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

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FORM 6-K

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REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16  
OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2024

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Commission File Number: 001-40370

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**BITFARMS LTD.**  
(Translation of registrant's name into English)

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**110 Yonge Street, Suite 1601, Toronto, Ontario, Canada M5C 1T4**  
(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

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**DOCUMENTS INCLUDED AS PART OF THIS FORM 6-K**

On August 21, 2024, the Registrant filed with the Canadian Securities Regulatory Authorities on the System for Electronic Data Analysis and Retrieval + (SEDAR +) a material change report, a copy of which is attached hereto as Exhibit 99.1, and a press release, a copy of which is attached hereto as Exhibit 99.2, which are incorporated by reference into the Registration Statements of Bitfarms Ltd. on [Form F-10](#) (File No. 333-272989) and [Form S-8](#) (File No. 333-278868).

See the Exhibits listed below.

**Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Material Change Report dated August 21, 2024</a>
99.2	<a href="#">Press release dated August 21, 2024</a>

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, thereunto duly authorized.

**BITFARMS LTD.**

By: /s/ Ben Gagnon  
Name: Ben Gagnon  
Title: Chief Executive Officer

Date: August 22, 2024

**Form 51-102F3  
Material Change Report**

**Item 1 Name and Address of Company**

Bitfarms Ltd. (“**Bitfarms**” or the “**Company**”)  
110 Yonge Street, Suite 1601  
Toronto, Ontario M5C 1T4

**Item 2 Date of Material Change**

August 21, 2024.

**Item 3 News Release**

A news release was issued by the Company on August 21, 2024 and disseminated through a newswire company in Canada and filed under the Company’s profile on SEDAR+.

**Item 4 Summary of Material Change**

On August 21, 2024, the Company entered into an agreement and plan of merger (the “**Merger Agreement**”) with Backbone Mining Solutions LLC, a Delaware limited liability company and wholly owned, indirect subsidiary of the Company (“**BMS**”), HPC & AI Megacorp, Inc., a Delaware corporation and a wholly-owned, direct subsidiary of BMS (“**Merger Sub**”), and Stronghold Digital Mining, Inc. (NASDAQ: SDIG) (“**Stronghold**”) to acquire 100% of the Class A common stock of Stronghold (“**Stronghold Class A Common Stock**”) in consideration for the issuance of common shares in the capital of the Company (“**Bitfarms Common Shares**”) in a transaction valued at approximately US\$125 million (the “**Acquisition**”) plus the assumption of debt valued at approximately US\$50 million.

**Item 5 Full Description of Material Change**

*Overview*

On August 21, 2024, the Company entered into the Merger Agreement with Stronghold, BMS and Merger Sub to acquire 100% of the Stronghold Class A Common Stock, as a result of which stockholders of Stronghold will be entitled to receive 2.520 (the “**Exchange Ratio**”) Bitfarms Common Shares for each share of Stronghold Class A Common Stock. The Acquisition will result in the issuance of 58,298,400 Bitfarms Common Shares (based on the number of Stronghold Class A Common Stock and securities which are convertible into Stronghold Class A Common Stock currently outstanding) (or approximately 12.9% of the currently issued and outstanding Bitfarms Common Shares).

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On August 20, 2024, the special committee (the “**Special Committee**”) of the board of directors of Bitfarms (the “**Board**”), comprised solely of independent directors of the Company, after receiving outside legal and financial advice and an opinion from Houlihan Lokey Capital, Inc., to the effect that, as of August 20, 2024, subject to the assumptions, limitations and qualifications contained therein, the Exchange Ratio provided for in the Acquisition pursuant to the Merger Agreement is fair to the Company from a financial point of view, unanimously recommended to the Board the approval of the Acquisition and the Merger Agreement. The Board, after careful consideration of the Special Committee’s recommendation, unanimously approved the Acquisition and the Merger Agreement.

