDIG) ("Stronghold", the "Company", or "we") today announced the following:

Recent Operational and Financial Highlights

- **Stronghold's Beneficial Use Ash Can Capture Carbon Dioxide (CO2).** Following four months of extensive testing, third-party lab results indicate that Stronghold's beneficial use ash, a natural byproduct of its mining-waste-to-power process, can capture CO2 from ambient air at a capacity of up to 12% by weight of starting ash. The process results in permanent and stable storage of the CO2.

- **Initial Phase of Carbon Capture Project Underway at the Scrubgrass Plant.** Stronghold and third-party engineering, design, and construction partners have developed direct air capture ("DAC") technology to utilize the beneficial use ash to capture CO2. Field testing is in progress with initial results expected by December of 2023.

- **Reiterating Q4 2023 Hash Rate Guidance.** The Company is committed to Bitcoin mining and expects at least 20% sequential growth in hash rate going into the fourth quarter of 2023.

- **Procured 3,135 High-Spec Bitcoin Miners (358 PH/s, >114 TH/s per miner, 28.7 J/T) Since the End of Q2 2023.** The Company is taking a disciplined approach to the Bitcoin event in April of 2024, with no incremental capital currently committed to purchase additional miners.

- **Signed Managed Services Agreement with Frontier Outpost 8, LLC ("Frontier Mining")** to optimize Bitcoin mining operations and profitability of Stronghold's data centers.

- **Fixed Costs Were Down ~$31 Million for the First Three Quarters of 2023 Versus the First Three Quarters of 2022, Representing a ~56% Reduction.** Fixed costs include operations & maintenance expense and general & administrative expense, excluding stock-based compensation and a one-time accounts receivable adjustment.

- Generated 620 Bitcoin during the third quarter of 2023, which was nearly flat versus the second quarter of 2023 and represented approximately 9% and 41% growth compared to the third and fourth quarters of 2022, respectively.

[1] See Non-GAAP Reconciliation table.

- The Company generated revenues of $17.7 million, net loss of $22.3 million, and non-GAAP Adjusted EBITDA loss of $2.4 million during the third quarter of 2023. Excluding the adjustment to accounts receivable, the non-GAAP Adjusted EBITDA loss would have been $1.6 million. Revenues comprised $12.7 million from cryptocurrency self-mining, $3.8 million from cryptocurrency hosting, and $1.2 million from the sale of energy.[1]

Stronghold Carbon Capture Initiative

On November 10, 2023, Stronghold launched the first phase of its carbon capture project at the Scrubgrass Plant. The design and process follow four months of third-party laboratory tests, conducted by Karbonetiq, Inc. ("Karbonetiq") at their Santa Barbara, California lab, utilizing a variety of testing methodologies. Stronghold's beneficial use ash naturally contains reactive calcium oxide as a result of including limestone in the fuel mix to reduce sulfur dioxide emissions given high sulfur content in mining waste. Calcium oxide can, under the right conditions, bond with CO2 to form calcium carbonate, effectively absorbing CO2 out of ambient air and permanently storing it in a geologically stable solid. Karbonetiq's lab results demonstrated that Stronghold's beneficial use ash can potentially capture CO2 at a capacity of approximately 12% by weight of starting ash with the use of their proprietary, patent pending, direct air capture technology. We believe that the carbonation will occur in no more than two weeks based on the lab results. As part of the first phase of development, Stronghold aims to confirm that laboratory results are replicable and scalable in the field. The Company expects to use third-party labs with industry-standard thermogravimetric analysis - mass spectrometry (TGA-MS) measurements to test ash samples following exposure to Karbonetiq's proprietary, patent pending process. Stronghold expects that development will be iterative, as the Company works to optimize processes around ash movement, composition, rate of capture, time to capture and cost, among other variables. The cost of equipment for the first phase is expected to be less than $100,000, and the Company believes that the scaled project will cost approximately $50-125 per annual ton of CO2 capture capacity, assuming the laboratory results are validated.

Stronghold's two mining-waste-to-power facilities produce approximately 800,000 to 900,000 tons of beneficial use ash per year at baseload capacity utilization. Extrapolating the potential 12% CO2 capture capacity from Scrubgrass ash lab tests, this would imply potential to capture approximately 100,000 tons of CO2 per year. In September of 2023, Stronghold engaged third-party consultant Carbonomics to advise on the verification of its carbon removals for private-market monetization. The Company believes that its process will qualify for the Carbonated Materials Methodology for CO2 Removal on the Puro Registry, and the average transaction price for Puro's Carbon Removal Certificates has ranged from approximately $130 to 190 per ton of CO2 removed during 2023. Stronghold expects to submit a Project Design Document to Puro by the first quarter of 2024. Additionally, the Company intends for its process to qualify for the direct air capture standard under the recently enacted Internal Revenue Service ("IRS") Section 45Q and the Inflation Reduction Act, which can provide for up to $180/ton tax credits based on existing incentives. The Company is currently exploring whether its carbon capture initiatives would be able to qualify for Section 45Q tax credits.

"Our focus on improving the environment is a key component of our business," said Greg Beard, chairman and chief executive officer of Stronghold. "Mining waste piles, if left in their dormant states, will remain 'forever emitters' of greenhouse gasses, including CO2, methane, and other air pollutants. In the last year, multiple third-party studies found that greenhouse gas emissions from unabated mining waste piles greatly exceeds the corresponding emissions under the controlled and regulated conditions of mining-waste-to-power CFB and similar facilities. Specifically, one study estimates that mining-waste-to-power facilities in Pennsylvania and West Virginia alone 'reduce the equivalent net GHG emissions that would otherwise be emitted from the same amount of coal refuse by over 20 million tons of CO2e in a single year'. This is an exciting affirmation of our efforts, and, with the deployment of our carbon capture project, we have the opportunity to make even more progress in combating greenhouse gas emissions.

“While it is early, if the lab results are replicable in the field using direct air capture technology, when scaled, our carbon capture deployment has the potential to be one of the ten largest DAC projects currently announced in the U.S.,” Beard continued. “We are optimistic that this meaningful project can become operational for a fraction of the cost of the other announced projects and believe that it could be deployed at scale on a shorter timeline. We look forward to providing updates as we receive test results and the project progresses.”

Bitcoin Mining Update

Stronghold generated 620 Bitcoin during the third quarter of 2023, which was nearly flat versus the second quarter 2023 and represented approximately 9% and 41% growth compared to the third and fourth quarters of 2022, respectively. The Company achieved this growth despite the average network hash rate in the third quarter of 2023 being 83% and 52% higher than the average network hash rate in the third quarter and fourth quarter of 2022, respectively. Network hash rate grew ~9% sequentially from the second quarter of 2023 to the third quarter 2023.

The Panther Creek Plant entered its planned 15-day outage on October 28, 2023, and the Company intended to import electricity from the PJM grid to power its Panther Creek data center during that time. The Panther Creek Plant notified PJM of this outage, as is customary. Shortly after the outage began, the Panther Creek Plant was notified by PJM that there was a reliability issue elsewhere in the region that would constrain Panther Creek’s electricity imports to 30 megawatts through its outage, less than half of its need. As a result, the Company took steps to shorten the outage, and the Panther Creek Plant restarted on November 9, 2023, and the data center resumed unconstrained operations shortly thereafter.

Liquidity and Capital Resources

As of September 30, 2023, and November 10, 2023, we had approximately $5.6 million and $5.2 million, respectively, of cash and cash equivalents and Bitcoin on our balance sheet, which included 24 Bitcoin and 12 Bitcoin, respectively. Additionally, Stronghold has $3.8 million of contracted receivables that it expects to receive in the next 30 days, including approximately $2.7 million related to the sale of 2022 waste coal tax credits and approximately $0.8 million related to the sale of renewable energy credits. As of September 30, 2023, and November 10, 2023, the Company had principal amount of outstanding indebtedness of approximately $59.7 million and $59.6 million, respectively. As of November 10, 2023, Stronghold had approximately $6.1 million of capacity remaining of its at-the-market offering agreement ("ATM") with H.C. Wainwright & Co., LLC. Stronghold has issued approximately $8.9 million of Class A common stock at an average price of $6.96 per share under its ATM for approximately $8.6 million of net proceeds, with approximately $0.3 million paid in commissions. The Company has not sold any of its shares under the ATM since the end of the third quarter of 2023.

