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

FORM 8-K

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

Date of Report (Date of earliest event reported): **December 31, 2021**

Stronghold Digital Mining, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-40931

(Commission File Number)

86-2759890

(IRS Employer Identification No.)

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

(Address of principal executive offices)

10022

(Zip Code)

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

Not applicable

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

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

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

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

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

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

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

On June 30, 2021, Stronghold Digital Mining Equipment, LLC (“Equipment”), a wholly owned subsidiary of Stronghold Digital Mining, Inc. (the “Company”), entered into an equipment financing agreement (the “WhiteHawk Financing Agreement”) with WhiteHawk Finance LLC (“WhiteHawk”) whereby WhiteHawk originally agreed to lend to Equipment an aggregate amount not to exceed \$40.0 million to finance the purchase of certain Bitcoin miners and related equipment. The WhiteHawk Financing Agreement originally contained terms requiring that the 15,000 miners being purchased pursuant to a purchase agreement (the “MinerVa Purchase Agreement”) with MinerVa Semiconductor Corp. (“MinerVa”) be delivered on or before December 31, 2021. Failure to deliver the miners by the deadline contained in the WhiteHawk Financing Agreement would result in an Event of Default which could only be cured by a waiver from WhiteHawk. Such Event of Default would give WhiteHawk the right to accelerate all amounts then outstanding under the WhiteHawk Financing Agreement. MinerVa did not deliver all of the miners under the MinerVa Purchase Agreement by the December 31, 2021 deadline. The Company has received over 1,000 of the miners to date, and MinerVa has advised the Company to expect delivery of the remaining miners under the agreement to arrive by the end of March 2022. On December 31, 2021, Equipment and WhiteHawk amended the WhiteHawk Financing Agreement (the “WhiteHawk Amendment”) to extend the Final Minerva Delivery Date from December 31, 2021 to April 30, 2022. Failure to deliver the miners by April 30, 2022 will result in an Event of Default under the WhiteHawk Financing Agreement and WhiteHawk having the right to accelerate all amounts then outstanding under the WhiteHawk Financing Agreement. Pursuant to the WhiteHawk Amendment, Equipment paid an Amendment Fee in the amount of \$250,000 to WhiteHawk. All capitalized words used but not defined herein have the meanings assigned in the WhiteHawk Amendment.

The foregoing description is qualified in its entirety by reference to the full text of the WhiteHawk Financing Agreement, which is filed as Exhibit 10.17 to the Company’s Registration Statement filed in connection with its initial public offering (File No. 333-258188) and incorporated into this Item 1.01 by reference, and the WhiteHawk Amendment, which is attached as Exhibit 10.1 to this Current Report on Form 8-K (this “Form 8-K”) and incorporated into this Item 1.01 by reference.

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

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 17, 2021, the Board of Directors (the “Board”) of the Company appointed Matthew J. Smith to the Board, and no determinations regarding any committee assignments were made at that time. On January 3, 2022, the Board appointed Mr. Smith to the Compensation Committee and the Audit Committee of the Board, effective immediately. The Board determined that Mr. Smith satisfied the additional independence requirements of the Nasdaq Stock Market and the Securities and Exchange Commission applicable to members of the Compensation Committee and Audit Committee.

Additionally, the Board also modified the composition of other Board committees as follows, all effective as of January 3, 2022:

Audit Committee: Matthew J. Smith (chair), Thomas J. Pacchia and Sarah P. James

Compensation Committee: Matthew J. Smith (chair), Thomas J. Pacchia and Thomas R. Trowbridge, IV

Nominating and Corporate Governance Committee: Sarah P. James (chair) and Thomas R. Trowbridge, IV

Item 7.01 Regulation FD Disclosure

On January 6, 2022, the Company issued a press release announcing the WhiteHawk Amendment and other events and milestones related to the Company's mining activity. A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

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

Item 8.01 Other Events

General Business Update

On January 6, 2022, the Company announced that it has exceeded 1.3 exahash per second ("EH/s") of total hash rate capacity with over 14,000 miners received to date, over 8,700 of which were received in the last five weeks. The Company previously reported total hash rate capacity of approximately 185 petahash per second ("PH/s") from approximately 3,000 miners as of September 30, 2021 and approximately 470 PH/s from nearly 6,000 miners as of November 29, 2021. Additionally, the Company has commenced mining Bitcoin at the Panther Creek power plant, the 80-megawatt reclamation and power generation facility that the Company acquired on November 2, 2021 (the "Panther Creek Plant"), and the Company continues to scale the operation at the Panther Creek Plant. The Company expects the Scrubgrass power plant located in Nesquehoning, Pennsylvania and the Panther Creek Plant to support Bitcoin miners with total hash rate capacity exceeding 4 EH/s by the end of the second quarter of 2022.

