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): October 13, 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)

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

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 Act:

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 2.01 Completion of Acquisition or Disposition of Assets and Extinguishment of Debt.

As previously disclosed, Stronghold Digital Mining, Inc. (the "**Company**"), its subsidiaries Stronghold Digital Mining LLC, a Delaware limited liability company ("**SDM**"), and Stronghold Digital Mining BT, LLC, a Delaware limited liability company ("**Digital Mining BT**", and together with SDM, the "**Sellers**"), and the Company's operating partnership subsidiary Stronghold Digital Mining Holdings, LLC, a Delaware limited liability company (together with the Sellers and the Company, the "**Seller Parties**" and each, a "**Seller Party**"), entered into an Asset Purchase Agreement, dated August 16, 2022 (the "**Asset Purchase Agreement**") with NYDIG ABL LLC, a Delaware limited liability company formerly known as Arctos Credit, LLC ("**NYDIG**"), and The Provident Bank, a Massachusetts savings bank ("**BankProv**" and together with NYDIG, "**Purchasers**" and each, a "**Purchaser**").

Pursuant to the master equipment financing agreement entered into between SDM and NYDIG on June 25, 2021 (the "**Arctos/NYDIG Financing Agreement**") and the master equipment financing agreement entered into between Digital Mining BT and NYDIG on December 15, 2021 (the "**Second NYDIG Financing Agreement**" and together with the Arctos/NYDIG Financing Agreement, the "**NYDIG Financing Agreements**"), the Seller Parties pledged as collateral under the NYDIG Financing Agreements certain Bitcoin miners the Seller Parties purchased with borrowings under the NYDIG Financing Agreements (together with certain related agreements to purchase miners, the "**APA Collateral**"). Under the Asset Purchase Agreement, the Seller Parties agreed to sell, and the Purchasers (or their respective designee) agreed to purchase, the APA Collateral in a private disposition in exchange for the forgiveness, reduction and release of all principal, interest, and fees owing under each of the NYDIG Financing Agreements (collectively, the "**NYDIG Debt**"). Upon the signing of the Asset Purchase Agreement, the amount of principal under the NYDIG Debt outstanding was approximately $67.4 million.

On September 30, 2022, the Seller Parties completed the sale of the initial three tranches of the APA Collateral to BankProv pursuant to the Asset Purchase Agreement in exchange for the extinguishment of $27.4 million of principal under the NYDIG Debt and related interest (the "**BankProv Settlement**"). On October 13, 2022, the Seller Parties completed the sale of three tranches of APA Collateral to NYDIG pursuant to the Asset Purchase Agreement in exchange for the extinguishment of $37.9 million of principal under the NYDIG Debt and related interest (the "**NYDIG Settlement**"). Following the NYDIG Settlement, together with the BankProv Settlement, the aggregate amount of principal under the NYDIG Debt extinguished is $65.3 million.

The sale of all Bitcoin miners included in the APA Collateral that were in the Company's possession at the Panther Creek Plant and Scrubgrass Plant at the time the Asset Purchase Agreement was executed and the related forgiveness, reduction and release of the NYDIG Debt associated with such Bitcoin miners have been completed. The sale of the remainder of the APA Collateral, and the extinguishment of the related, remaining portion of the NYDIG Debt, will be settled in accordance with the terms and conditions set forth under the Asset Purchase Agreement, including an inspection period. As of October 13, 2022, only $2.1 million remained outstanding under the NYDIG Financing Agreements, such amount being related to 504 Bitcoin miners that are in the possession of US Customs and Border Control. The Company expects the 504 miners that are in the possession of US Customs and Border Control to be released in the near future and the remaining extinguishment of the NYDIG Debt to be consummated in accordance with the terms of the Asset Purchase Agreement thereafter. As a result of this transaction, the Company expects to recognize a loss of approximately $21 million in the third quarter of 2022. The loss amount has been estimated based solely on the value of the deposit paid for the undelivered miners forming the APA Collateral, the net book value of the delivered miners forming the APA Collateral, and the principal amount and funding costs of the NYDIG Debt.

Item 7.01 Regulation FD Disclosure.

A copy of the press release and slide presentation announcing certain business updates is furnished herewith as Exhibit 99.2 and Exhibit 99.3, respectively, and is incorporated into this Item 7.01 by reference. Further, on October 13, 2022, the Company filed a Registration Statement on Form S-1 (File No. 333-267869) with the Securities and Exchange Commission (the "SEC"), which contains updated business, risk factors, and other disclosure. The Company's filings with the SEC are available to the public through the Internet at the SEC's website at http://www.sec.gov.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 in this Current Report on Form 8-K, including Exhibit 99.2 and Exhibit 99.3, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Items

Northern Data Settlement Agreement and Termination of Hosting Agreement

On September 30, 2022, SDM, Stronghold Digital Mining Operating, LLC ("**Operating**") and Stronghold Digital Mining Hashco, LLC ("**Hashco**") entered into a Settlement Agreement with Northern Data PA LLC ("**NDPA**") and 1277963 B.C. Ltd. ("**Bitfield**", and together with NDPA, "**Northern Data**") whereby the previously disclosed Hosting Agreement between NDPA and SDM dated August 17, 2021 (as amended, the "**Hosting Agreement**") was mutually terminated.

Pursuant to the Settlement Agreement, for a term of two years until October 1, 2024, the Company has the right to lease from Northern Data for its exclusive use, access, and operation (i) 24 Northern Data manufactured pods (the "**Northern Data Pods**") capable of supporting approximately 550 Bitcoin miners each for an aggregate amount of approximately 13,200 available slots and (ii) four Strongboxes ("**Strongboxes**") that the Company previously sold to Northern Data capable of supporting approximately 264 Bitcoin miners each for an aggregate of approximately 1,056 mining slots for $1,000 annually. Following the Settlement Agreement, no future revenue share will be applicable for miners in the Northern Data Pods or Strongboxes, and Stronghold will receive 100% of the profits generated by Bitcoin miners in the Northern Data Pods and Strongboxes. The Company estimates that the Settlement Agreement will result in the Company saving approximately $0.5 to $1.1 million per month through 2023, based on (i) Northern Data Pods being fully utilized for approximately 1.33 EH/s of hash rate capacity, average miner efficiency 37 joules per terahash, and 95% miner uptime (ii) a Bitcoin price range of $17,500 to $30,000 and (iii) a network hash rate of 250 EH/s until the halving in April 2024, and reduced by 35% thereafter, compared to what would have been payable under the Hosting Agreement based upon the 35% profit share of mining revenue net of $0.027/kWh. At the end of the two-year term of the Settlement Agreement, the Company has the option, but not the obligation, to purchase the Northern Data Pods and Strongboxes for an amount between $2 million and $6 million based on the prevailing hash price at the time, net of a maximum of $1.5 million of expenditures that the Company has the option to use to upgrade the Northern Data Pods throughout the two-year term. The Company estimates that the Settlement Agreement will improve cash flow by approximately $7 to $20 million through September 2024 based on a Bitcoin price range of $17,500 to $30,000 and a network hash rate of 250 EH/s until the halving in April 2024.

Pursuant to the Settlement Agreement, we will pay Northern Data an aggregate amount of $4.5 million as follows (i) $2.5 million to Northern Data not later than October 3, 2022, which amount was paid to Northern Data on October 3, 2022 in full, (ii) $1.0 million to Northern Data not later than October 31, 2022; and (iii) $1.0 million to Northern Date not later than November 30, 2022.