*Merger Consideration and Treatment of Equity Awards*

The Merger Agreement provides that, among other things and subject to the terms and conditions of the Merger Agreement, (i) Merger Sub will be merged with and into Stronghold in accordance with the provisions of the General Corporation Law of the State of Delaware (the “**Merger**”), with Stronghold surviving and continuing as the surviving corporation in the Merger and (ii) at the effective time of the Merger (the “**Effective Time**”), after giving effect to the Conversion and Exchanges (each as defined below), (1) each share of Stronghold Class A Common Stock, par value \$0.0001 per share, issued and outstanding immediately prior to the Effective Time (other than Stronghold Class A Common Stock held by Stronghold as treasury shares or by the Company, Merger Sub or any wholly owned subsidiary thereof) will be converted into 2.520 Bitfarms Common Shares, (2) each issued and outstanding share of Class V common stock, par value \$0.0001 per share, of Stronghold (“**Stronghold Class V Common Stock**” and, together with the Stronghold Class A Common Stock, the “**Stronghold Common Stock**”) shall be automatically cancelled and shall cease to exist and no payment shall be made with respect thereto, and (3) each issued and outstanding Class A common unit (each, a “**Stronghold Holdco Unit**”) of Stronghold Digital Mining Holdings LLC (“**Stronghold Holdco**”) shall be unaffected by the Merger and shall remain outstanding, and no payment shall be made with respect thereto.

Any holder of Stronghold Class A Common Stock who would otherwise be entitled to receive a fraction of a Bitfarms Common Share pursuant to the Merger (after taking into account all Stronghold Class A Common Stock held immediately prior to the Effective Time by such holder) shall receive, in lieu thereof, an amount of cash, without interest, equal to such fraction of a Bitfarms Common Share multiplied by the closing price per Bitfarms Common Share on the business day immediately prior to the Effective Time.

Immediately prior to and conditioned upon the Effective Time, (i) pursuant to the terms of a Conversion Agreement, dated August 21, 2024, entered into by the Company, Stronghold and the holders of the issued and outstanding shares of Stronghold's Series C Convertible Preferred Stock, par value \$0.0001 per share (the "**Stronghold Series C Preferred Stock**"), concurrently with the execution and delivery of the Merger Agreement (the "**Conversion Agreement**"), each share of Stronghold Series C Preferred Stock issued and outstanding as of such time shall be converted into 250 shares of Stronghold Class A Common Stock in accordance with the Certificate of Designations of the Stronghold Series C Preferred Stock, filed with the Secretary of State of the State of Delaware, effective February 20, 2023, and thereafter all shares of Stronghold Series C Preferred Stock shall no longer be outstanding and shall cease to exist (the "**Conversion**"), and (2) pursuant to Section 3.6(q) of the Fifth Amended and Restated Limited Liability Company Agreement of Stronghold Holdco, Stronghold shall require each member of Stronghold Holdco (other than Stronghold and its wholly owned subsidiaries) to effect an exchange of all of outstanding Stronghold Holdco Units held by such member, together with the surrender for cancellation of a corresponding number of shares of Stronghold Class V Common Stock, for a corresponding number of shares of Stronghold Class A Common Stock (the "**Exchanges**").

Except as set forth below, the Merger Agreement provides that, at the Effective Time, each outstanding vested or unvested restricted stock unit of Stronghold (each, a "**Stronghold RSU**") that is outstanding immediately prior to the Effective Time will immediately vest in full, and each Stronghold RSU shall be treated as a share of Stronghold Class A Common Stock for all purposes of the Merger Agreement, including the right to receive Bitfarms Common Shares. Additionally, at the Effective Time, to the extent that Stronghold granted any Stronghold RSUs during the Interim Period (as defined in the Merger Agreement), the Company shall assume such Stronghold RSUs, whereby each such Stronghold RSU that is granted during the Interim Period and outstanding immediately prior to the Effective Time shall be converted into a number of the Company's restricted share units granted under the Company's equity plan subject to the same terms and conditions applicable to such Stronghold RSU immediately prior to the Effective Time.