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: our dependence on the level of demand and financial performance of the crypto asset industry; our ability to manage growth, business, financial results and results of operations; our ability to acquire and receive miners on a timely basis or at all; our ability to raise capital to fund business growth; our ability to enter into purchase agreements and acquisitions; our ability to finance our growth; our ability to satisfy the collateral requirements under our finance agreements; public health crises, epidemics, and pandemics such as the coronavirus pandemic; our ability to procure crypto asset mining equipment; our ability to respond to price fluctuations and rapidly changing technology; our ability to operate our coal refuse power generation facilities as planned; and legislative or regulatory changes, and liability under, or any future inability to comply with, existing or future energy regulations or requirements. More information on these risks and other potential factors that could affect our financial results is included in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our Registration Statement on Form S-1 (File No. 333-258188), filed on October 19, 2021 and any subsequently filed Quarterly Reports on Form 10-Q. Any forward-

looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	First Amendment to Financing Agreement, dated as of December 31, 2021, by and among Stronghold Digital Mining Equipment, LLC, WhiteHawk Finance LLC, and as consented to by each Guarantor named therein.
99.1*	Press Release, dated as of January 6, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Furnished herewith.

SIGNATURES

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

STRONGHOLD DIGITAL MINING, INC.

By: /s/ Gregory A. Beard

Name: Gregory A. Beard

Title: Chief Executive Officer and Co-Chairman

Date: January 6, 2022

FIRST AMENDMENT TO FINANCING AGREEMENT

This FIRST AMENDMENT TO FINANCING AGREEMENT dated as of December 31, 2021 (this "Amendment"), is made by and among STRONGHOLD DIGITAL MINING EQUIPMENT LLC, a Delaware limited liability company ("Borrower"), WHITEHAWK FINANCE LLC, a Delaware limited liability company ("Lender"), and is consented to by each Guarantor.

WHEREAS, Borrower and Lender are parties to that certain (a) Financing Agreement dated as of June 30, 2021 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Financing Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Financing Agreement) and (b) Schedule No. 1 dated June 30, 2021 to Financing Agreement ("Schedule No. 1"); and

WHEREAS, Borrower and Lender have agreed to amend the Financing Agreement and Schedule No. 1 in the following respects and no others.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

SECTION 1. AMENDMENTS

(a) Section 3(a) of the Financing Agreement is hereby amended by adding the following sentence after the period at the end thereof: "Lender agrees that, pursuant to this Section 3(e), the Anticipated Acceptance Date with respect to the Equipment subject to the Minerva Purchase Agreement shall be the Final Minerva Delivery Date."

(b) Section 11(k) of the Financing Agreement is amended and restated in its entirety to read as follows: "Items and/or Equipment required to be delivered under the Minerva Purchase Agreement and/or the Cryptech Purchase Agreement is not delivered in to Borrower in accordance with the delivery schedule set forth on Schedule 1 to this Agreement".

(c) Section 8(a) of Schedule No. 1 is amended and restated in its entirety to read as follows: "the Minerva Purchase Agreement is to be delivered on or before April 30, 2022 (the "Final Minerva Delivery Date") in accordance with the Minerva Purchase Agreement".

(d) Schedule B to the Schedule No. 1 is amended and restated in its entirety and replaced by Schedule 1 hereto.

SECTION 2. AMENDMENT FEE

In addition to any fees or other amounts payable to Lender under the terms of the Financing Agreement and Schedule No. 1, as consideration for the agreement of the Lender to enter into this Amendment, the Borrower agrees to pay to the Lender a non-refundable amendment fee (the "Amendment Fee") equal to \$250,000 (the "Amendment Fee"). The Amendment Fee (a) shall be fully earned as of the date hereof, (b) will not be refundable under any circumstances once paid, (c) will be paid in US dollars and in immediately available funds and (d) shall not be subject to reduction by way of setoff or counterclaim. Notwithstanding the foregoing, to the extent that Lender, or any Affiliate of Lender, and Borrower, or any Affiliate of Borrower, enters into any agreement (a "Future Financing") to provide for additional debt financing to Borrower or any Affiliate of Borrower after the date hereof and until December 31, 2022, the amount of any closing, underwriting, upfront or similar fees in connection with such Future Financing shall be reduced by the amount of the Amendment Fee.