May PIPE Election

As previously disclosed, on May 15, 2022, the Company entered into a note and warrant purchase agreement (the "**May 2022 Purchase Agreement**") by and among the Company and the purchasers thereto (collectively, the "**PIPE 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 "**May 2022 Notes**") and (ii) warrants (the "**May 2022 Warrants**"). On August 16, 2022, the Company entered into an agreement with the PIPE Purchasers, whereby the Company agreed to amend the terms of the May 2022 Notes such that an aggregate of $11.25 million of the outstanding principal under the May 2022 Notes (the "**Amended May 2022 Notes**") was exchanged for the amended and restated warrant agreement pursuant to which the strike price of the aggregate 6,318,000 May 2022 Warrants was reduced from $2.50 to $0.01. After giving effect to the principal reduction under the Amended May 2022 Notes, the Company will continue to make subsequent payments to the Purchasers on the fifteenth (15th) day of each of November 2022, December 2022, January 2023 and February 2023. The Company may generally elect to make each such payment (A) in cash or (B) in shares of its Class A common stock, at a twenty percent (20%) discount to the average of the daily VWAPs for each of the twenty (20) consecutive trading days preceding the payment date. The Company intends to elect to make a portion of the November 15, 2022 payment in shares of its Class A common stock.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained in this current report on Form 8-K 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 the Company are subject to a number of risks and uncertainties that may cause the Company's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things: the recent restructuring of the Company's debt and the performance and satisfaction of various obligations under the agreements entered into in order to effect such restructuring of debt; 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; our ability to perform our remaining obligations and satisfy all conditions to each Settlement under the Asset Purchase Agreement; 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 avail ourselves of tax credits for the clean-up of coal refuse piles; 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 the Company's 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 its Annual Report on Form 10-K filed on March 29, 2022 and our Quarterly Reports on Form 10-Q filed on May 16, 2022 and August 18, 2022, and in its Current Report on Form 8-K. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Item 9.01 Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following unaudited pro forma financial information is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference:

- Unaudited pro forma condensed consolidated balance sheet as of June 30, 2022,

- Unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2022, and

- Unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2021.

(d) Exhibits.

Exhibit Number	**Description**
99.1	Unaudited Pro Forma Financial Statements of Stronghold Digital Mining, Inc.
99.2*	Press release, dated October 14, 2022
99.3*	Slide Presentation, dated October 14, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Furnished herewith

SIGNATURE

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.	
Date: October 14, 2022	By:	/s/ Gregory A. Beard
	Name:	Gregory A. Beard
	Title:	Chief Executive Officer and Co-Chairman

Exhibit 99.1

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Introduction

The following sets forth unaudited pro forma condensed consolidated financial statements of Stronghold Digital Mining, Inc. (the "Company") prepared in accordance with Article 11 of Regulation S-X. The following information should be read in conjunction with the following: (i) the accompanying notes to the unaudited pro forma condensed consolidated financial statements; (ii) the Company's audited consolidated financial statements for the year ended December 31, 2021 and related notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 29, 2022; and (iii) the Company's unaudited consolidated financial statements as of and for the six months ended June 30, 2022 and related notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 18, 2022.

The unaudited pro forma condensed consolidated financial statements are based on and have been derived from the Company's historical consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America and are presented based on assumptions, adjustments, and currently available information described in the accompanying notes.

Description of the Transactions

The unaudited pro forma condensed consolidated financial statements are presented to illustrate the estimated effects of the following transactions:

Asset Purchase Agreement

On August 16, 2022, the Company, Stronghold LLC, Stronghold Digital Mining LLC ("SD Mining") and Stronghold Digital Mining BT, LLC ("Digital Mining BT, and together with SD Mining, the "Sellers" and, together with the Company and Stronghold LLC, the "Seller Parties"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with NYDIG ABL LLC, a Delaware limited liability company formerly known as Arctos Credit, LLC ("NYDIG"), and The Provident Bank, a Massachusetts savings bank ("BankProv" and together with NYDIG, "Purchasers" and each, a "Purchaser").

Pursuant to the master equipment financing agreement SD Mining entered into with NYDIG on June 25, 2021 (the "Arctos/NYDIG Financing Agreement") and the master equipment financing agreement SD Mining entered into with NYDIG on December 15, 2021 (the "Second NYDIG Financing Agreement" and together with the Arctos/NYDIG Financing Agreement, the "NYDIG Financing Agreements"), the Seller Parties pledged as collateral under the NYDIG Financing Agreements certain Bitcoin miners the Seller Parties purchased with borrowings under the NYDIG Financing Agreements (together with certain related agreements to purchase miners, the "APA Collateral"). Under the Asset Purchase Agreement, the Seller Parties agreed to sell, and the Purchasers (or their respective designee) agreed to purchase, the APA Collateral in a private disposition in exchange for the forgiveness, reduction and release of all principal, interest, and fees owing under each of the NYDIG Financing Agreements (collectively, the "NYDIG Debt"). The Sellers have agreed to clean, service, package, ship and deliver the APA Collateral, and to bear the costs associated with such activities. Following (i) delivery of the APA Collateral to the Purchasers or their designees and (ii) a subsequent inspection period of up to 14 days (which may be extended up to seven additional days), upon acceptance of the APA Collateral, the ownership of such APA Collateral will be transferred to the Purchasers or their designees and the related portion of the NYDIG Debt will be assigned to the Sellers and cancelled pursuant to a master bill of sale in accordance with the Asset Purchase Agreement (each, a "Settlement"). In the event of certain failures to satisfy the inspection conditions set forth in the Asset Purchase Agreement, the Company is obligated to replace the APA Collateral that failed to satisfy such inspection conditions with comparable assets, provided that such obligation only applies once the aggregate value of such APA Collateral exceeds $173,650.68, with respect to BankProv, and $252,532.33, with respect to NYDIG.

Prior to the date on which (i) Seller Parties first breach a material obligation under the Asset Purchase Agreement, (ii) the Asset Purchase Agreement is terminated or if a Seller elects not to sell any or all of its APA Collateral, or (iii) an insolvency or liquidation proceeding is commenced by or against the Sellers (the "Non-Interference Period"), the Purchasers have agreed not to foreclose on any of the APA Collateral under the NYDIG Financing Agreements. The Seller Parties also granted certain indemnification rights to the Purchasers. The Asset Purchase Agreement also provides for certain termination rights.

Pursuant to the Asset Purchase Agreement, the Seller Parties have granted a release from certain claims arising out of or in connection with the Asset Purchase Agreement and the transactions contemplated thereunder. Further, except for the payment of accrued but unpaid interest through the date of signing of the Asset Purchase Agreement, prior to the earlier of (i) the termination of the Asset Purchase Agreement, (ii) the end of the Non-Interference Period, or (iii) a Seller electing not to sell any of its APA Collateral required to be sold at a settlement, the Sellers will not be required to make payments pursuant to the NYDIG Financing Agreements (although interest shall accrue but not be due and payable) and each Purchaser, in its capacity as the respective lender under the NYDIG Financing Agreements, will not exercise any remedies available as a lender or declare any event of default as a result of the Sellers taking any actions required or directly contemplated by the Asset Purchase Agreement.

On September 30, 2022, the Company completed the sale of the initial three tranches of the APA Collateral to BankProv pursuant to the Asset Purchase Agreement in exchange for the extinguishment of $27.4 million of principal under the NYDIG Debt and related interest (the "BankProv Settlement").