Further, the Merger Agreement provides that, at the Effective Time, (1) each outstanding vested or unvested option to purchase shares of Stronghold Class A Common Stock (each, a "**Stronghold Option**"), other than any Stronghold Option that is held by a former employee or former non-employee director of, or former other service provider to, Stronghold or its subsidiaries (each, a "**Former Employee Option**"), shall be automatically assumed by the Company and converted into an option to acquire Bitfarms Common Shares (each, a "**Bitfarms Option**") on substantially the same terms and conditions as were applicable to such Stronghold Option as of immediately prior to the Effective Time, except that (a) the number of shares of Bitfarms Common Shares issuable pursuant to each Bitfarms Option will be equal to the number of shares of Stronghold Class A Common Stock issuable pursuant to the Stronghold Option multiplied by the Exchange Ratio, and (b) the exercise price of each Bitfarms Common Share issuable upon the exercise of the Bitfarms Option will be equal to the exercise price per share of Stronghold Class A Common Stock under such Stronghold Option divided by the Exchange Ratio, and (2) each Former Employee Option shall be automatically cancelled and converted into the right to receive a number of Bitfarms Common Shares equal to the product of (x) the number of shares of Stronghold Class A Common Stock subject to such Former Employee Option as of immediately prior to the Effective Time and (y) (i) the excess, if any, of the Merger Consideration Value (as defined below) over the exercise price per share of Stronghold Class A Common Stock applicable to such Former Employee Option, divided by (ii) the product obtained by multiplying the Exchange Ratio by the volume-weighted average price of Bitfarms Common Shares reported by The Nasdaq Stock Market LLC for the five consecutive trading day period ending on the trading day immediately prior to the Effective Time (the "**Merger Consideration Value**").

The Merger Agreement further provides that, at the Effective Time, in accordance with the terms of each outstanding and unexercised warrant to purchase Stronghold Class A Common Stock (each, a “**Stronghold Warrant**”), unless otherwise mutually agreed by the holder of any Stronghold Warrant and the Company, each Stronghold Warrant shall cease to represent a right to acquire Stronghold Class A Common Stock and shall be replaced with a warrant to acquire Bitfarms Common Shares (each, a “**Bitfarms Warrant**”), with (1) the number of such Bitfarms Common Shares equal to the product obtained by multiplying the number of shares of Stronghold Class A Common Stock subject to such Stronghold Warrant immediately prior to the Effective Time by the Exchange Ratio, and (2) an exercise price for each such Bitfarms Common Share equal to the quotient obtained by dividing the exercise price per share of Stronghold Class A Common Stock under such Stronghold Warrant by the Exchange Ratio.

#### *Treatment of Stronghold Indebtedness*

The Merger Agreement provides that, to the extent requested by the Company, Stronghold will, at the Company’s expense, use reasonable best efforts to promptly obtain any consents or amendments necessary to permit the consummation of the Merger under Stronghold’s credit agreement (the “**COC Amendment**”), provided that the obtaining of the COC Amendment is not a condition to closing of the Merger. If the COC Amendment is not obtained five business days prior to closing of the Merger, the Company will satisfy all outstanding obligations under such credit agreement and certain other debt instruments of Stronghold prior to or substantially concurrently with the consummation of the Merger.