Analyst & Investor Day

On December 12, 2023, Stronghold will host an analyst and investor day in New York, NY to discuss the carbon capture initiative and other items. In-person attendance is by invitation only to institutional investors and analysts. Presentations are expected to begin at 1:00 p.m. ET, and the event is expected to conclude at 3:00 p.m. ET. For those who would like to attend the event in-person, please contact Stronghold's investor relations team SDIG@gateway-grp.com for additional details and instructions. A webcast will also be available on Stronghold's investor relations website.

Conference Call

Stronghold will host a conference call today, November 14, 2023, at 11:00 a.m. Eastern Time (7:00 a.m. Pacific Time) with an accompanying presentation to discuss these results. A question-and-answer session will follow management's presentation.

To participate, a live webcast of the call will be available on the Investor Relations page of the Company's website at ir.strongholddigitalmining.com. To access the call by phone, please use the following link Stronghold Digital Mining Third Quarter 2023 Earnings Call. After registering, an email will be sent, including dial-in details and a unique conference call access code required to join the live call. To ensure you are connected prior to the beginning of the call, please register a minimum of 15 minutes before the start of the call.

A replay will be available on the Company's Investor Relations website shortly after the event at ir.strongholddigitalmining.com.

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

Cautionary Statement Concerning Forward-Looking Statements and Disclaimer

Certain statements contained in this press release, including guidance, 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, including with respect to its potential carbon capture initiative. These risks and uncertainties include, among other things: the hybrid nature of our business model, which is highly dependent on the price of Bitcoin; 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; uncertainty regarding our evolving business model; our ability to retain management and key personnel and the integration of new management; our ability to raise capital to fund business growth; our ability to maintain sufficient liquidity to fund operations, growth and acquisitions; our substantial indebtedness and its effect on our results of operations and our financial condition; uncertainty regarding the outcomes of any investigations or proceedings; our ability to enter into purchase agreements, acquisitions and financing transactions; public health crises, epidemics, and pandemics such as the coronavirus pandemic; our ability to procure crypto asset mining equipment from foreign-based suppliers; our ability to maintain our relationships with our third party brokers and our dependence on their performance; our ability to procure crypto asset mining equipment; developments and changes in laws and regulations, including increased regulation of the crypto asset industry through legislative action and revised rules and standards applied by The Financial Crimes Enforcement Network under the authority of the U.S. Bank Secrecy Act and the Investment Company Act; the future acceptance and/or widespread use of, and demand for, Bitcoin and other crypto assets; our ability to respond to price fluctuations and rapidly changing technology; our ability to operate our coal refuse power generation facilities as planned; our ability to remain listed on a stock exchange and maintain an active trading market; our ability to avail ourselves of tax credits for the clean-up of coal refuse piles; legislative or regulatory changes, and liability under, or any future inability to comply with, existing or future energy regulations or requirements; our ability to replicate and scale the carbon capture project; our ability to manage costs related to the carbon capture project; and our ability to monetize our carbon capture project, including through the private market and our ability to qualify for, obtain, monetize or otherwise benefit from Section 45Q tax credits. 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 Annual Report on Form 10-K filed on April 3, 2023, and in our subsequently filed Quarterly Reports on Form 10-Q. Any forward-looking statement or guidance 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 or guidance, whether because of new information, future events, or otherwise.

In January 2021, the IRS issued final regulations under Section 45Q of the Internal Revenue Code, which provides a tax credit disposed of in secure geological storage (in the event of direct air capture that results in secure geological storage, credits are valued at $180 per ton of CO2 captured) or utilized in a manner that satisfies a series of regulatory requirements (in the event of direct air capture that results in utilization, credits are valued at $130 per ton of CO2 captured). We may benefit from Section 45Q tax credits only if we satisfy the applicable statutory and regulatory requirements, and we cannot make any assurances that we will be successful in satisfying such requirements or otherwise qualifying for or obtaining the Section 45Q tax credits currently available or that we will be able to effectively benefit from such tax credits. Additionally, the amount of Section 45Q tax credits from which we may benefit is dependent upon our ability to satisfy certain wage and apprenticeship requirements, which we cannot assure you that we will satisfy. We are currently exploring whether our carbon capture initiatives discussed herein would be able to qualify for any Section 45Q tax credit. It is not entirely clear whether we will be able to meet any required statutory and regulatory requirements, and qualification for any amount of Section 45Q credit may not be feasible with our currently planned direct air capture initiative. Additionally, the availability of Section 45Q tax credits may be reduced, modified or eliminated as a matter of legislative or regulatory policy. Any such reduction, modification or elimination of Section 45Q tax credits, or our inability to otherwise benefit from Section 45Q tax credits, could materially reduce our ability to develop and monetize our carbon capture program. These and any other changes to government incentives that could impose additional restrictions or favor certain projects over our projects could increase costs, limit our ability to utilize tax benefits, reduce our competitiveness, and/or adversely impact our growth. Any of these factors may adversely impact our business, results of operations and financial condition.

STRONGHOLD DIGITAL MINING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2023	December 31, 2022
ASSETS:		
Cash and cash equivalents	$ 4,979,299	$ 13,296,703
Digital currencies	641,999	109,827
Accounts receivable	486,706	10,837,126
Inventory	3,143,284	4,471,657
Prepaid insurance	1,842,250	5,471,498
Due from related parties	97,288	73,122
Other current assets	1,137,834	1,381,737
Total current assets	12,328,660	35,641,670
Equipment deposits	—	10,081,307
Property, plant and equipment, net	156,481,678	167,204,681
Operating lease right-of-use assets	1,552,735	1,719,037
Land	1,748,440	1,748,440
Road bond	211,958	211,958
Security deposits	348,888	348,888
Other noncurrent assets	155,992	—
TOTAL ASSETS	$ 172,828,351	$ 216,955,981
LIABILITIES:		
Accounts payable	$ 14,666,753	$ 27,540,317
Accrued liabilities	9,638,819	8,893,248
Financed insurance premiums	1,112,558	4,587,935
Current portion of long-term debt, net of discounts and issuance fees	1,654,634	17,422,546
Current portion of operating lease liabilities	748,369	593,063
Due to related parties	451,367	1,375,049
Total current liabilities	28,272,500	60,412,158
Asset retirement obligation	1,062,677	1,023,524
Warrant liabilities	5,434,420	2,131,959
Long-term debt, net of discounts and issuance fees	57,653,823	57,027,118
Long-term operating lease liabilities	899,576	1,230,001
Contract liabilities	560,510	351,490
Total liabilities	93,883,506	122,176,250
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
REDEEMABLE COMMON STOCK:		
Common Stock – Class V; $0.0001 par value; 34,560,000 shares authorized; 2,405,760 and 2,605,760 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively.	10,563,277	11,754,587
Total redeemable common stock	10,563,277	11,754,587
STOCKHOLDERS' EQUITY (DEFICIT):		
Common Stock – Class A; $0.0001 par value; 685,440,000 shares authorized; 7,876,688 and 3,171,022 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively.	788	317
Series C convertible preferred stock; $0.0001 par value; 23,102 shares authorized; 21,572 and 0 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively.	2	—
Accumulated deficits	(321,126,596)	(240,443,302)
Additional paid-in capital	389,507,374	323,468,129
Total stockholders' equity	68,381,568	83,025,144
Total redeemable common stock and stockholders' equity	78,944,845	94,779,731
TOTAL LIABILITIES, REDEEMABLE COMMON STOCK AND STOCKHOLDERS' EQUITY	$ 172,828,351	$ 216,955,981