SECTION 3. MISCELLANEOUS

(a) Except as expressly amended pursuant to the terms of this Amendment, the Financing Agreement and Schedule No. 1, and the respective obligations of Borrower thereunder remain unmodified and in full force and effect.

(b) All of the representations, warranties, terms (except as expressly amended pursuant to the terms of this Amendment), covenants (except as expressly amended pursuant to the terms of this Amendment) and conditions of the Financing Agreement and Schedule No. 1 shall remain in full force and effect in accordance with their respective terms. Lender has not and shall not be deemed hereby to have waived any of its rights and remedies against Borrower or any Guarantor for any existing or future defaults or Events of Default.

(c) Borrower hereby represents and warrants that, as of the date hereof, after giving effect to this Amendment: (i) the representations and warranties of the Borrower contained in the Financing Agreement and Schedule No. 1 are true and correct in all material respects (without duplication of any materiality qualifier set forth therein) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which they shall be true and correct in all material respects as of such earlier date; (ii) Borrower is in compliance in all material respects with all of the terms and provisions set forth in the Financing Agreement and Schedule No. 1; and (iii) no default or Event of Default has occurred and is continuing, or would result from, this Amendment.

(d) Delivery of an executed counterpart of a signature page to this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment. Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment. Each of the following provisions of the Financing Agreement is hereby incorporated herein by this reference with the same effect as though set forth in its entirety herein, *mutatis mutandis*: Section 13 (Notices), Section 20 (Counterparts; Chattel Paper); Section 21 (Governing Law; Jurisdiction; Jury Trial Waiver).

(e) All references in the Schedule No. 1 and any Guaranty to the "Financing Agreement" and in the Financing Agreement, as modified hereby, to "this Agreement," "hereof," "herein" or the like shall mean and refer to the Financing Agreement as modified by this Amendment (as well as by all subsequent amendments, restatements, supplements and other modifications thereof).

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to the Financing Agreement to be duly executed as of the date first set forth above.

BORROWER:

STRONGHOLD DIGITAL MINING EQUIPMENT LLC

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

GUARANTORS:

STRONGHOLD DIGITAL MINING, INC.

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

STRONGHOLD DIGITAL MINING HOLDINGS LLC

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

LENDER:

WHITEHAWK FINANCE LLC

By: /s/ Robert A. Louzan
Name: Robert A. Louzan
Title: Authorized Signatory

SCHEDULE 1

EXHIBIT B

Equipment Description

<u>Manufacturer</u>	<u>Model</u>	<u>Description</u>	<u># of Units</u>	<u>Expected Delivery</u>
Bitmain	Antminer S9 (13-14 TH)	ASIC Bitcoin Miner	2,000	Currently installed and operational
Bitmain	Antminer S17+ (73 TH)	ASIC Bitcoin Miner	315	Current installed and operational
Canaan	AvalonMiner A1166Pro (75 TH)	ASIC Bitcoin Miner	152	Current installed and operational
Canaan	AvalonMiner A1166Pro (78 TH)	ASIC Bitcoin Miner	75	Current installed and operational
Canaan	AvalonMiner A1166Pro (81 TH)	ASIC Bitcoin Miner	422	Current installed and operational
Canaan	AvalonMiner A1246 (85 TH)	ASIC Bitcoin Miner	140	Current installed and operational
Canaan	AvalonMiner A1246 (87 TH)	ASIC Bitcoin Miner	11	Current installed and operational
Miner-Va	MV7 (100 TH)	ASIC Bitcoin Miner	15,000	Dec 2021 – April 2022
Bitmain	Antminer S19j (90 TH)	ASIC Bitcoin Miner	2,400	Dec 2021 - Nov 2022

	Schedule of Miner Deliveries			Schedule of Payments for Miners to Be Delivered		
	Miner-Va MV7	Bitmain Antminer S19j	Total	Miner-Va MV7	Bitmain Antminer S19j	Total
Apr-21	–	–	–	\$44,032,500	\$3,798,000	\$47,830,500
May-21	–	–	–	–	\$211,000	\$211,000
Jun-21	–	–	–	\$14,677,500	\$211,000	\$14,888,500
Jul-21	–	–	–	–	\$211,000	\$211,000
Aug-21	–	–	–	–	\$211,000	\$211,000
Sep-21	–	–	–	\$14,677,500	\$211,000	\$14,888,500
Oct-21	–	–	–	–	\$738,500	\$738,500