#### *Closing Conditions; Representations and Warranties*

The completion of the Merger is subject to satisfaction or waiver of certain customary mutual closing conditions, including (1) the receipt of the required approvals from the holders of Stronghold Class A Common Stock, (2) the absence of any governmental order or law that makes consummation of the Merger illegal or otherwise prohibited, (3) receipt of certain approvals and consents from specified governmental entities, including, if applicable, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (4) the effectiveness of the registration statement on Form F-4 to be filed by Bitfarms pursuant to which the Bitfarms Common Shares to be issued in connection with the Merger are registered with the U.S. Securities and Exchange Commission, and (5) the authorization for listing of the Bitfarms Common Shares to be issued in connection with the Merger on the Toronto Stock Exchange and Nasdaq, subject to customary conditions and official notice of issuance. The obligation of each party to consummate the Merger is also conditioned upon, among other things, (1) the other party’s representations and warranties being true and correct (subject to certain materiality and *de minimis* exceptions), (2) the other party having performed in all material respects its obligations required to be performed by it under the Merger Agreement at or prior to the Effective Time, (3) the absence of a material adverse effect on the other party and (4) with respect to Bitfarms’ obligation to consummate the Merger, certain conditions regarding Stronghold’s Bitcoin mining facilities and their ability to import power from the grid.

The Merger Agreement contains customary representations and warranties of Bitfarms and Stronghold relating to their respective businesses, financial statements and public filings, in each case generally subject to customary materiality qualifiers. Additionally, the Merger Agreement provides for customary pre-closing covenants for each party including, subject to certain exceptions, covenants to conduct their respective businesses in the ordinary course consistent with past practice and to refrain from taking certain actions without the other party's consent. Bitfarms and Stronghold also agreed to use their respective reasonable best efforts to cause the Merger to be consummated, subject to certain limitations set forth in the Merger Agreement. Bitfarms and Stronghold have agreed to file the registration statement on Form F-4 and the proxy statement for a special meeting of holders of Stronghold Common Stock to approve the Merger Agreement (the "**Stronghold Special Meeting**") promptly after the signing date of the Merger Agreement.

*No Solicitation*

The Merger Agreement provides that, during the period from the date of the Merger Agreement until the Effective Time, Stronghold will be subject to certain restrictions on its ability to solicit alternative competing proposals from third parties, to provide non-public information to third parties, and to engage in discussions with third parties regarding alternative competing proposals, subject to customary exceptions. Stronghold is required to call the Stronghold Special Meeting and, subject to certain exceptions, to recommend that the holders of Stronghold Common Stock approve the Merger Agreement.

### *Termination and Fees*

The Merger Agreement contains termination rights for each of the Company and Stronghold, including, but not limited to, termination by mutual written consent of the Company and Stronghold, and by either the Company or Stronghold if (1) there is a final and nonappealable order, decree, ruling or injunction permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger, or adoption of a law permanently making consummation of the Merger illegal or otherwise permanently prohibited, (2) the Merger has not been consummated on or before 5:00 p.m. New York, New York time, on May 21, 2025, which may be automatically extended to August 21, 2025 in certain circumstances (the “**End Date**”), provided that such right will not be available to any party whose failure to fulfill any material covenant or agreement under the Merger Agreement has been the primary cause of or resulted in the failure of the Merger to occur on or before such date, (3) the other party has breached any of its representations or warranties, or failed to perform any of its covenants or agreements, under the Merger Agreement such that any of the applicable closing conditions for the benefit of the non-breaching party would not be satisfied and the breach or failure to perform is not cured within the requisite period (if applicable), and (4) the holders of Stronghold Common Stock do not approve the Merger at the Stronghold Special Meeting, or at any adjournment or postponement thereof (“**Failure to Obtain Stockholder Approval**”).

Additionally, the Merger Agreement permits Stronghold, subject to compliance with certain requirements and payment of a termination fee (described below), to terminate the Merger Agreement to enter into a definitive agreement for a superior alternative competing proposal that would result in a transaction more favourable to Stronghold’s stockholders than the Acquisition. The Merger Agreement also permits the Company to terminate the Merger Agreement before the Stronghold Special Meeting if Stronghold’s board of directors (or any committee thereof) (i) withdraws, qualifies or modifies, or publicly proposes to withdraw, qualify or modify, in a manner adverse to the Company, or fails to affirm without qualification, its recommendation of the Acquisition to the holders of Stronghold Common Stock, or (ii) approves, endorses or recommends, or publicly proposes or announces any intention to approve, endorse or recommend, an alternative competing transaction to the Acquisition.