STRONGHOLD DIGITAL MINING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
OPERATING REVENUES:				
Cryptocurrency mining	$ 12,684,894	$ 12,283,695	$ 37,764,990	$ 50,715,424
Energy	1,210,811	13,071,894	4,682,590	29,807,512
Cryptocurrency hosting	3,789,375	93,279	9,195,072	282,327
Capacity	—	878,610	1,442,067	4,591,038
Other	41,877	39,171	142,194	91,941
Total operating revenues	17,726,957	26,366,649	53,226,913	85,488,242
OPERATING EXPENSES:				
Fuel	8,556,626	10,084,466	22,262,141	29,292,616
Operations and maintenance	6,961,060	19,528,088	24,206,080	47,449,177
General and administrative	6,598,951	11,334,212	25,145,444	32,848,291
Depreciation and amortization	9,667,213	12,247,245	26,025,021	37,234,126
Loss on disposal of fixed assets	—	461,940	108,367	2,231,540
Realized gain on sale of digital currencies	(131,706)	(185,396)	(725,139)	(936,506)
Realized loss on sale of miner assets	—	—	—	8,012,248
Impairments on miner assets	—	11,610,000	—	16,600,000
Impairments on digital currencies	357,411	465,651	683,241	8,176,868
Impairments on equipment deposits	5,422,338	—	5,422,338	12,228,742
Total operating expenses	37,431,893	65,546,206	103,127,493	193,137,102
NET OPERATING LOSS	(19,704,936)	(39,179,557)	(49,900,580)	(107,648,860)
OTHER INCOME (EXPENSE):				
Interest expense	(2,441,139)	(3,393,067)	(7,428,530)	(10,813,302)
Loss on debt extinguishment	—	(28,697,021)	(28,960,947)	(28,697,021)
Impairment on assets held for sale	—	(4,159,004)	—	(4,159,004)
Gain on extinguishment of PPP loan	—	—	—	841,670
Changes in fair value of warrant liabilities	(180,838)	1,302,065	5,580,453	1,302,065
Realized gain on sale of derivative contract	—	90,953	—	90,953
Changes in fair value of forward sale derivative	—	—	—	3,435,639
Changes in fair value of convertible note	—	(1,204,739)	—	(2,167,500)
Other	15,000	20,000	45,000	50,000
Total other income (expense)	(2,606,977)	(36,040,813)	(30,764,024)	(40,116,500)
NET LOSS	$ (22,311,913)	$ (75,220,370)	$ (80,664,604)	$ (147,765,360)
NET LOSS attributable to noncontrolling interest	(5,188,727)	(44,000,155)	(26,663,731)	(86,435,347)
NET LOSS attributable to Stronghold Digital Mining, Inc.	$ (17,123,186)	$ (31,220,215)	$ (54,000,873)	$ (61,330,013)
NET LOSS attributable to Class A common shareholders:				
Basic	$ (2.26)	$ (12.67)	$ (8.93)	$ (28.17)
Diluted	$ (2.26)	$ (12.67)	$ (8.93)	$ (28.17)
Weighted average number of Class A common shares outstanding:				
Basic	7,569,511	2,463,163	6,047,891	2,177,206
Diluted	7,569,511	2,463,163	6,047,891	2,177,206

STRONGHOLD DIGITAL MINING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended	
	September 30, 2023	**September 30, 2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (80,664,604)	$ (147,765,360)
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation and amortization	26,025,021	37,234,126
Accretion of asset retirement obligation	39,153	18,253
Gain on extinguishment of PPP loan	—	(841,670)
Loss on disposal of fixed assets	108,367	2,231,540
Realized loss on sale of miner assets	—	8,012,248
Change in value of accounts receivable	1,867,506	—
Amortization of debt issuance costs	161,093	2,681,039
Stock-based compensation	7,603,859	9,123,124
Loss on debt extinguishment	28,960,947	28,697,021
Impairment on assets held for sale	—	4,159,004
Impairments on equipment deposits	5,422,338	12,228,742
Impairments on miner assets	—	16,600,000
Changes in fair value of warrant liabilities	(5,580,453)	(1,302,065)
Changes in fair value of forward sale derivative	—	(3,435,639)
Realized gain on sale of derivative contract	—	(90,953)
Forward sale contract prepayment	—	970,000
Changes in fair value of convertible note	—	2,167,500
Other	(229,485)	—
(Increase) decrease in digital currencies:		
Mining revenue	(43,778,958)	(50,715,424)
Net proceeds from sale of digital currencies	42,563,545	46,209,822
Impairments on digital currencies	683,241	8,176,868
(Increase) decrease in assets:		
Accounts receivable	8,129,033	1,336,817
Prepaid insurance	1,399,254	5,321,521
Due from related parties	(91,617)	(58,735)
Inventory	1,328,373	55,538
Other assets	9,666	(866,298)
Increase (decrease) in liabilities:		
Accounts payable	(1,445,109)	4,878,600
Due to related parties	(239,230)	781,485
Accrued liabilities	875,203	(407,909)
Other liabilities, including contract liabilities	(211,225)	(55,742)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(7,064,082)	(14,656,547)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(14,743,269)	(68,052,422)
Proceeds from sale of equipment deposits	—	13,844,780
Equipment purchase deposits - net of future commitments	—	(13,656,428)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(14,743,269)	(67,864,070)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(3,196,644)	(34,490,545)
Repayments of financed insurance premiums	(1,474,889)	(3,992,336)
Proceeds from debt, net of issuance costs paid in cash	(147,385)	97,337,454
Proceeds from private placements, net of issuance costs paid in cash	9,824,567	8,599,440
Proceeds from ATM, net of issuance costs paid in cash	8,483,982	—
Proceeds from exercise of warrants	316	—
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	13,489,947	67,454,013
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,317,404)	(15,066,604)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	13,296,703	31,790,115
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 4,979,299	$ 16,723,511

Use and Reconciliation of Non-GAAP Financial Measures

This press release and our related earnings call contain certain non-GAAP financial measures, including Adjusted EBITDA, as a measure of our operating performance. Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net income (loss) before interest, taxes, depreciation and amortization, further adjusted by the removal of one-time transaction costs, impairments on digital currencies, realized gains and losses on the sale of long-term assets, expenses related to stock-based compensation, gains or losses on derivative contracts, gains or losses on extinguishment of debt, realized gains or losses on sale of digital currencies, or changes in fair value of warrant liabilities in the period presented. See reconciliation below.

Our board of directors and management team use Adjusted EBITDA to assess our financial performance because they believe it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense and income), asset base (such as depreciation, amortization, impairments, and realized gains and losses on the sale of long-term assets) and other items (such as one-time transaction costs, expenses related to stock-based compensation, and gains and losses on derivative contracts) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP and should be read in conjunction with the financial statements furnished in our Form 10-Q for the quarter ended September 30, 2023, expected to be filed on or prior to November 14, 2023. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

STRONGHOLD DIGITAL MINING, INC.
RECONCILIATION OF ADJUSTED EBITDA

	Three Months Ended		Nine Months Ended	
(in thousands)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net Loss (GAAP)	$ (22,312)	$ (75,220)	$ (80,665)	$ (147,765)
Plus:				
Interest expense	2,441	3,393	7,429	10,813
Depreciation and amortization	9,667	12,247	26,025	37,234
Loss on debt extinguishment	—	28,697	28,961	28,697
Impairment on assets held for sale	—	4,159	—	4,159
Impairments on equipment deposits	5,422	—	5,422	12,229
Impairments on miner assets	—	11,610	—	16,600
Impairments on digital currencies	357	466	683	8,177
Non-recurring expenses[1]	1,216	8,218	1,853	14,781
Stock-based compensation	788	3,377	7,604	9,123
Loss on disposal of fixed assets	—	462	108	2,232
Realized loss on sale of miner assets	—	—	—	8,012
Realized gain on sale of digital currencies	(132)	(185)	(725)	(937)
Changes in fair value of forward sale derivative	—	—	—	(3,436)
Gain on extinguishment of PPP loan	—	—	—	(842)
Changes in fair value of convertible note	—	1,205	—	2,168
Changes in fair value of warrant liabilities	181	(1,302)	(5,580)	(1,302)
Realized gain (loss) on sale of derivative contract	—	(91)	—	(91)
Accretion of asset retirement obligation	13	—	39	—
Adjusted EBITDA (Non-GAAP)	**$ (2,357)**	**$ (2,965)**	**$ (8,846)**	**$ (148)**

[1] Includes the following non-recurring expenses: out-of-the-ordinary major repairs and upgrades to the power plant and other one-time items.