On October 13, 2022, the Seller Parties completed the sale of three tranches of APA Collateral to NYDIG pursuant to the Asset Purchase Agreement in exchange for the extinguishment of $37.9 million of principal under the NYDIG Debt and related interest (the "**NYDIG Settlement**"). Following the NYDIG Settlement, together with the BankProv Settlement, the aggregate amount of principal under the NYDIG Debt extinguished is $65.3 million. The sale of all Bitcoin miners included in the APA Collateral that were in the Company's possession at the Panther Creek Plant and Scrubgrass Plant at the time the Asset Purchase Agreement was executed and the related forgiveness, reduction and release of the NYDIG Debt associated with such Bitcoin miners have been completed. The sale of the remainder of the APA Collateral, and the extinguishment of the related, remaining portion of the NYDIG Debt, will be settled in accordance with the terms and conditions set forth under the Asset Purchase Agreement, including an inspection period. As of October 13, 2022, $2.1 million remained outstanding under the NYDIG Financing Agreements, such amount being related to 504 Bitcoin miners that are in the possession of U.S. Customs and Border Control.

The disposition of the APA Collateral does not qualify as a discontinued operation as it does not represent a strategic shift that will have a major effect on the Company's results of operations or financial condition. While the entirety of the APA Collateral has not been sold and the entirety of the NYDIG Debt has not been extinguished, the following pro forma adjustments assume that both will have occurred.

Amendment to May PIPE Notes

On May 15, 2022, the Company entered into a note and warrant purchase agreement (the "May 2022 Purchase Agreement"), by and among the Company and the purchasers thereto (collectively, the "May PIPE Purchasers"), whereby the Company agreed to issue and sell to the May PIPE Purchasers, and the May PIPE Purchasers agreed to purchase from the Company, (i) $33,750,000 aggregate principal amount of 10.00% unsecured convertible promissory notes (the "May 2022 Notes") and (ii) warrants (the "May 2022 Warrants").

On August 16, 2022, the Company entered into an agreement with the May PIPE Purchasers, whereby the Company agreed to amend the terms of the May 2022 Notes such that an aggregate of $11.25 million of the outstanding principal under the May 2022 Notes (the "Amended May 2022 Notes") was exchanged for the amended and restated warrant agreement (the "Amended May 2022 Warrants"), pursuant to which the strike price of the aggregate 6,318,000 May 2022 Warrants was reduced from $2.50 to $0.01. After giving effect to the principal reduction under the Amended May 2022 Notes, the Company will continue to make subsequent payments to the Purchasers on the fifteenth (15th) day of each of November 2022, December 2022, January 2023 and February 2023. The Company may generally elect to make each such payment (A) in cash or (B) in shares of its Class A common stock, at a twenty percent (20%) discount to the average of the daily VWAPs for each of the twenty (20) consecutive trading days preceding the payment date.

September PIPE

On September 13, 2022, the Company entered into Securities Purchase Agreements with Armistice Capital Master Fund Ltd. ("Armistice") and Greg Beard, the Company's co-chairman and chief executive officer (together with Armistice, the "September PIPE Purchasers"), for the purchase and sale of 2,274,350 and 602,409 shares, respectively, of Class A common stock, par value $0.0001 per share at a purchase price of $1.60 and $1.66, respectively, and warrants to purchase an aggregate of 5,602,409 shares of Class A common stock, at an initial exercise price of $1.75 per share (subject to certain adjustments). Subject to certain ownership limitations, such warrants are exercisable upon issuance and will be exercisable for five and a half years commencing upon the date of issuance. Armistice also purchased the Pre-Funded Warrants to purchase 2,725,650 shares of Class A common stock at a purchase price of $1.60 per Pre-Funded Warrant. The Pre-Funded Warrants have an exercise price of $0.0001 per warrant share. The transaction closed on September 19, 2022. The gross proceeds, before deducting offering expenses, from the sale of such securities was approximately $9.0 million.

Northern Data Settlement Agreement

On September 30, 2022, Stronghold Digital Mining LLC ("SDM"), Stronghold Digital Mining Operating, LLC ("SDMO") and Stronghold Digital Mining Hashco, LLC ("SDMH") entered into a Settlement Agreement with Northern Data PA LLC ("NDPA") and 1277963 B.C. Ltd. ("Bitfield", and together with NDPA, "Northern Data") whereby the previously disclosed Hosting Agreement between NDPA and SDM dated August 17, 2021 (as amended by the Letter dated January 12, 2022, the Letter dated March 28, 2022, and the Letter dated August 10, 2022, and assigned by SDM to SDMH on or about August 14, 2022, the "Hosting Agreement") was mutually terminated.

Pursuant to the Settlement Agreement, for a term of two (2) years until October 1, 2024, the Company has the right to lease from Northern Data for its exclusive use, access, and operation (i) 24 Northern Data manufactured pods (the "Northern Data Pods") capable of supporting approximately 550 Bitcoin miners each for an aggregate amount of approximately 13,200 available slots and (ii) four Strongboxes that the Company previously sold to Northern Data capable of supporting approximately 264 Bitcoin miners each for an aggregate of approximately 1,056 mining slots for $1,000.00 annually. Following the Settlement Agreement, no future revenue share will be applicable for miners in the Northern Data Pods or Strongboxes and the Company will receive 100% of the profits generated by Bitcoin miners in the Northern Data Pods and Strongboxes. At the end of the two-year term of the Settlement Agreement, the Company has the option, but not the obligation, to purchase the Northern Data Pods and Strongboxes for an amount between $2 million and $6 million based on the prevailing hash price at the time, net of a maximum of $1.5 million of expenditures that the Company has the option to use to upgrade the Northern Data Pods throughout the two year term.

Pursuant to the Settlement Agreement, the Company will pay Northern Data an aggregate amount of $4.5 million as follows (i) $2.5 million to Northern Data not later than October 3, 2022, which amount was paid to Northern Data on October 3, 2022 in full, (ii) $1.0 million to Northern Data not later than October 31, 2022; and (iii) $1.0 million to Northern Date not later than November 30, 2022.

WhiteHawk Refinancing

On August 16, 2022, the Company entered into a commitment letter (the "Commitment Letter") with WhiteHawk Finance LLC ("WhiteHawk") to provide for committed financing to refinance the equipment financing agreement, dated June 30, 2021, by and between Stronghold Digital Mining Equipment, LLC and WhiteHawk (the "WhiteHawk Financing Agreement") and provide up to $20 million in additional commitments (such additional commitments, the "Delayed Draw Facility") for an aggregate loan not to exceed $60.0 million. Such loans under the Delayed Draw Facility will be available to be drawn for 180 days from the closing date of the WhiteHawk Refinancing Agreement (as defined below). The financing contemplated by the Commitment Letter (such financing, the "WhiteHawk Refinancing Agreement") will be entered into by Stronghold LLC as Borrower (the "Borrower") and secured by substantially all of the assets of the Company and its subsidiaries and will be guaranteed by the Company and each of its subsidiaries. The WhiteHawk Refinancing Agreement will require equal monthly amortization payments resulting in full amortization at maturity. The WhiteHawk Refinancing Agreement will have customary representations, warranties and covenants including restrictions on indebtedness, liens, restricted payments and dividends, investments, asset sales and similar covenants and will contain customary events of default. The WhiteHawk Refinancing Agreement will contain a covenant requiring the Borrower and its subsidiaries to maintain a minimum (x) of $7.5 million of liquidity at all times, (y) a minimum liquidity of $10 million of average daily liquidity for each calendar month (rising to $20 million beginning July 1, 2023) and (z) a maximum total leverage ratio covenant of (i) 7.5:1.0 for the quarter ending December 31, 2022, (ii) 5.0:1.0 for the quarter ending March 31, 2023, (iii) 4.0:1.0 for the quarter ending June 30, 2023 and (iv) 4.0:1.0 for each quarter ending thereafter. The initial closing of the WhiteHawk Refinancing Agreement will be subject to customary closing conditions. In addition, the initial closing of the WhiteHawk Refinancing Agreement will be subject to the full extinguishment and termination of all of the NYDIG Debt and other obligations of the Company and its affiliates under the NYDIG Financing Agreements, whether pursuant to the Asset Purchase Agreement or otherwise. As of October 13, 2022, closing the WhiteHawk Refinancing Agreement and consummation of this transaction was deemed probable of occurring by the Company.