Pursuant to the Merger Agreement, Stronghold or the Company, as applicable, will be required to pay the other party a termination fee in specified circumstances, including, (1) (i) the termination by Stronghold in order to enter into a definitive agreement for a superior alternative competing proposal, (ii) the termination by the Company in the event of a change of recommendation by Stronghold’s board of directors, or (iii) if the Company or Stronghold terminate the Merger Agreement in the event of a Failure to Obtain Stockholder Approval and, on or before the date of any such termination, a competing alternative proposal has been publicly announced or publicly disclosed and not been withdrawn prior to the Stronghold Special Meeting, and Stronghold enters into a definitive agreement with respect to, or consummates, a competing alternative transaction within twelve months after termination of the Merger Agreement (each, a “**Stronghold Termination Fee Event**”), and (2) the termination by Stronghold upon the Company’s failure to close the Merger in accordance with the terms of the Merger Agreement following notice by Stronghold that all closing conditions are satisfied or waived (a “**Bitfarms Termination Fee Event**”). The Merger Agreement provides that (1) if a Stronghold Termination Fee Event occurs, a termination fee of US\$5.0 million (payable in cash and/or Bitcoin, as elected by Stronghold) will be payable by Stronghold to the Company; and (2) if a Bitfarms Termination Fee Event occurs, a termination fee of US\$12.5 million (payable in cash and/or Bitcoin, as elected by the Company) will be payable by the Company to Stronghold. In no event will the Company or Stronghold be entitled to receive more than one termination fee.

### *Voting Agreement*

On August 21, 2024, concurrently with the execution and delivery of the Merger Agreement, the Company entered into a Voting Agreement (the “**Voting Agreement**”) with each of Q Power LLC, a Delaware limited liability company (“**Q Power**”), and Gregory A. Beard (together with Q Power, the “**Voting Agreement Holders**”), pursuant to which and on the terms and subject to the conditions thereof, among other things, the Voting Agreement Holders have agreed to vote their shares of Stronghold Common Stock in favor of the matters to be submitted to holders of Stronghold Common Stock at the Stronghold Special Meeting, subject to the terms and conditions set forth in the Voting Agreement.

The Voting Agreement will terminate upon the earliest to occur of (i) the Effective Time of the Acquisition, (ii) the date and time the Merger Agreement is validly terminated pursuant to its terms or modified or amended in a manner that adversely affects the Voting Agreement Holders in any material respect, and (iii) the termination of the Voting Agreement by mutual consent of the parties thereto.

As of the date of execution of the Merger Agreement, the shares of Stronghold Common Stock owned by the Voting Agreement Holders represent approximately 16.4% of the outstanding shares of Stronghold Common Stock on a partially diluted basis.

### *TRA Waiver and Termination Agreement*

On August 21, 2024, concurrently with the execution and delivery of the Merger Agreement, the Company, Stronghold, and each of Q Power and William Spence (together with Q Power, the “**TRA Holders**”), entered into a TRA Waiver and Termination Agreement (the “**TRA Waiver**”), pursuant to which the parties agreed, among other things, subject to and effective upon the consummation of the transactions contemplated by the Merger Agreement, to (i) terminate the Tax Receivable Agreement, dated April 1, 2021, as amended November 9, 2022, by and among Stronghold and the TRA Holders (the “**Tax Receivable Agreement**”) and (ii) waive the Early Termination Payment (as defined in the Tax Receivable Agreement) pursuant to the Tax Receivable Agreement, which would have otherwise become payable to the TRA Holders in connection with the consummation of the Acquisition, and any other amounts to which the TRA Holders would have otherwise been entitled under the Tax Receivable Agreement.

*Other Terms*

Subject to the satisfaction of all conditions to closing set out in the Merger Agreement, it is anticipated that the Acquisition will be completed in the first calendar quarter of 2025.