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Exhibit 99.2

Carbon Capture Initiative and Q3 2023 Earnings

November 2023

Disclaimer

Forward-Looking Statements

The information, financial projections and other estimates contained herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and future guidance with respect to the anticipated future performance of the Company and its potential carbon capture initiative. Such financial projection, guidance, and estimates are as to future events and are not to be viewed as facts, and reflect various assumptions of management of the Company concerning the future performance of the Company and are subject to significant business, financial, economic, operating, competitive and other risks and uncertainties and contingencies (many of which are difficult to predict and beyond the control of the Company) that could cause actual results to differ materially from the statements and information included herein. Forward-looking statements may include statements about various risks and uncertainties, including those described under the heading "Risk Factors" in our previously filed Annual Report on Form 10-K, filed on April 3, 2023, and in our subsequently filed Quarterly Reports on Form 10-Q.

In addition, such information, financial projections, guidance and estimates were not prepared with a view to public disclosure or compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants or U.S. generally accepted accounting principles ("GAAP"). Accordingly, although the Company's management believes the financial projections, guidance and estimates contained herein represent a reasonable estimate of the Company's projected financial condition and results of operations based on assumptions that the Company's management believes to be reasonable at the time such estimates are made and at the time the related financial projections and estimates are disclosed, there can be no assurance as to the reliability or correctness of such information, financial projections and estimates, nor should any assurances be inferred, and actual results may vary materially from those projected.

Section 45Q

In January 2021, the IRS issued final regulations under Section 45Q of the Internal Revenue Code, which provides a tax credit for qualified CO2 that is captured using carbon capture equipment and disposed of in secure geological storage (in the event of direct air capture that results in secure geological storage, credits are valued at $180 per ton of CO2 captured) or utilized in a manner that satisfies a series of regulatory requirements (in the event of direct air capture that results in utilization, credits are valued at $130 per ton of CO2 captured). We may benefit from Section 45Q tax credits only if we satisfy the applicable statutory and regulatory requirements, including but not limited to compliance with wage and apprenticeship requirements to receive the $180/ton tax credits, and we cannot make any assurances that we will be successful in satisfying such requirements or otherwise qualifying for or obtaining the Section 45Q tax credits currently available or that we will be able to effectively benefit from such tax credits. We are currently exploring whether our carbon capture initiatives discussed herein would be able to qualify for any 45Q tax credit. It is not entirely clear whether we will be able to meet any required statutory and regulatory requirements, and qualification for any amount of 45Q credit may not be feasible with our currently planned direct air capture initiative. Additionally, the availability of Section 45Q tax credits may be reduced, modified or eliminated as a matter of legislative or regulatory policy. Any such reduction, modification or elimination of Section 45Q tax credits, or our inability to otherwise benefit from Section 45Q tax credits, could materially reduce our ability to develop and monetize our carbon capture program. Any of these factors may adversely impact our business, results of operations and financial condition.

Non-GAAP Measures

This presentation includes financial measures that are not presented in accordance with GAAP. While management believes such non-GAAP measures are useful, it is not a measure of our financial performance under GAAP and should not be considered in isolation or as an alternative to any measure of such performance derived in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. The reconciliations for non-GAAP figures to applicable GAAP measures are included in the Appendix.

We have not reconciled non-GAAP forward-looking measures, including EBITDA guidance, to their corresponding GAAP measures due to the high variability and difficulty in making accurate forecasts and projections, particularly with respect to the price of Bitcoin, Bitcoin network hash rate, electricity prices, plant outages, power input costs, and the various assumptions underlying our proposed carbon capture initiative discussed herein, which are difficult to predict and subject to change. Accordingly, such reconciliations of non-GAAP forward-looking measures are not available without unreasonable effort.

Third-Party Information

Certain information contained herein refers to or has been derived from sources prepared by third parties. While such information is believed to be reliable for the purposes used herein, none of the Company or any of its affiliates, directors, officers, employees, members, partners, shareholders or agents make any representation or warranty with respect to the accuracy or completeness of such information. Although the Company believes the sources are reliable, it has not independently verified the accuracy or completeness of data from such sources. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur or result in positive returns. Recipients of this presentation should make their own investigations and evaluations of any information referenced herein. The recipient should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. The recipient should consult its own counsel, tax advisors and financial advisors as to legal and related matters concerning the matters described herein. By reviewing this presentation, the recipient confirms that it is not relying upon the information contained herein to make any decision. This presentation does not purport to be all-inclusive or to contain all of the information that the recipient may require to make any decision.

See Key Assumptions on page 24

Stronghold at a Glance

The only environmentally beneficial and vertically integrated public Bitcoin mining company

NASDAQ Ticker Symbol	SDIG
Share Price	$3.89
Bitcoin Mined (Q3 2023)	~620
Deployed Hash Rate Capacity	4.0 EH/s

Owner of two mining waste reclamation facilities: Scrubgrass and Panther Creek

165 MW of net power generation capacity

>40,000 miners delivered and funded

~25 MW of data center equipment inventory

Nearly 1,700,000 tons of mining waste removed from the environment since beginning of 2022

Note: all data as of 11/10/23 unless otherwise noted; all figures approximated

Unlocking Significant Value From Substantial Asset Base

Optimizing Bitcoin Mining Operations

With 4 EH/s of current hash rate capacity, every 1% of incremental uptime could yield **over $500k** of annual cash flow[1]; potential for 5-10% uptime gain in near future

- Entered into agreement with best-in-class, established operator, Frontier Mining, to manage data centers and enhance Bitcoin mining operations in October 2023
  - Observing improvements in miner performance and process efficiency
  - Agreement terms incentivize Frontier and include fee adjustments based on Bitcoin mining economics
- Continuing to evaluate prudent hash rate growth into the April 2024 halving: potential third data center (discussions ongoing) vs. selective high-grading of miners at current sites (no additional capex committed currently)

Capturing CO_2 with Ash Byproduct

Scrubgrass ash can capture CO_2 at up to **12%** by starting weight based on third-party lab tests

- **Developed first-generation direct air capture ("DAC") technology** with partners to facilitate carbonation, with initial unit deployed at Scrubgrass

1. Assumes a $0.075 hash price (see Appendix for information about hash price and how it is calculated), $42.50/MWh cost of power, and 34 J/T average miner efficiency


Stronghold
Carbon Capture
STRONGHOLD

The New Carbon Market

Private markets and the federal government have developed significant incentives for those who capture carbon and/or reduce carbon emissions

Projects that capture carbon are eligible to sell carbon credits **and** may be suitable to receive 45Q tax credits

Voluntary Carbon Market

- Businesses and organizations purchase credits from carbon capture projects to offset their emissions
- Registries verify environmental benefits, methodologies, and viability of projects (effectively accrediting the associated credits)
- Credits validated by the most established registries (which typically have the most thorough registration processes) generally trade at premium to other credits

Inflation Reduction Act ("IRA")[1]

- Contains ~$500 billion in new spending and tax incentives primarily focused on clean energy and healthcare
- Nearly $400 billion in spending and incentives target climate and clean energy initiatives
- Expands IRS Section 45Q incentives, which can be realized as direct-pay tax credits for qualifying carbon capture projects; credits for direct air capture can reach $180 per ton of CO_2 captured

1. See: "The Inflation Reduction Act: Here's what's in it." *McKinsey & Company*, 24 Oct. 2022, https://www.mckinsey.com/industries/public-sector/our-insights/the-inflation-reduction-act-heres-whats-in-it

Stronghold's Beneficial Use Ash Can Capture Carbon

Large-Scale CO_2 Removal

Potential to capture up to **~100k tons of CO_2** from ambient air annually by end of 2024[1]

Financially Transformative

Potential to drive up to **~$30mm** of incremental annual EBITDA and reduce Stronghold's net cost of power to as low as **~$16/MWh**[2]