The WhiteHawk Refinancing Agreement provides that the borrowings under the agreement will mature 36 months after the closing date of the transaction and will bear interest at a rate of Secured Overnight Financing Rate plus 10%. The loans under the Delayed Draw Facility will be issued with a 3% commitment fee on the delayed draw amount, payable when such amounts are drawn, and undrawn commitments thereunder will incur an unused lien fee, paid monthly, equal to 1% per annum. Amounts drawn on the WhiteHawk Refinancing Agreement will be subject to a prepayment premium such that the lenders thereunder achieve a 20% return on invested capital. In addition, Borrower has agreed to pay an alternate transaction fee to WhiteHawk in the event that (x) WhiteHawk Refinancing Agreement does not close on or before October 31, 2022, (y) the initial funding under the WhiteHawk Financing Agreement does not occur on or before October 31, 2022 or (z) Borrower or any of its affiliates utilize any debt or equity financing other than the WhiteHawk Refinancing Agreement to refinance the existing indebtedness owed to Whitehawk. The Company also agreed to issue a stock purchase warrant to WhiteHawk in conjunction with the closing of the WhiteHawk Refinancing Agreement, which provides for the purchase of an additional 2,000,000 shares of Class A common stock at $0.01 per share.

Panther Creek Acquisition

On July 9, 2021, the Company entered into a purchase agreement, as contemplated by the Olympus LOI, with Panther Creek Reclamation Holdings, LLC ("Panther Creek Reclamation"), a subsidiary of Olympus (the "Panther Creek Acquisition"). Pursuant to the Panther Creek Acquisition, the Company acquired all of the assets of Panther Creek Power Operating LLC (“Panther Creek”), comprised primarily of a coal refuse reclamation facility with 80 MW of net electricity generation capacity located near Nesquehoning, Pennsylvania (the "Panther Creek Plant"). The Company completed the Panther Creek Acquisition on November 2, 2021. The consideration for the Panther Creek Plant was approximately $3.0 million in cash ($2.192 million after deducting 50% of land closing costs agreed to be split with the seller) subject to certain closing adjustments, and 1,152,000 Class A common units of Stronghold Digital Mining Holdings LLC (“Stronghold LLC Unit”), together with a corresponding number of shares of Class V common stock. Pursuant to the Redemption Right, each Stronghold LLC Unit, combined with a corresponding share of Class V common stock, may be redeemed for one share of Class A common stock (or cash, in certain instances).

The Company’s consolidated balance sheet as of June 30, 2022 and statements of operations for the six months ended June 30, 2022 included in the Company’s Quarterly Report on Form 10-Q filed with the SEC on August 18, 2022 already include the assets and liabilities acquired in the Panther Creek Acquisition and accompanying results of operations for the period. Therefore, no pro forma adjustments for this transaction are reflected in the unaudited pro forma condensed consolidated balance sheet and unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2022. The Company’s audited consolidated statement of operations for the year ended December 31, 2021 included in the Company’s Annual Report on Form 10-K filed with the SEC on March 29, 2022 reflects the actual results of operations from the Panther Creek Acquisition from November 2, 2021 through December 31, 2021.

Under Article 11 of Regulation S-X, the sale of the APA Collateral in the Asset Purchase Agreement described above constitutes a significant disposition. The other transactions described above for which disclosure of pro forma financial information was considered material have been consummated or are considered probable to be consummated.

As a result of these transactions, the Company prepared the accompanying unaudited pro forma condensed consolidated financial statements. Except as set forth herein, the unaudited pro forma condensed consolidated balance sheet as of June 30, 2022 and statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021 give pro forma effect to these transactions as if they occurred on June 30, 2022 (in the case of the balance sheet) or January 1, 2021 (in the case of the statement of operations).

The unaudited pro forma condensed consolidated financial statements include unaudited pro forma adjustments that are factually supportable and directly attributable to the transactions. In addition, the unaudited pro forma adjustments are expected to have a continuing impact on the Company's results. The Company has prepared the unaudited pro forma condensed consolidated financial statements for illustrative purposes only and it does not purport to represent what the results of operations or financial condition would have been had the transactions actually occurred on the dates indicated, nor does the Company purport to project the results of operations or financial condition for any future period or as of any future date. Actual results may differ significantly from those reflected in the unaudited pro forma condensed consolidated financial statements for various reasons, including but not limited to, the differences between the assumptions used to prepare the unaudited pro forma condensed consolidated financial statements and actual results and our ability to complete, either in part or in full, the transactions that have not yet occurred.

STRONGHOLD DIGITAL MINING, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2022

	Historical	Pro Forma Adjustments						Pro Forma
	June 30, 2022	Asset Purchase Agreement	Amendment to May PIPE Notes	September PIPE	Northern Data Settlement	WhiteHawk Refinancing	Notes	June 30, 2022
CURRENT ASSETS								
Cash	$ 32,987,181	-	-	$ 9,000,000	$ (2,500,000)	-	(a), (b)	$ 39,487,181
Digital currencies	352,092	-	-	-	-	-		352,092
Digital currencies restricted	4,779,895	-	-	-	-	-		4,779,895
Accounts receivable	1,851,719	-	-	-	-	-		1,851,719
Due from related party	848,150	-	-	-	-	-		848,150
Prepaid insurance	2,356,411	-	-	-	-	-		2,356,411
Inventory	3,605,533	-	-	-	-	-		3,605,533
Other current assets	1,733,907	-	-	-	-	-		1,733,907
Total Current Assets	48,514,888	-	-	9,000,000	(2,500,000)	-		55,014,888
EQUIPMENT DEPOSITS	66,472,016	(32,645,000)	-	-	-	-	(c)	33,827,016
PROPERTY, PLANT AND EQUIPMENT, NET	237,973,955	(53,497,920)	-	-	-	-	(d)	184,476,035
LAND	1,748,439	-	-	-	-	-		1,748,439
ROAD BOND	211,958	-	-	-	-	-		211,958
SECURITY DEPOSITS	348,888	-	-	-	-	-		348,888
TOTAL ASSETS	$ 355,270,144	$ (86,142,920)	-	$ 9,000,000	$ (2,500,000)	-		$ 275,627,224
CURRENT LIABILITIES								
Current portion of long-term debt-net of discounts/issuance fees	$ 100,593,168	$ (51,694,078)	$ (11,250,000)	-	-	$ (18,399,403)	(e), (f), (g)	$ 19,249,687
Financed insurance premiums	393,260	-	-	-	-	-		393,260
Forward sale contract	4,650,848	-	-	-	-	-		4,650,848
Accounts payable	23,887,308	-	-	-	2,000,000	-	(h)	25,887,308
Due to related parties	1,974,299	-	-	-	-	-		1,974,299
Accrued liabilities	12,920,128	2,148,398	-	-	(2,594,640)	-	(i), (j)	12,473,886
Total Current Liabilities	144,419,011	(49,545,680)	(11,250,000)	-	(594,640)	$ (18,399,403)		64,629,288
LONG-TERM LIABILITIES								
Asset retirement obligation	986,115	-	-	-	-	-		986,115
Contract liabilities	132,093	-	-	-	-	-		132,093
Long-term debt-net of discounts/issuance fees	26,889,570	(13,250,935)	-	-	-	9,171,918	(e), (g)	22,810,553
Total Long-Term Liabilities	28,007,778	(13,250,935)	-	-	-	9,171,918		23,928,761
Total Liabilities	172,426,789	(62,796,615)	(11,250,000)	-	(594,640)	(9,227,485)		88,558,049
COMMITMENTS AND CONTINGENCIES								
REDEEMABLE COMMON STOCK								
Common Stock - Class V, $0.0001 par value; 34,560,000 shares authorized and 27,057,600 shares issued and outstanding	47,239,903	-	-	-	-	-		47,239,903
Total redeemable common stock	47,239,903	-	-	-	-	-		47,239,903
STOCKHOLDERS' EQUITY / (DEFICIT)								
Non-controlling Series A redeemable and convertible preferred stock, $0.0001 par value, aggregate liquidation value $5,000,000; 1,152,000 shares issued and outstanding	35,937,061	-	-	-	-	-		35,937,061
Common Stock - Class A, $0.0001 par value; 685,440,000 shares authorized and 20,034,875 shares issued and outstanding	2,002	-	632	560	-	-	(k), (l)	3,194
Accumulated deficits	(155,708,865)	(23,346,305)	-	-	(1,905,360)	9,227,485	(m), (n)	(171,733,045)
Additional paid-in capital	255,373,254	-	11,249,368	8,999,440	-	-	(k), (l)	275,622,062
Stockholders' equity / (deficit)	135,603,452	(23,346,305)	11,250,000	9,000,000	(1,905,360)	9,227,485		139,829,272
Total	182,843,355	(23,346,305)	11,250,000	9,000,000	(1,905,360)	9,227,485		187,069,175
TOTAL LIABILITIES, MEZZANINE EQUITY AND EQUITY / (DEFICIT)	$ 355,270,144	$ (86,142,920)	-	$ 9,000,000	$ (2,500,000)	-		$ 275,627,224