	Schedule of Miner Deliveries			Schedule of Payments for Miners to Be Delivered		
	Miner-Va MV7	Bitmain Antminer S19j	Total	Miner-Va MV7	Bitmain Antminer S19j	Total
Nov-21	–	–	–	–	\$738,500	\$738,500
Dec-21	1,040	200	1,240	–	\$738,500	\$738,500
Jan-22	3,000	200	3,200	–	\$738,500	\$738,500
Feb-22	3,000	200	3,200	–	\$738,500	\$738,500
Mar-22	7,960	200	8,160	–	\$738,500	\$738,500
Apr-22	Any remaining MinerVa MV7s to be delivered	200	200	–	\$738,500	\$738,500
May-22	–	200	200	–	\$527,500	\$527,500
Jun-22	–	200	200	–	\$527,500	\$527,500
Jul-22	–	200	200	–	\$527,500	\$527,500
Aug-22	–	200	200	–	\$527,500	\$527,500
Sep-22	–	200	200	–	\$527,500	\$527,500
Oct-22	–	200	200	–	–	–
Nov-22		200	200			
Total	15,000	2,400	17,400	\$73,387,500	\$12,660,000	\$86,047,500



Stronghold Digital Mining Exceeds 1.3 Exahash Per Second of Hash Rate Capacity and Provides Bitcoin Miner Delivery Update

NEW YORK, January 6, 2022 – Stronghold Digital Mining, Inc. (Nasdaq: SDIG) (“Stronghold”, or the “Company”) today announced that it has exceeded 1.3 exahash per second (“EH/s”) of total hash rate capacity with over 14,000 miners received to date, over 8,700 of which were received in the last five weeks. This represents significant growth, as Stronghold previously reported total hash rate capacity of approximately 185 petahash per second (“PH/s”) from approximately 3,000 miners as of September 30, 2021 and approximately 470 PH/s from nearly 6,000 miners as of November 29, 2021.

The Company continues to have active dialogue with all of its Bitcoin miner delivery partners to manage the growth of its Bitcoin mining operations. As previously disclosed, MinerVa Semiconductor Corp. (“MinerVa”) has been delayed in meeting its miner delivery targets under its purchase agreement with Stronghold. To date, MinerVa has delivered over 1,000 miners to Stronghold, with deliveries being made on a weekly basis. Stronghold has been advised by MinerVa to expect all of the remaining miners to be delivered under the existing 15,000-miner purchase agreement by the end of March 2022.

“I am pleased that we were able to hit the targets we communicated in late November, including ending 2021 with at least 1.0 EH/s of total hash rate capacity, as we have been executing on our plans despite delays experienced in miner deliveries since our IPO. As of today, we have exceeded our objective by over 30%,” said Greg Beard, co-chairman and chief executive officer of Stronghold. “We are also proud to announce that we have commenced mining Bitcoin at the Panther Creek Plant, the 80-megawatt reclamation and power generation facility that we acquired on November 2, 2021, and we continue to quickly scale the operation at this plant. We expect the Scrubgrass and Panther Creek plants to support Bitcoin miners with total hash rate capacity exceeding 4.0 EH/s by the end of the second quarter in 2022.”

On December 31, 2021, WhiteHawk Finance LLC (“WhiteHawk”) and Stronghold amended their existing equipment financing agreement to extend the final delivery date of the miners purchased under the MinerVa purchase agreement from December 31, 2021 to on or before April 30, 2022.

About Stronghold Digital Mining, Inc.

Stronghold is a vertically integrated Bitcoin mining company with an emphasis on environmentally beneficial operations. Stronghold houses its miners at its wholly owned and operated Scrubgrass Plant and Panther Creek Plant, both of which are low-cost, environmentally beneficial coal refuse power generation facilities in Pennsylvania.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained in this press release constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements and the business prospects of Stronghold are subject to a number of risks and uncertainties that may cause Stronghold’s actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things: our dependence on the level of demand and financial performance of the crypto asset industry; our ability to manage growth, business, financial results and results of operations; our ability to acquire and receive miners on a timely basis or at all; our ability to raise capital to fund business growth; our ability to enter into purchase

agreements and acquisitions; our ability to finance our growth; our ability to satisfy the collateral requirements under our finance agreements; public health crises, epidemics, and pandemics such as the coronavirus pandemic; our ability to procure crypto asset mining equipment; our ability to respond to price fluctuations and rapidly changing technology; our ability to operate our coal refuse power generation facilities as planned; and legislative or regulatory changes, and liability under, or any future inability to comply with, existing or future energy regulations or requirements. More information on these risks and other potential factors that could affect our financial results is included in our filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our Registration Statement on Form S-1 (File No. 333-258188), filed on October 19, 2021, and any subsequently filed Quarterly Reports on Form 10-Q. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

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