The foregoing description in this Material Change Report of the Merger Agreement, Voting Agreement, Conversion Agreement and TRA Waiver, and the transactions contemplated thereby, is only a summary and does not purport to be complete and is qualified in its entirety by reference to the full text of each such document. Copies of the Merger Agreement, Voting Agreement, and TRA Waiver shall be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and/or on the U.S. Securities and Exchange Commission's EDGAR website at [www.sec.gov/EDGAR](http://www.sec.gov/EDGAR).

**Item 6**      **Reliance on subsection 7.1(2) of National Instrument 51-102**

Subsection 7.1(2) of National Instrument 51-102 has not been relied upon.

**Item 7**      **Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8**      **Executive Officer**

Ben Gagnon  
Chief Executive Officer  
Bitfarms Ltd.  
+1 (647) 259-1790

**Item 9**      **Date of Report**

August 21, 2024

## Forward-Looking Statements

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this Material Change Report and are covered by safe harbors under Canadian and United States securities laws. The statements and information in this release regarding, the completion of the Acquisition or on the terms described herein, the number of Bitfarms Common Shares to be issued pursuant to the Acquisition, the proposed timing and various steps contemplated in respect of the Acquisition, the holding of the special meeting of Stronghold’s stockholders, and the anticipated completion date of the Acquisition, are forward-looking information. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “prospects”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of the Company at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: the possibility that the Acquisition will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required stockholder, court and regulatory approvals and other conditions of closing necessary to complete the Acquisition or for other reasons; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Acquisition; risks relating to Company’s ability to retain and attract key personnel during and following the interim period; the possibility of litigation relating to the Acquisition; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions; the inability to maintain reliable and economical sources of power for the Company to operate cryptocurrency mining assets; the risks of an increase in the Company’s electricity costs, cost of natural gas, changes in currency exchange rates, energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates and the potential adverse impact on the Company’s profitability; the ability to complete current and future financings; the impact of the restatement on the price of the Bitfarms Common Shares, financial condition and results of operations; the risk that a material weakness in internal control over financial reporting could result in a misstatement of the Company’s financial position that may lead to a material misstatement of the annual or interim consolidated financial statements if not prevented or detected on a timely basis; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; and the adoption or expansion of any regulation or law that will prevent Bitfarms from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to the Company’s filings on [www.sedarplus.ca](http://www.sedarplus.ca) (which are also available on the website of the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov)), including the MD&A for the year-ended December 31, 2023, filed on March 7, 2024 and the MD&A for the three and six month periods ended June 30, 2024 filed on August 8, 2024. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended, including factors that are currently unknown to or deemed immaterial by the Company. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*



### Bitfarms to Acquire Stronghold Digital Mining

- Expands and Rebalances Bitfarms Energy Portfolio to Approximately 50% in the U.S. by YE 2025, Consistent with Strategic Plan -
- Provides Clear Path to 950 MW Active Power Capacity -
- Adds 4.0 EH/s to Bitfarms' Hashrate with Expansion Capacity of Potentially Over 10 EH/s with Fleet Refresh -
- Vertically Integrates into Power Generation with 165 MW of Nameplate Generated Power Capacity -
- Adds 142 MW of PJM Import Capacity with Long Term Expansion Potential up to 790 MW-
- Conference Call at 8:30 AM ET to Discuss Transaction -

*This news release constitutes a "designated news release" for the purposes of Bitfarms' prospectus supplement dated March 8, 2024, to its short form base shelf prospectus dated November 10, 2023.*

**TORONTO, Ontario and BROSSARD, Québec, and NEW YORK, New York** -- August 21, 2024 -- Bitfarms Ltd. (Nasdaq/TSX: BITF) ("Bitfarms"), a global vertically integrated Bitcoin data center company, and Stronghold Digital Mining, Inc. (Nasdaq: SDIG) ("Stronghold") have entered into a definitive merger agreement (the "Merger Agreement") under which Bitfarms will acquire Stronghold in a stock-for-stock merger transaction (the "Transaction"). The Transaction is valued at approximately US\$125 million equity value plus the assumption of debt valued at approximately US\$50 million.