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

STRONGHOLD DIGITAL MINING, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2022

	Historical Six Months Ended June 30, 2022	Pro Forma Adjustments: Asset Purchase Agreement	Pro Forma Adjustments: Amendment to May PIPENotes	Pro Forma Adjustments: September PIPE	Pro Forma Adjustments: Northern Data Settlement	Pro Forma Adjustments: WhiteHawk Refinancing	Notes	Pro Forma Six Months Ended June 30, 2022
OPERATING REVENUES								
Cryptocurrency mining	$ 38,431,729	$ (19,062,900)	-	-	-	-	(o)	$ 19,368,829
Energy	15,492,533	6,901,126	-	-	-	-	(p)	22,393,659
Capacity	3,712,428	-	-	-	-	-		3,712,428
Cryptocurrency hosting	189,048	-	-	-	-	-		189,048
Other	52,770	-	-	-	-	-		52,770
Total operating revenues	57,878,508	(12,161,774)	-	-	-	-		45,716,734
OPERATING EXPENSES								
Fuel	18,018,508	-	-	-	-	-		18,018,508
Operations and maintenance	27,921,089	-	-	-	(2,594,640)	-	(q)	25,326,449
General and administrative	21,514,079	2,148,398	-	-	-	-	(r)	23,662,477
Impairments of digital currencies	7,711,217	(2,163,063)	-	-	-	-	(s)	5,548,154
Impairments of equipment deposits	12,228,742	-	-	-	-	-		12,228,742
Impairments of miner assets	4,990,000	-	-	-	-	-		4,990,000
Depreciation and amortization	24,986,881	(7,744,179)	-	-	-	-	(t)	17,242,702
Total operating expenses	117,370,516	(7,758,844)	-	-	(2,594,640)	-		107,017,032
NET OPERATING LOSS	(59,492,008)	(4,402,930)	-	-	(2,594,640)	-		(61,300,298)
OTHER INCOME (EXPENSE)								
Interest expense	(7,420,235)	2,239,640	-	-	-	(145,241)	(u), (x)	(5,325,836)
Gain on extinguishment of PPP loan	841,670	-	-	-	-	-		841,670
Loss on extinguishment of NYDIG debt	-	(9,971,437)	-	-	-	-	(v)	(9,971,437)
Realized gain on sale of digital currencies	751,110	-	-	-	-	-		751,110
Realized loss on disposal of fixed asset	(1,769,600)	-	-	-	-	-		(1,769,600)
Realized loss on sale of miner assets	(8,012,248)	-	-	-	-	-		(8,012,248)
Changes in fair value of forward sale derivative	3,435,639	-	-	-	-	-		3,435,639
Changes in fair value of convertible note	(962,761)	-	-	-	-	-		(962,761)
Waste coal credits	53,443	-	-	-	-	-		53,443
Other	30,000	-	-	-	-	-		30,000
Total other income / (expense)	(13,052,982)	(7,731,797)	-	-	-	(145,241)		(20,930,020)
NET LOSS	$ (72,544,990)	(12,134,727)	-	-	2,594,640	(145,241)		$ (82,230,318)
NET LOSS - attributable to non-controlling interest	(42,435,192)	(7,098,209)	-	-	1,517,735	(84,959)		(48,100,625)
NET LOSS - Stronghold Digital Mining, Inc.	$ (30,109,798)	(5,036,518)	-	-	1,076,905	(60,282)		$ (34,129,693)
NET LOSS attributable to Class A Common Shares								
Basic	$ (1.49)							$ (1.00)
Diluted	$ (1.49)							$ (1.00)
Class A Common Shares Outstanding								
Basic	20,274,672	-	6,318,000	5,602,409	-	2,000,000		34,195,081
Diluted	20,274,672	-	6,318,000	5,602,409	-	2,000,000		34,195,081

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

STRONGHOLD DIGITAL MINING, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021

	Historical Year Ended December 31, 2021	Pro Forma Adjustments: Asset Purchase Agreement	Amendment to May PIPE Notes	September PIPE	Northern Data Settlement	Panther Creek Acquisition	WhiteHawk Refinancing	Notes	Pro Forma Year Ended December 31, 2021
OPERATING REVENUES									
Cryptocurrency mining	$ 12,494,581	(4,202,268)	-	-	-	-	-	(o)	$ 8,292,313
Energy	11,870,817	946,288	-	-	-	3,174,344	-	(p), (w)	15,991,449
Capacity	4,238,921	-	-	-	-	2,731,428	-	(w)	6,970,349
Cryptocurrency hosting	2,297,489	-	-	-	-	-	-		2,297,489
Other	13,329	-	-	-	-	91,384	-	(w)	104,713
Total operating revenues	30,915,137	(3,255,980)	-	-	-	5,997,156	-		33,656,313
OPERATING EXPENSES									
Fuel	13,190,828	-	-	-	-	1,380,026	-	(w)	14,570,854
Operations and maintenance	15,492,763	-	-	-	-	6,987,030	-	(w)	22,479,793
General and administrative	14,955,626	-	-	-	-	(1,211,665)	-	(w)	13,743,961
Impairments of digital currencies	1,870,274	(388,322)	-	-	-	-	-	(s)	1,481,952
Depreciation and amortization	7,607,721	(244,992)	-	-	-	342,364	-	(t), (w)	7,705,093
Total operating expenses	53,117,212	(633,314)	-	-	-	7,497,755	-		59,981,653
NET OPERATING LOSS	(22,202,075)	(2,622,666)	-	-	-	(1,500,599)	-		(26,325,340)
OTHER INCOME (EXPENSE)									
Interest expense	(4,622,655)	1,605,786	-	-	-	(130)	301,800	(u), (w), (x)	(2,715,199)
Gain on extinguishment of PPP loan	638,800	-	-	-	-	-	-		638,800
Loss on extinguishment of NYDIG debt	-	(23,036,303)	-	-	-	-	-	(v)	(23,036,303)
Realized gain on sale of digital currencies	149,858	-	-	-	-	-	-		149,858
Changes in fair value of warrant liabilities	(1,143,809)	-	-	-	-	-	-		(1,143,809)
Changes in fair value of forward sale derivative	(116,488)	-	-	-	-	-	-		(116,488)
Waste coal credits	47,752	-	-	-	-	-	-		47,752
Other	(6,712)	-	-	-	-	276,401	-	(w)	269,689
Total other income / (expense)	(5,053,254)	(21,430,517)	-	-	-	276,271	301,800		(26,905,700)
NET LOSS	$ (27,255,329)	(24,053,183)	-	-	-	(1,224,328)	301,800		$ (52,231,040)
NET LOSS - attributable to predecessor (1/1-3/31)	(238,948)	-	-	-	-	-	-		(238,948)
NET LOSS - attributable to non-controlling interest	(15,803,234)	(14,069,911)	-	-	-	(716,171)	176,538		(30,412,778)
NET LOSS - Stronghold Digital Mining, Inc.	$ (11,213,147)	(9,983,272)	-	-	-	(508,157)	125,262		$ (21,579,314)
NET LOSS attributable to Class A Common Shares									
Basic	$ (2.03)								$ (1.11)
Diluted	$ (2.03)								$ (1.11)
Class A Common Shares Outstanding									
Basic	5,518,752	-	6,318,000	5,602,409	-	-	2,000,000		19,439,161
Diluted	5,518,752	-	6,318,000	5,602,409	-	-	2,000,000		19,439,161