Low Technology Risk

Carbon capture process is largely a combination of basic chemistry and airflow

1. See inputs and assumptions on page 13
2. See inputs and assumptions on pages 14-15; assumes receipt of 45Q tax credits; see Disclaimer page for details and risks associated with 45Q; it is currently uncertain whether we will be successful in monetizing our carbon program

Stronghold owns two circulating fluidized bed ("CFB") mining waste reclamation and power generation facilities:

Scrubgrass
(~85 MW of net output capacity)

Panther Creek
(~80 MW of net output capacity)

Our Business Model

Partner with PA DEP to reclaim land, and generate power (under a Title V EPA permit) that is used to mine Bitcoin and supply power to the PJM grid

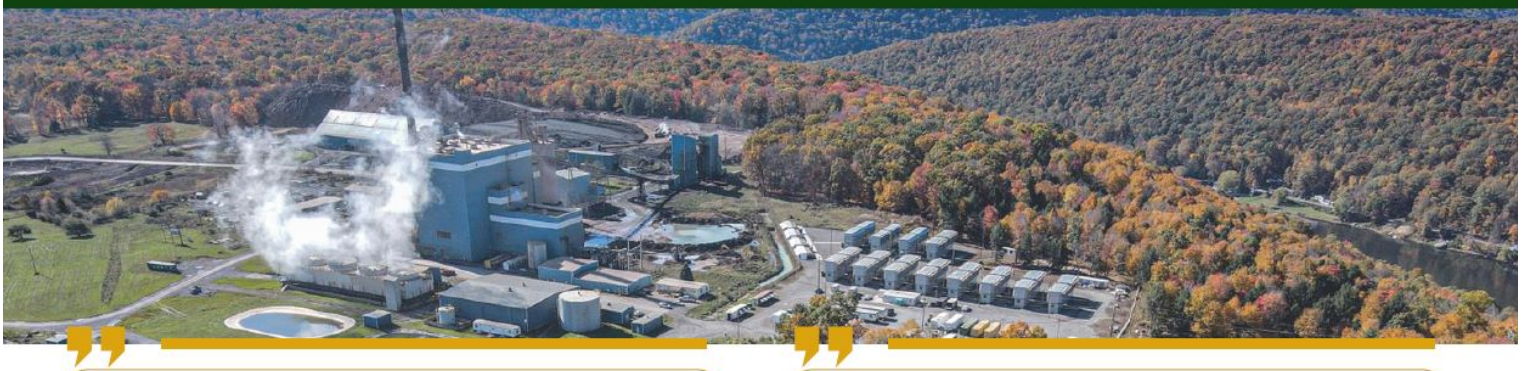
Note: See Appendix for more information on mining waste

Primary source of energy for these facilities is mining waste (coal refuse), sourced from the reclamation of some of the **840+ mining waste piles** littered across Pennsylvania, an unfortunate legacy byproduct of centuries of coal mining

CFB power generation process removes this harmful waste from the environment – reducing water pollution, land pollution, and air emissions from mining waste piles – and converts it into electricity (the primary product) and beneficial use ash (a byproduct)

CFB fuel mix neutralizes sulfur dioxide (SO_2) with limestone and creates a calcium-rich, basic (high-PH) ash, most of which is currently returned to mining waste piles to reclaim land, facilitating revegetation

Third-Party Studies Support That Mining-Waste-to-Power Activities Are Net **Carbon Negative**, Reducing Net GHG Emissions by **50-80%**[1]



The coal refuse reclamation-to-energy facilities in Pennsylvania (PA) and West Virginia (WV) alone reduce the equivalent net GHG emissions that would otherwise be emitted from the same amount of coal refuse by over 20 million tons of CO_2 [equivalent] in a single year.[2]

TRC

Each ton of coal refuse is expected to produce GHG emissions between 2.43 and 6.44 tons CO2, [equivalent] with a net reduction of between 1.16 and 5.17 tons CO_2 [equivalent] per ton of coal refuse reclaimed by the coal refuse [reclamation-to-energy] industry.[1]

LEHIGH UNIVERSITY

1. See: Romero, Carlos (Dr). "Comparison of the Impact on Greenhouse Gas Emissions Between Unabated Coal Refuse Piles and Reclamation-to-Energy Power Plants." *Energy Research Center*, Lehigh University, 23 Jan. 2023, p. 3, https://strongholddigitalmining.com/wp-content/uploads/2023/11/Lehigh-University-Jan.-2023.pdf
2. See: Fraser, Robert G. (QEP), and Patrick Fennell (PE). "Net Air Emission Benefits from the Remediation of Abandoned Coal Refuse Piles." *TRC Environmental Inc.*, March 2023, p. 2, https://strongholddigitalmining.com/wp-content/uploads/2023/11/TRC-Environmental-Inc.-March-2023.pdf

Introducing Stronghold Carbon Capture

Third-party lab results over last 4 months, utilizing 3 separate testing methods, indicate that **our ash can capture CO_2 at a capacity of up to 12% by weight of starting ash** [1]

Worked with construction, design, and engineering partners to develop **direct air capture ("DAC")** technology that utilizes the stack effect to drive air through ash

First DAC unit installed at Scrubgrass on Nov. 10th

1. Actual CO_2 absorption may vary, including by site, type of ash, arrangement of ash, and weather conditions

Complementary, Capital-Efficient, and Near-Term Direct Air Capture Opportunity

Scrubgrass and Panther Creek estimated to produce **~800-900k metric tons of beneficial use ash** per year when operating at baseload capacity[1]

Ash contains reactive calcium oxide (CaO), which bonds with CO_2 to form calcium carbonate ($CaCO_3$), effectively pulling CO_2 out of the air – this bond is permanent and geologically stable[2]

STRONGHOLD

Engaged CO_2 mineralization expert Karbonetiq in June 2023 to explore carbon capture opportunities with our ash

- Conducted numerous third-party lab tests with ash from Scrubgrass – results demonstrate that ash can capture up to 12% of its weight in CO_2 from ambient air
- Designed Karbolith™ direct air capture equipment, which drives airflow through ash to facilitate carbonation
- Installed first Karbolith™ at Scrubgrass on November 10th, with <$100k equipment cost
- Potential for Best-in-class capital efficiency, currently estimated at $50-125 per ton of annual CO_2 capture capacity[3]

Engaged environmental consulting firm Carbonomics in September 2023 to advise on carbon capture verification, documentation, and listing our project on a carbon registry to monetize CO_2 removals in private carbon markets

- Identified Puro Registry's existing Carbonated Materials methodology as applicable for our project
- Submitted concept paper to Puro for initial feedback in October 2023; planning to submit formal Project Design Document with aim of having project listed by Q1 2024
- Planning to use third party certified labs to measure and verify CO_2 removals using standard TGA-MS and QXRD methods starting with Phase I

1. Ash comprises both bottom ash and fly ash; Stronghold is in the process of determining the best mixture of bottom ash and fly ash for capture purposes, but both have been proven to capture carbon; historically, there have been times when the plants did not operate at baseload capacity utilization
2. Ash may release CO_2 in the remote event that it is exposed to extreme heat (1,500 degrees Fahrenheit) or hydrochloric acid
3. Reflects management's current estimates, subject to potentially significant change based on labor requirements, construction and materials costs, verification equipment, and number of Karboliths required, among other factors

Process Expected to Dramatically Increase CO_2 Removals

Status Quo Process

1. Ash is dispensed from facilities
2. Most ash is promptly transported back to mining waste piles, replacing the waste as it is extracted, until fully reclaimed
3. Ash is packed into ground and covered with soil to revegetate land

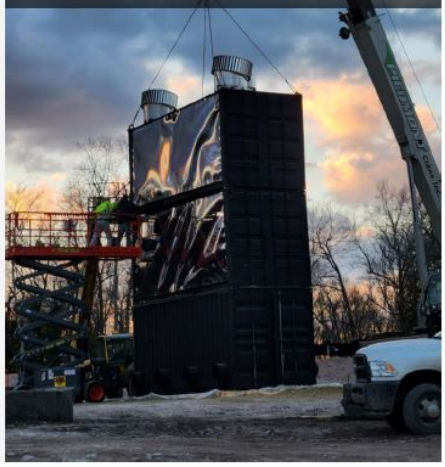
Note: Given ash's limited exposure to air, little carbonation occurs