Stronghold is a vertically integrated crypto asset mining company focused on mining Bitcoin and environmental remediation and reclamation services. As of June 30, 2024, Stronghold has a hashrate of 4.0 EH/s and 165 MW of current nameplate generated power capacity, with the potential to bring its hashrate to approximately 10 EH/s in 2025 with fleet upgrades. In addition, Stronghold has 142 MW of current Pennsylvania-New Jersey-Maryland Interconnection (PJM) import capacity and provides a path to import as much as 790 MW of incremental potential power beyond 2025.

Stronghold owns over 750 acres of land with options on over 1,100 additional acres along with two merchant power plants: the Scrubgrass and Panther Creek Facilities in Pennsylvania. These two power plants are recognized by Pennsylvania as a Tier 2 Alternative Energy Source (the same category as large-scale hydro) for their proven and significant environmental benefits. Stronghold's footprint also has access to the strategically valuable PJM grid, the largest wholesale electricity market in the U.S., and, subject to regulatory approvals, the ability to import 142 MW of power from this source. This strategic location within the PJM region creates significant opportunity for the combined company to both generate and utilize competitively priced and flexible grid power that can be used for Bitcoin mining, energy trading and HPC/AI. Together, in coordination with the Pennsylvania Department of Environmental Protection, these facilities remove hundreds of thousands of tons of mining waste and convert it into power through a highly specialized process.

The Transaction could add up to 307 MW of power capacity and is expected to put Bitfarms on track to increase its energy portfolio to over 950 MW by year-end 2025. There are multiple studies underway to potentially increase the total import capacity with an additional 648 MW beyond 2025 as well as numerous opportunities to leverage Bitfarms' proven expertise to successfully enhance energy efficiency and hashrate and merge HPC/AI with Bitcoin mining operations.

Ben Gagnon, Chief Executive Officer of Bitfarms, said, “After three years of ongoing discussions, I am proud to announce this transformative acquisition, which is a decisive step in securing a strong future for Bitfarms. With this transaction, we expect to expand and rebalance our energy portfolio to 950 MW with nearly 50% in the U.S. by the end of 2025 and have visibility on multi-year expansion capacity up to 1.6 GW with approximately 66% in the U.S., up from approximately 6% today. By vertically integrating with power generation, expanding our energy trading capabilities and securing two high potential sites for HPC/AI with significant multi-year expansion potential, we are executing our strategy to diversify beyond Bitcoin mining to create greater long-term shareholder value.”

“Having mined over 25,000 Bitcoin with renewable energy to date, Bitfarms is also extending its environmental leadership with the acquisition of these reclamation facilities. Stronghold has reclaimed thousands of acres of toxic waste, reducing the environmental footprint of historical mining activities and eliminating acid mine drainage that has been contaminating U.S. waterways since the 1800’s. Additionally, Stronghold’s Carbon Capture Projects have the potential to capture over 60,000 tons of carbon dioxide annually, providing Bitfarms additional revenue and making it one of the largest potential carbon capture projects globally,” said Arnold Lee, Director of Sustainability at Bitfarms.

Gregory Beard, Chief Executive Officer, President and Chairman of Stronghold, said, “We have been in conversation with Bitfarms for a long time. Having received and reviewed numerous bids in our Strategic Alternatives Review process, we believe that we found the ideal partner. Bitfarms has the vision and financial fortitude to unlock the value of Stronghold’s assets, and, given the accretion and future growth of the combined business, we are pleased that our shareholders will have the opportunity to participate in the significant upside potential. We look forward to leveraging Bitfarms’ operational expertise and proprietary data analytics system to further optimize our sites and return once-blighted land to local communities. I am confident that this combination is a unique opportunity to maximize value for the shareholders of both companies.”