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Note 1 – Basis of Presentation

The June 30, 2022 unaudited pro forma condensed consolidated balance sheet gives effect to the pro forma adjustments necessary to reflect the transactions as if they had occurred on June 30, 2022. The unaudited pro forma condensed consolidated statements of operations give effect to the pro forma adjustments to reflect the transactions as if they had occurred as of January 1, 2021. The unaudited pro forma adjustments related to the transactions are based on available information and assumptions that management believes are directly attributable to the transactions, factually supportable, and are expected to have a continuing impact on the Company's results of operations with respect to the unaudited condensed consolidated statements of operations.

Note 2 – Pro Forma Adjustments

Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

The following adjustments have been made to the accompanying unaudited pro forma condensed consolidated balance sheet as of June 30, 2022.

a) Reflects the net proceeds of approximately $9.0 million, after deducting offering expenses, received from the sale of Securities Purchase Agreements with the September PIPE Purchasers from the September PIPE.
b) Reflects the cash paid of $2.5 million to Northern Data pursuant to the terms of the Northern Data Settlement Agreement.
c) Reflects the elimination of equipment deposits of approximately $32.6 million from the Asset Purchase Agreement on cryptocurrency machines the Company had not yet taken delivery of, which were included in the cryptocurrency machines pledged as collateral in the transaction. There is no impact to the Company's operating revenues and expenses for the removal of these cryptocurrency machines as they have not yet been revenue generating for the Company.
d) Reflects the elimination of approximately $53.5 million of cryptocurrency machines under the Asset Purchase Agreement the Company had received and placed in service at various times during the six months ended June 30, 2022 and the year ended December 31, 2021. Components of the Company's property, plant and equipment, net impacted were as follows:

		June 30, 2022
Cryptocurrency machines & powering supplies	$	(61,487,092)
Accumulated depreciation and amortization		7,989,172
Net pro forma adjustment	$	(53,497,920)

e) Reflects the reduction to outstanding long-term debt under the NYDIG Financing Agreements resulting from the forgiveness, reduction and release of all principal, interest, and fees owed under the NYDIG Debt pursuant to the Asset Purchase Agreement. Components of the reduction to the long-term debt were as follows:

		June 30, 2022
Arctos/NYDIG Financing Agreement (loan #1) with a term of 24 months	$	5,165,554
Arctos/NYDIG Financing Agreement (loan #2) with a term of 24 months		6,833,002
Arctos/NYDIG Financing Agreement (loan #3) with a term of 24 months		3,797,407
Arctos/NYDIG Financing Agreement (loan #4) with a term of 24 months		5,089,978
Second NYDIG Financing Agreement (schedule #1) with a term of 24 months		15,977,805
Second NYDIG Financing Agreement (schedule #2) with a term of 24 months		17,646,800
Second NYDIG Financing Agreement (schedule #3) with a term of 24 months		10,434,467
Net pro forma adjustment	$	64,945,013
Current portion of long-term debt-net of discounts/issuance fees	$	51,694,078
Long-term debt-net of discounts/issuance fees	$	13,250,935

f) Reflects the reduction to outstanding long-term debt resulting from the amendment to the terms of the May 2022 Notes such that an aggregate of $11.25 million of the outstanding principal under the May 2022 Notes was exchanged for the Amended May 2022 Warrants.
g) Reflects a change in the classification of the WhiteHawk outstanding long-term debt between current liabilities of approximately $18.4 million and long-term liabilities of approximately $9.2 million after giving effect to the probable terms set forth in the Commitment Letter for the WhiteHawk Refinancing.
h) Represents the remaining payments to be made that were mutually agreed upon in the Northern Data Settlement Agreement. The Company will pay $1.0 million to Northern Data not later than October 31, 2022, and $1.0 million to Northern Date not later than November 30, 2022
i) Reflects an accrual of approximately $2.1 million for unrecognized transaction costs associated with the Asset Purchase Agreement.
j) Reflects the elimination of an accrued liability of approximately $2.6 million associated with the Hosting Services Agreement with Northern Data that was settled pursuant to the terms of the Settlement Agreement with Northern Data.
k) In the Amendment to the May PIPE Notes, in exchange for eliminating $11.25 million of outstanding principal, the Company agreed to an amended and restated warrant agreement in which the strike price of the aggregate 6,318,000 May 2022 Warrants was reduced from $2.50 to $0.01 resulting in warrants being considered penny warrants. The adjustment reflects as if the penny warrants were exercised and issued as Class A common stock. The amount recorded to Class A common stock was based on the par value per share with the remaining $11.2 million recorded as additional paid-in capital.
l) In the September PIPE, the Company issued a total of 2,876,759 shares of Class A common stock at a purchase price of $1.60 or $1.66 to the September PIPE Purchasers. Armistice also purchased Pre-Funded Warrants to purchase 2,725,650 shares of Class A common stock at a purchase price of $1.60 per Pre-Funded Warrant. The adjustment reflects the issuance of the Class A common stock to the September PIPE Purchasers. The amount recorded to Class A common stock was based on the par value per share with the remaining $9.0 million recorded as additional paid-in capital.
m) Represents the incremental net loss of approximately $23.3 million recognized during the six months ended June 30, 2022 and the year ended December 31, 2021 resulting from the pro forma adjustments arising from the Asset Purchase Agreement.
n) Represents the incremental net loss of approximately $1.9 million recognized pursuant to the settlement terms of the Settlement Agreement with Northern Data.