Expected Process with Carbon Capture

1. Ash is dispensed from facilities
2. Ash is immediately directed to a field and methodically spread out among Karboliths™ to maximize aeration
3. Karboliths™ drive airflow through ash, facilitating permanent and secure carbonation
4. After carbonation has occurred, CO_2 removals are quantified, and most ash is transported back to mining waste piles
5. Ash is packed into ground and covered with soil to revegetate land (working on alternative uses as well)
6. CO_2 is permanently and securely stored[1]

First Installed Karbolith™ [2]

~25-foot structure uses stack effect to drive ambient air through ash



1. Ash may release CO_2 in the remote event that it is exposed to extreme heat (1,500 degrees Fahrenheit) or hydrochloric acid
2. Design subject to change based on results from initial units; contemplating larger structure (up to ~50 feet) to evaluate how size of the unit impacts carbon capture results

Potential to Be Among World's Largest DAC Projects & The Largest Announced U.S. DAC Project Operational Before 2025 [1]

~800-900k tons

of ash produced per year [2]

Up to 12%

CO_2 capture capacity by weight of starting ash [3]

Implies up to ~100k tons of CO_2 captured per year

Two Potential Income Streams

~$130-190/ton

Voluntary CO_2 removal certificate pricing [4]

Implies ~$13-19mm in annual proceeds from carbon credit sales (at 100k tons of CO_2)

$180/ton

45Q DAC tax credits (project intended to qualify) [5,6]

Implies ~$18mm in addl. annual proceeds (at 100k tons of CO_2), potential to occur by 2025/26

U.S. DAC Projects with First Operation Before 2030 [1]

#	Project Name	Partners	First Operation Year	Announced Capacity (000s of Tons of CO_2 per Year)
1	Project Bison (WY) Phase 4	CarbonCapture, Frontier Carbon Solutions	2028	4,000
2	HIF USA eFuels Matagorda County (TX)	HIF USA	2026	2,200
3	Oxy CE Kleberg County DAC plants (TX)	Occidental, 1PointFive, Carbon Engineering	2025	1,000
4	Project Bison (WY) Phase 3	CarbonCapture, Frontier Carbon Solutions	2028	800
5	DAC-1 Ector County (TX) train 1	Occidental, 1PointFive, Carbon Engineering	2025	500
6	DAC-1 Ector County (TX) train 2	Occidental, 1PointFive, Carbon Engineering	2026	500
7	Project Bison (WY) Phase 2	CarbonCapture, Frontier Carbon Solutions	2026	200
8	**Stronghold Carbon Capture [7]**	**Stronghold Digital Mining**	**2024**	**60-100**
9	Project Bison (WY) Phase 1	CarbonCapture, Frontier Carbon Solutions	2024	10
10	TBD [8]			

1. See: *CCUS Projects Explorer*, IEA, 2023, https://www.iea.org/data-and-statistics/data-tools/ccus-projects-explorer
2. Tons produced by Scrubgrass and Panther when operating at baseload capacity, inclusive of fly ash and bottom ash
3. Based on extrapolation of Scrubgrass ash lab results; CO_2 absorption may vary, including by site, type of ash, arrangement of ash, and weather conditions
4. Approximate 2023 range for Puro's CO_2 Removal Certificate Weighted Index, quoted in Euros; assumes 1.07 USD:EUR
5. Subject to adjustment based on lifecycle analysis
6. Qualification at this amount requires secure geological storage based on current 45Q requirements; see Disclaimer page for details and risks associated with 45Q
7. We expect to achieve our target capture capacity by the end of 2024
8. No other projects included in IEA database fit parameters and have announced target CO_2 capture capacities

Carbon Capture Represents a Compelling Value Proposition

Potential to capture ~60-100k tons of CO_2 annually, which could drive **transformational EBITDA uplift** of ~$13-31mm annually with 45Q tax credits, or ~$3-14mm without 45Q tax credits [1,2,4]

Key variables:

- Quantity of CO_2 captured driven by amount of ash processed, and timing thereof, and ash-CO_2 absorption capacity
- Price of CO_2 removal certificates based on Puro's CO_2 Removal Certificate Weighted Index Family, which has trended between $130 and $190 in 2023 [3]
- 45Q tax credits shown for DAC sequestration at $180/ton [4]

Illustrative Tons of CO_2 Captured Annually

Tons of Ash Utilized per Year	CO_2 Captured % of Starting Ash Weight		
	8.0%	10.0%	12.0%
700,000	56,000	70,000	84,000
800,000	64,000	80,000	96,000
900,000	72,000	90,000	108,000
1,000,000	80,000	100,000	120,000

1. Assumes 10% of carbon credit proceeds and 5% of 45Q tax credit proceeds paid out in the form of fees and royalties, annual fixed opex of $1.5mm, and variable opex of $30 per ton of CO_2 captured; see Disclaimer page for details and risks associated with 45Q
2. If we qualify for 45Q tax credits, it is unlikely that we receive such credits until 2025 or 2026 (however, a three-year lookback applies); we expect that we will begin selling some quantum of voluntary carbon credits in 2024 and in earnest by 2025
3. Puro's CO_2 Removal Certificate Weighted Index Family is quoted in Euros; conversion based on 1.07 USD:EUR exchange rate; such pricing may change in the future, including due to entry of additional market participants; there are also additional requirements that must be satisfied in order to be listed, and we cannot make any assurance we will be able to do so or, even if we do, to maintain compliance with such additional requirements going forward
4. We are exploring our ability to qualify for 45Q tax credits; see Disclaimer page for details and risks associated with 45Q

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Illustrative EBITDA Uplift ($mm) [1,2,4]

Assumes Receipt of Voluntary Credits and $180/ton 45Q Tax Credits	Price of CO_2 Removal Certificates ($/ton)				
Tons of CO_2 Captured per Year	$120	$140	$160	$180	$200
60,000	$13	$15	$16	$17	$18
70,000	$16	$17	$18	$20	$21
80,000	$18	$20	$21	$23	$24
90,000	$21	$23	$24	$26	$27
100,000	$23	$25	$27	$29	$31

Assumes Receipt of Voluntary Credits Only	Price of CO_2 Removal Certificates ($/ton)				
Tons of CO_2 Captured per Year	$120	$140	$160	$180	$200
60,000	$3	$4	$5	$6	$8
70,000	$4	$5	$6	$8	$9
80,000	$5	$6	$8	$9	$11
90,000	$6	$7	$9	$10	$12
100,000	$6	$8	$10	$12	$14

Significant Potential Benefit to Stronghold's Net Cost of Power

EBITDA Uplift = Net Cost of Power Reduction because ash is byproduct of power generation

- Potential new income from carbon capture would improve the economics of our existing business
- Carbon capture has potential to drive net cost of generating power to less than $20/MWh (over 50% reduction from current guidance of $40-45/MWh) in the event that we qualify for 45Q tax credits [1,2,3]

Illustrative Impact on Net Cost of Power [1,2,3]

Assumes 80,000 Tons of CO_2 Captured per Year

Net Cost of Power Guidance Midpoint ($/MWh)	$42.50
CO_2 Removal Credits	$160
45Q Tax Credits	$180
Gross Revenue ($ / ton of CO_2)	$340
Gross Revenue ($mm)	**$27**
(-) Fees, Royalty, Opex ($mm)	($6)
Implied EBITDA ($mm)	**$21**
(/) Illustrative MWh (130 MW net output)	1,138,800
Implied Net Cost of Power Reduction ($/MWh)	**$19**
Illustrative Pro Forma Net Cost of Power ($/MWh)	**$24**

1. We are exploring our ability to qualify for 45Q tax credits; see Disclaimer page for details and risks associated with 45Q
2. Assumes 10% of carbon credit proceeds and 5% of 45Q tax credit proceeds paid out for fees and royalties, annual fixed opex of $1.5mm, variable opex of $30 per ton of CO_2, and 130 MW of average net power output
3. If we qualify for 45Q tax credits, it is unlikely that we receive such credits until 2025 or 2026 (however, a three-year lookback applies); we expect that we will begin selling some quantum of voluntary carbon credits in 2024 and in earnest by 2025