Adjustments to the Unaudited Pro Forma Condensed Consolidated Statements of Operations

The following adjustments have been made to the accompanying unaudited pro forma condensed consolidated statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021.

o) Represents the elimination of approximately $19.1 million and $4.2 million of cryptocurrency mining revenues during the six months ended June 30, 2022 and year ended December 31, 2021, respectively, for the disposition of the APA Collateral assets under the Asset Purchase Agreement.

p) Represents energy revenues of approximately $6.9 million and $1.0 million that would have been recognized during the six months ended June 30, 2022 and year ended December 31, 2021, respectively, from the sale of available energy through PJM Interconnection that would not have been consumed by the cryptocurrency machines sold in the transaction. When the Company has available energy, the Company has agreed to routinely sell the available energy in the wholesale generation market in the PJM Interconnection as a market participant. The adjustment was derived from the energy volume expected to be available each month and the average energy price each month.
q) Reflects the elimination of approximately $2.6 million recognized as operations and maintenance expense associated with a revenue share due to Northern Data under the Hosting Services Agreement, which was eliminated pursuant to the terms of the Settlement Agreement with Northern Data.
r) Reflects the recognition of approximately $2.1 million of unrecognized transaction costs associated with the Asset Purchase Agreement.
s) Reflects the elimination of approximately $2.2 million and $0.4 million during the six months ended June 30, 2022 and year ended December 31, 2021, respectively, of an impairment of digital currencies for the cryptocurrency that would not have been mined had the Company not operated the cryptocurrency machines sold in the Asset Purchase Agreement.
t) Represents the elimination of approximately $7.7 million and $0.2 million of depreciation expense for the cryptocurrency machines sold in the Asset Purchase Agreement that the Company had in service at various times during the six months ended June 30, 2022 and the year ended December 31, 2021, respectively.
u) Reflects a reduction to interest expense of approximately $2.2 million and $1.6 million during the six months ended June 30, 2022 and year ended December 31, 2021, respectively, associated with the forgiveness, reduction and release of all principal, interest, and fees owed on the NYDIG Debt under the terms of the Asset Purchase Agreement.
v) Represents the loss on debt extinguishment of approximately $10.0 million and $23.0 million recognized during the six months ended June 30, 2022 and year ended December 31, 2021, respectively, from the Asset Purchase Agreement after giving effect to the elimination of the equipment deposits, cryptocurrency machines, and associated long-term debt.
w) Reflects the operating revenues and expenses of Panther Creek from January 1, 2021 through November 1, 2021. The Company completed the Panther Creek Acquisition on November 2, 2021.
x) Reflects an increase to interest expense of approximately $0.1 million during the six months ended June 30, 2022 and a reduction to interest expense of approximately $0.3 million during the year ended December 31, 2021 on the WhiteHawk outstanding long-term debt after giving effect to the interest terms included in the Commitment Letter for the WhiteHawk Refinancing.

Note 3 – Earnings (Loss) Per Share

Represents the net loss per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the transactions, assuming the Class A common stock were outstanding since January 1, 2021. As the transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable in connection with the transactions have been outstanding for the entire periods presented. The following tables set forth the computation of pro forma basic and diluted earnings (loss) per share for the six months ended June 30, 2022 and the year ended December 31, 2021.

		Six Months Ended June 30, 2022
Numerator		
Net loss	$	(82,230,318)
Less: net loss attributable to non-controlling interest		(48,100,625)
Net loss attributable to Class A common shareholders	$	(34,129,693)
Denominator		
Weighted average shares of Class A common shares outstanding		34,195,081
Pro forma basic and diluted net loss per share	$	(1.00)

	Year Ended December 31, 2021
Numerator	
Net loss	$ (52,231,040)
Less: net loss attributable to predecessor (1/1-3/31)	(238,948)
Less: net loss attributable to non-controlling interest	(30,412,778)
Net loss attributable to Class A common shareholders	$ (21,579,314)
Denominator	
Weighted average shares of Class A common shares outstanding	19,439,161
Pro forma basic and diluted net loss per share	$ (1.11)

Exhibit 99.2

STRONGHOLD
DIGITAL MINING

Stronghold Digital Mining Provides Update on Previously Announced Debt Reduction and Favorable Mutual Termination of Northern Data Hosting Agreement

NEW YORK, October 14, 2022 – Stronghold Digital Mining, Inc. (NASDAQ: SDIG) ("Stronghold", or the "Company") today provided an update on its previously announced agreement with NYDIG ABL LLC ("NYDIG") and the Provident Bank ("BankProv"), to eliminate approximately $67 million in principal amount of debt outstanding (the "Debt") under equipment financing agreements. Separately, the Company also announced its recent mutual termination and settlement of its data center hosting agreement. The Company believes that the settlement is materially beneficial to cash flow generation and operational flexibility. Stronghold has posted an investor presentation to its Investor Relations website to supplement this press release, which can be found in the Events and Presentations section.

NYDIG Equipment Financing Update

As previously disclosed on August 16, 2022, affiliates of Stronghold entered into an Asset Purchase Agreement ("APA") with NYDIG and BankProv to return approximately 26,000 Bitcoin mining rigs that served as collateral under equipment financing agreements (the "APA Collateral") in exchange for the extinguishment of approximately $67 million of principal amount of debt outstanding. On September 30, 2022, Stronghold completed the sale of the initial three tranches of the APA Collateral to BankProv in exchange for the extinguishment of approximately $27 million of the Debt. On October 13, 2022, Stronghold completed the sale of three tranches of APA Collateral to NYDIG in exchange for the extinguishment of approximately $38 million of the Debt. As of October 13, 2022, approximately $65 million of the $67 million of Debt has been extinguished following the delivery of miners to NYDIG and BankProv between August 16, 2022 and October 12, 2022 pursuant to the APA. As of October 13, 2022, the Company has transferred to NYDIG and BankProv all of the approximately 26,000 Bitcoin mining rigs that served as collateral under the Debt except for approximately 500 Bitcoin mining rigs that are currently in the possession of U.S. Customs and Border Control in California. The Company expects these remaining miners to be released in the near future, after which, following an inspection period, the remaining approximately $2 million of Debt will be extinguished in accordance with the APA.

Favorable Northern Data Hosting Agreement Termination

On September 30, 2022, Stronghold entered into a Settlement Agreement (the "Settlement Agreement") with Northern Data PA LLC ("NDPA") and 1277963 B.C. Ltd. ("Bitfield", and together with NDPA, "Northern Data") to mutually terminate the data center hosting agreement at the Company's Scrubgrass plant. Pursuant to the Settlement Agreement:

1) Stronghold will not pay any future profit share payments to Northern Data, which was expected to be 35% of miner revenue, net of a $0.027/kWh power cost. The Company estimates these payments were to be approximately $0.5 to $1.1 million per month until the halving in April of 2024 and approximately $10 to $25 million cumulatively through September 2024, which is based on the following assumptions: 1) Bitcoin price range of $17,500 to $30,000, 2) network hash rate of 250 EH/s through the halving in April 2024 and reduced by 35% thereafter, 3) approximately 1.33 EH/s of hash rate capacity, 4) average miner efficiency of 37 joules per terahash, and 5) miner uptime of 95%.

2) Stronghold to operate the approximately 50 MW of modular miner pods capable of hosting over 14,200 Bitcoin miners, equating to approximately 1.25 to 1.5 EH/s. The Company believes operating the miner pods will allow more flexibility to optimize profitability by either mining Bitcoin or selling power to the PJM power grid. In return for operating the pods, the Company will incur a de minimis $1,000 per year leasing expense.

3) Settlement Agreement eliminates the approximately $2.6 million accrued liability on Stronghold's balance sheet as of June 30, 2022.

4) At the end of the two-year lease term, Stronghold has the option, but not the obligation, to purchase the Northern Data pods for between $2 million and $6 million, depending on prevailing hash price at time, net of up to $1.5 million in expenditures that the Company has the option, but not the obligation, to spend if it deems necessary in order to upgrade or maintain the pods.

5) Stronghold to pay Northern Data $4.5 million, of which the Company paid $2.5 million on October 3, 2022 and will pay an additional $1 million prior to October 31, 2022, and $1 million prior to November 30, 2022.

Management Commentary

"We are pleased to have closed on a significant portion of our debt restructuring with NYDIG and look forward to eliminating the small remaining piece of this debt in the near future. These closings continue our meaningful transition towards a deleveraged company that can either sell power to the grid or use its low cost self-generated power to mine for Bitcoin," said Greg Beard, co-chairman and chief executive officer of Stronghold. "We are also satisfied with the settlement of our prior hosting agreement, which provides us with improved operational control of our Bitcoin operations and a material uplift to our cash flow generation over the next two years, as well as significant optionality. Overall, we believe that we continue to make significant progress towards improving our balance sheet, liquidity and cost structure to deliver shareholder value."