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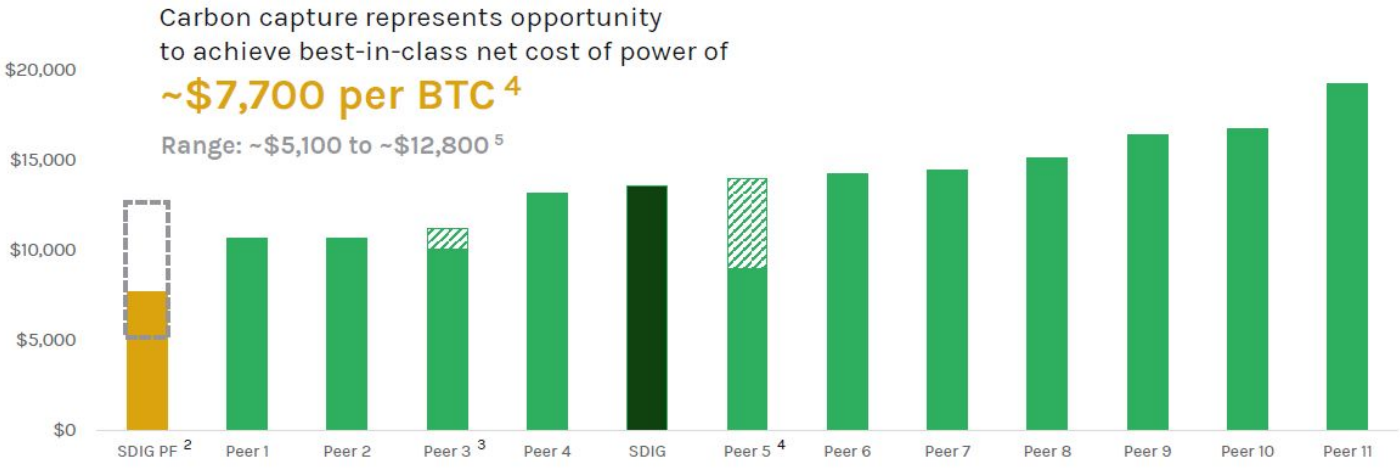
Illustrative Pro Forma Net Cost of Power ($/MWh) [1,2,3]

Assumes Receipt of Voluntary Credits and $180/ton 45Q Tax Credits		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$31	$30	$29	$28	$27
	70,000	$29	$27	$26	$25	$24
	80,000	$26	$25	$24	$23	$21
	90,000	$24	$23	$21	$20	$18
	100,000	$22	$20	$19	$17	$16

Assumes Receipt of Voluntary Credits Only		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$40	$39	$38	$37	$36
	70,000	$39	$38	$37	$36	$35
	80,000	$38	$37	$36	$35	$33
	90,000	$38	$36	$35	$33	$32
	100,000	$37	$35	$34	$32	$31

Compelling Cost of Power Compared to Bitcoin Mining Peers

Standardized Electricity/Hosting Cost per Coin [1]



1. Q1 2024 estimated costs based on equity research report dated 10/9/23, which assumes network hash rate of 400 EH/s; peers include CLSK, RIOT, WULF, IREN, CIFR, HUT, BTDR, BITF, ARGO, MARA, BTBT
2. SDIG PF adjusted for carbon capture (based on page 15)
3. Peer 3 adjusted to reflect 2024E cost of power provided by this company
4. Peer 5 adjusted to exclude sales of electricity
5. Represents a PF net cost of power of ~$24/MWh, which assumes 100k tons of CO_2 captured per year, $160/ton price of CO_2 removal certificates, and qualification for 45Q DAC tax credits (see page 15 for additional assumptions)
6. Represents a range of ~$16/MWh to ~$40/MWh for net cost of power, per page 15

Appendix

Mining Waste Overview

Mining Waste

A Widely Ignored Environmental Disaster

Mining waste is the disregarded byproduct of centuries of coal mining

Brought up from underground and left on the surface during mining process, exposing it to the atmosphere and placing it above the water table

There are over **840** toxic mining waste piles in Pennsylvania, and these large mountains of waste pollute the land, water, and air

Pennsylvania mining communities were instrumental in building America

The aftermath: these communities were stripped of their natural resources and jobs and left with this toxic waste in their backyards

If left alone, these piles emit CO_2, particulates, and volatile organic compounds (benzene, toluene, ethylbenzene, xylenes, hexane, cyclohexane, naphthalene, and acrolein) into the atmosphere [1]

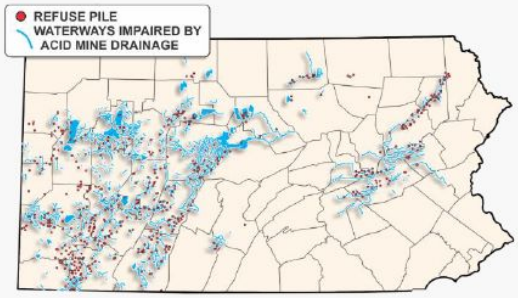
Piles spontaneously combust, releasing more harmful emissions – Pennsylvania DEP estimated that ~40 piles were burning continually in 2020 [2]

Acid mine drainage from mining waste piles is one of the largest sources of water pollution in Pennsylvania

1. See: "Coal Refuse Whitepaper." *ARIPPA*, p. 5, http://arippa.org/wp-content/uploads/2018/12/ARIPPA-Coal-Refuse-Whitepaper-with-Photos-10_05_15.pdf
2. See: Prepared Testimony of Patrick McDonnell, Secretary, Pennsylvania Department of Environmental Protection, before the Joint Legislative Air and Water Pollution Control and Conservation Committee, 3 Feb. 2020, p. 1, https://files.dep.state.pa.us/aboutdep/Testimony/2020/2020.02.03_JLCC_Waste_Coal_Hearing_DEP_Testimony.pdf

Over 5,500

miles of waterways impaired[1]

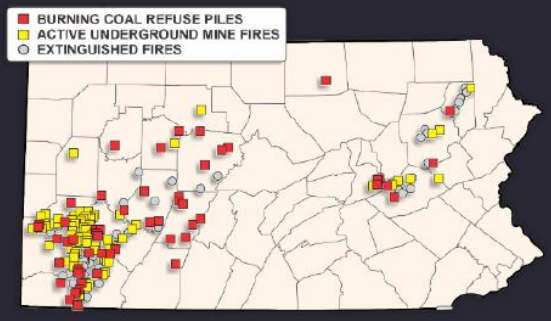


- Acid mine drainage from mining waste piles is among the 2 largest known pollutants of waterways in Pennsylvania[1]
- Causes rivers to run orange
- Highly detrimental to aquatic life
- Problem is severe and widespread and threatens water supply downstream, with all impacted streams within or extending to all major river basins in Pennsylvania, which ultimately extend to the Chesapeake Bay, Delaware River, Ohio, Mississippi, and Gulf of Mexico watersheds

1. See: "2022 Pennsylvania Integrated Water Quality Report." *Pennsylvania Department of Environmental Protection*, 2022, https://storymaps.arcgis.com/stories/b9746eecB07f48d99decd3a583eede12

All mining waste piles have burned, are burning, or are likely to burn… unless they are reclaimed

- Piles spontaneously combust through oxidation and lightning strikes
- Multiple large piles have burned for decades
- When burning, piles release toxic, uncontrolled emissions into atmosphere: hydrogen sulfide, sulfur dioxide, ammonia, oxides of nitrogen, particulates, carbon monoxide, and CO_2 [1]
- Estimated that nearly 7 million tons of mining waste burn each year in Pennsylvania in unintended, uncontrolled fires, releasing ~9 million tons of CO_2 and numerous other air pollutants without any emissions controls [2,3]