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.

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Forward Looking Statements:

The information, financial projections and other estimates contained herein contain "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including, but not limited to the anticipated performance of the Company as a result of the recent restructuring of the Company's debt. Such financial projections 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 concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Forward-looking statements may include statements about various risks and uncertainties, including those described under the heading "Risk Factors" as detailed from time to time in Stronghold's reports filed with the SEC, including Stronghold's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. Such risk and uncertainties are not exclusive. Any forward-looking statements speak only as of the date of this communication. The Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements. In addition, such information, financial projections 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 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. 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. 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Exhibit 99.3
STRONGHOLD
DIGITAL MINING
Stronghold Investor Presentation
October 14, 2022
Pictured: Actual Reclaimed Waste Coal Site in Russellton, PA

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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.

Step-function Improvement in Leverage Profile

~$65mm out of ~$67mm of principal amount of NYDIG debt extinguished

- As previously disclosed, SDIG entered into an agreement with NYDIG and BankProv (another participating lender) to sell ~26,000 miners in exchange for extinguishing ~$67mm of principal amount of debt outstanding
- On 9/30/22, SDIG completed sale of initial 3 tranches of miners to extinguish ~$27mm of debt
- On 10/13/22, SDIG completed sale of additional 3 tranches of miners to extinguish ~$38mm of debt
- ~$65mm of debt has now been extinguished, and the remaining ~$2mm will be extinguished upon the release of ~500 Bitmain miners from U.S. Customs and delivery to NYDIG
- We estimate that we could replace the ~26,000 returned miners for <$40mm at current market prices, compared to the ~$67mm of debt that is being extinguished
  - Taking disciplined approach to replacing miners given attractive forward grid prices vs. BTC mining economics
  - As previously disclosed, binding commitment from WhiteHawk includes ~$20mm of additional borrowing capacity, which can be used to fund miner purchases

Significantly Reduced Debt through Execution of Previously Disclosed Restructuring Transactions

6/30/22 and Pro Forma Principal Amount of Debt Outstanding ($mm)

	As of 6/30/22 (Unaudited)	As of 10/12/22 and Pro Forma for Close of NYDIG Asset Purchase Agreement (Estimates)	Total Reduction 6/30/22 to 10/12/22
NYDIG Equipment Financings	$67.3	–	$67.3
WhiteHawk Equipment Financings	$43.1	$35.1	$8.0
May Private Placement Convertible Notes	$33.8	$22.5	$11.3
Plant-level Equipment Financings	$1.6	$1.4	$0.2
Total Principal Amount of Debt Outstanding	**$145.8**	**$59.1**	**$86.8**

- Debt eliminated through return of ~26,000 miners
- ~$2mm remains outstanding until ~500 miners that are held in U.S. Customs are delivered to NYDIG

- Reduced through principal repayments since 6/30/22
- Working to close financing that replaces existing equipment financings with secured, 36-month debt with ~$20mm of incremental capacity

- Reduced through lowering strike price on ~6.3mm warrants from $2.50/share to $0.01/share
- Able to repay remaining principal in stock, warrants, or cash

Note: As of 6/30/22, book value of debt was ~$127.5mm, with ~$18.4mm of deferred loan fees, equity, and other fair value adjustments driving the deviation from principal amount outstanding
Note: As of 10/12/22, book value of debt was ~$43.8mm, with ~$15.3mm of deferred loan fees, equity, and other fair value adjustments driving the deviation from principal amount outstanding
Note: Restructuring transactions related to WhiteHawk Equipment Financings and the May Private Placement Convertible Notes were previously disclosed

Step-function Improvement in Cash Flow Profile

Favorable mutual termination of Northern Data Hosting Agreement

- Elimination of all go-forward profit share payments (35% of miner revenue net of $0.027/kWh), which were expected to be ~$0.5-1.1mm per month until the halving and ~$10-25mm cumulatively through Sep. 2024 [1]

- Elimination of ~$2.6mm payable to Northern Data

- Right to operate ~50 MW of Northern Data's modular datacenter containers for 2 years for only $1,000/year

- Option, but not obligation, to purchase the containers at end of 2-year term for $2-6mm, based on the prevailing hash price[2,3], less any expenditures made by SDIG to upgrade the datacenter containers, up to a $1.5mm cap

- SDIG to pay Northern Data $4.5mm ($2.5mm already paid, with remaining $2mm to be paid in 4Q 2022)

- **We estimate the undiscounted value of this agreement (2-year net cash flow impact) to be ~$7-20mm** [1]

- Additionally, as previously disclosed, SDIG returned 2,675 miners to Northern Data in exchange for a full release from paying the purchase price of ~$8.8mm

1. See analysis on page 6
2. Hash price calculation: [Bitcoin price] x [# of BTC mined per day globally (~900 currently and ~450 post-halving)] ÷ [Bitcoin network hash rate (TH/s)]
3. Per the agreement, the containers cost $2mm for hash price ≤ $0.08, $3mm for $0.08 < hash price ≤ $0.10, $4mm for $0.10 < hash price ≤ $0.12, $5mm for $0.12 < hash price ≤ $0.14, and $6mm thereafter

Termination of Northern Data Hosting Agreement

Management believes this is a very beneficial outcome for SDIG and its shareholders

What SDIG Receives

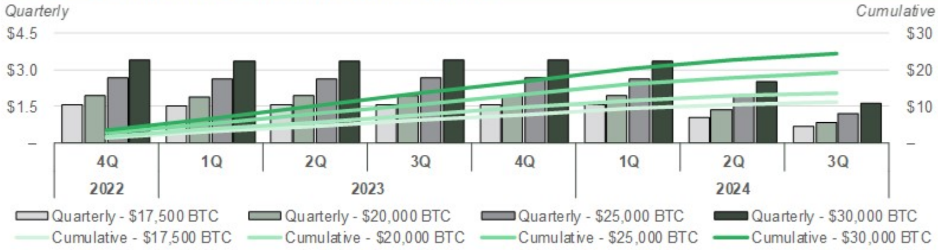
- Elimination of go-forward profit share payments to Northern Data – expected to save ~$10-25mm over next 2 years [1]
- Elimination of ~$2.6mm payable to Northern Data
- Option to purchase ~50 MW of modular datacenter containers for $2-6mm based on hash price (would only be $2-3mm for the market cases shown below)

What SDIG Pays

- $2.5mm in upfront cash (already paid)
- $1.0mm cash payment in October and $1.0mm cash payment in November
- De minimis $1,000 annual lease payment for ~50 MW of modular datacenter containers

Termination Expected to Improve SDIG Cash Flow Profile and Offer Strong Returns [1,2]

Forecasted Profit Share Payments Avoided ($mm)



Expected Returns & Cash Flow Impact

Assumed BTC Price	Months to Payback	2-year Cum. Undisc. Cash Flow
$17,500	4	$7mm
$20,000	3	$10mm
$25,000	3	$15mm
$30,000	2	$20mm

Note: assumes 250 EH/s network hash rate for all cases until the halving in April 2024, at which time network hash rate is reduced by 35%

1. Assumes ~1.33 EH/s of hash rate capacity with average miner efficiency of 37 J/T; assumes 95% miner uptime; assumes Northern Data would receive 35% of revenue net of $27/MWh
2. Cash flow and returns figures assume 1) cash outflows consistent with bullets under "What SDIG Pays", 2) a cash outflow in September 2024 to purchase the modular datacenter containers that is based on the prevailing hash price for each market case, 3) cash inflows equal to forecasted profit share payments avoided, 4) a cash inflow in November 2022 equal to the elimination of the ~$2.6mm payable