1. See: "Coal Refuse Whitepaper." *ARIPPA*, p. 5, http://arippa.org/wp-content/uploads/2018/12/ARIPPA-Coal-Refuse-Whitepaper-with-Photos-10_05_15.pdf
2. Estimates provided by the Pennsylvania DEP in 2016
3. See: "Economic and Environmental Analysis of Pennsylvania's Coal Refuse Industry." *Econsult Solutions, Inc.*, 8 Sep. 2016, p. 13, https://www.congress.gov/116/meeting/house/110202/witnesses/HHRG-116-II06-Wstate-HughesR-20191114-SD017.pdf

STRONGHOLD

Mining Waste Reclamation Is the Foundation of Our Business

BEFORE

AFTER

Reclamation Process

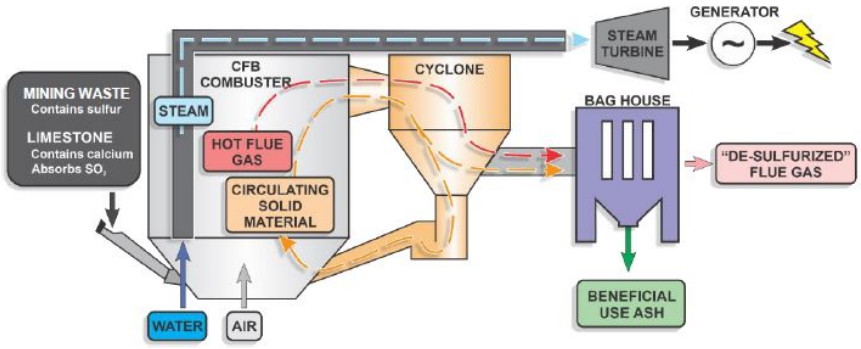
1. Remove toxic mining waste from environment
2. Generate energy from mining waste through highly specialized process that can eliminate most harmful emissions:
   - ~90% of NOx emissions
   - ~98% of SO_2 emissions
   - ~99.9% of particle
   - ~99.9% of mercury
3. Utilize ash byproduct in reclamation and carbon capture projects

We believe that power generation with CFB facilities is the only practical way to solve Pennsylvania's toxic mining waste problem, and Stronghold has already reclaimed over 1,050 acres of previously unusable land.

CFB facilities were purpose-built for Pennsylvania to solve mining waste problem

- At the time, construction was only economically feasible through above-market power purchase agreements
- Today, process has bipartisan support in Pennsylvania – we receive alternative energy credits and waste coal tax credits to perform this vital work
- Operate at the direction of and in partnership with Pennsylvania DEP to reclaim mining waste piles

CFB Power Generation Process



Using **CFB facilities** is only way to generate power with low-BTU toxic mining waste

- Traditional thermal coal has ~12,000 BTU/lb heat content; mining waste has ~5,500 BTU/lb heat content
- Pushing air through circulating mining waste effectively fluidizes material and enables combustion

Limestone added to feedstock to mitigate SO_2 emissions (calcium in limestone absorbs sulfur)

Resulting ash byproduct is a beneficial use ash – it is basic and a certified liming agent

INPUTS

Mining Waste, Limestone

OUTPUTS

Electricity (Product)

Beneficial Use Ash (Byproduct)

Beneficial Use Ash

Currently, majority of ash is returned to mining waste piles to facilitate reclamation

- Basic nature of ash offsets acidic nature of the sites, facilitating vegetation and life
- Ash used to fill in the sites and is subsequently covered with soil and seeded until fully reclaimed

Calcium content of ash also facilitates absorption of CO_2, which is the focus of our carbon capture efforts

Carbon Capture Key Assumptions

Tons of CO_2 Captured	• Total ash production of 800-900k metric tons at baseload capacity utilization • 8-12% CO_2 capture by weight of ash • **Implies ~60-100k tons of CO_2 captured**
Multiple Income Streams	• Private Market: $120-200/ton, beginning 2024, reaching capacity in 2025 • IRS 45Q: up to $180/ton, earliest qualification would be 2025 but 2026 is more likely
Operating Expenses	• 10% of carbon credit gross proceeds and 5% of 45Q tax credit proceeds paid out in the form of fees and royalties • Annual fixed opex of $1.5mm (includes personnel and equipment leasing) • Variable opex of $30 per ton of CO_2 captured • No incremental G&A
Capital Expenditures	• 100-150 Karboliths™ @ $40-60k per Karbolith™ for equipment • $1-2mm for labor/construction

Q3 2023

Q3 2023 Results

Financial	
Bitcoins Mined	620
Total Revenue (mm)	$17.7
Net Loss (mm)	($22.3)
Adjusted EBITDA (mm) *	($2.4)

* Presentation includes non-GAAP financial measures; Adjusted EBITDA references related to third quarter 2023 throughout the presentation should be considered in connection with the Reconciliation of non-GAAP on page 28

Appendix

Other Information

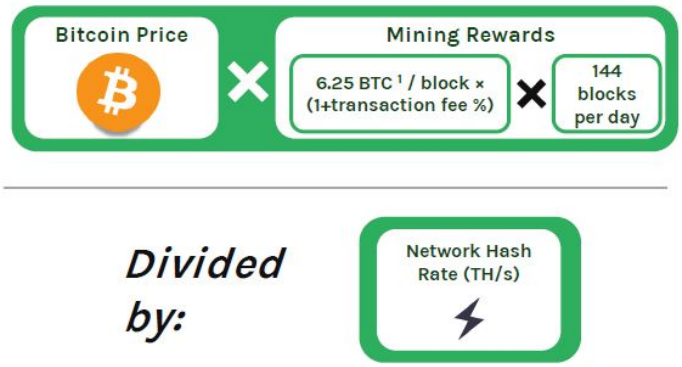
Reconciliation of Non-GAAP Items

Reconciliation of Adjusted EBITDA (mm)	Q3 2023
Net income (loss)	**($22.3)**
Interest expense	2.4
Depreciation and amortization	9.7
Impairments on equipment deposits	5.4
Impairments on digital currencies	0.4
Stock-based compensation	0.8
Change in fair value of warrant liabilities	0.2
Realized gain on sale of digital currencies	(0.1)
Non-recurring expenses	1.2
Adjusted EBITDA (Non-GAAP)	**($2.4)**

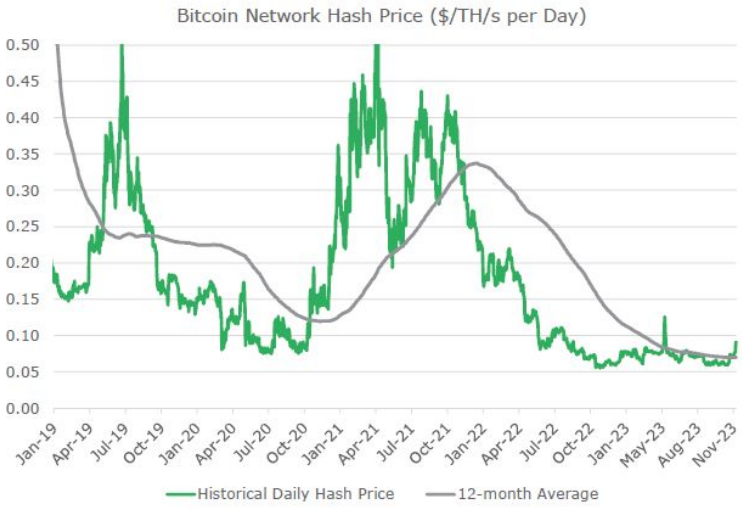
Note: Items that round to $0.0 million have been left off as the calculation remains unchanged as presented

Hash Price Calculation

The metric that drives BTC mining revenue, reflecting both BTC price and network hash rate



Divided by:



Note: Hash price per daily Bitcoin price and network hash rate calculated from difficulty
Note: Bitcoin mining revenue is based on a hash price on $ per terahash per second ("TH/s") per day. Hash price represents global Bitcoin mining revenue per TH/s of network hash rate, incorporates both Bitcoin price and network hash rate and it is calculated as follows: [Bitcoin price] x [number of Bitcoins mined per day (~900)] x [1 + transaction fee %] ÷ [network hash rate (TH/s)]
1. Current block subsidies are 6.25 BTC

Pictured: Actual Reclaimed Mining Waste Site

Investor Contact

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