### **Transaction Details**

The Transaction has been unanimously approved by the Boards of Directors of both companies and is expected to close in the first quarter of 2025, subject to the receipt of Stronghold shareholder approval, applicable regulatory approvals, certain third-party consents and other customary closing conditions. Upon closing, Mr. Beard will contribute to the combined company in an advisory capacity.

Under the terms of the Merger Agreement, Stronghold shareholders will receive 2.52 shares of Bitfarms for each share of Stronghold they own, representing consideration per share of U.S. \$6.02 and a 71% premium to the Stronghold 90-day volume-weighted average price on Nasdaq as of August 16, 2024. At close, Stronghold shareholders are expected to own just under 10% of the combined company, based on the current issued and outstanding shares of each company.

The Transaction delivers compelling transaction economics while achieving an estimated \$10 million in annual run-rate cost synergies.

## **Investor Conference Call**

Bitfarms and Stronghold will conduct a conference call with investors to discuss the Transaction today, August 21, 2024, at 8:30am ET. An accompanying presentation will be accessible before the call on the Investor website and can be accessed here.

Participants may join by calling: 888-506-0062 (domestic), or 973-528-0011 (international), and should do so 10 minutes prior to the start time. Participants will be greeted by an operator and asked for the access code, which is 570343. If you do not have the code, then you may reference the Bitfarms and Stronghold acquisition conference call.

The conference call will also be available through a live webcast found here.

A webcast replay will be available and can be accessed in the Events section of our Investor website. An audio replay will be available through September 4, 2024, and can be accessed at 877-481-4010 (domestic), or 919-882-2331 (international), using access code 51102.

## **Advisors**

Moelis & Company LLC is serving as a financial advisor to the Special Committee of the Board of Directors of Bitfarms, and Skadden, Arp, Slate, Meagher & Flom LLP, McMillan LLP, Peterson McVicar LLP, Fasken Martineau DuMoulin LLP and Firm 21m PLLC are serving as legal counsel. Houlihan Lokey Capital, Inc. delivered an opinion to the Special Committee of the Board of Directors of Bitfarms to the effect that, as of August 20, 2024, subject to the assumptions, limitations and qualifications contained therein, the exchange ratio provided for in the acquisition pursuant to the Merger Agreement is fair to Bitfarms from a financial point of view. Cohen & Company Capital Markets, a division of J.V.B. Financial Group, LLC provided a fairness opinion and is serving as exclusive financial advisor to Stronghold and Vinson & Elkins LLP is serving as lead legal counsel along with Blake, Cassels & Graydon LLP.

## **About Bitfarms Ltd.**

Founded in 2017, Bitfarms is a global Bitcoin mining company that contributes its computational power to one or more mining pools from which it receives payment in Bitcoin. Bitfarms develops, owns, and operates vertically integrated mining farms with in-house management and company-owned electrical engineering, installation service, and multiple onsite technical repair centers. Bitfarms' proprietary data analytics system delivers best-in-class operational performance and uptime.

Bitfarms currently has 12 operating Bitcoin data centers and two under development situated in four countries: Canada, the United States, Paraguay, and Argentina. Powered predominantly by environmentally friendly hydro-electric and long-term power contracts, Bitfarms is committed to using sustainable and often underutilized energy infrastructure.

To learn more about Bitfarms' events, developments, and online communities:

[www.bitfarms.com](http://www.bitfarms.com)

<https://www.facebook.com/bitfarms/>

[https://twitter.com/Bitfarms\\_io](https://twitter.com/Bitfarms_io)

<https://www.instagram.com/bitfarms/>

<https://www.linkedin.com/company/bitfarms/>

## **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.

### ***Glossary of Terms***

- *HPC = High-performance computing*
- *AI = Artificial intelligence*
- *EH or EH/s = Exahash or exahash per second*
- *MW or MWh = Megawatts or megawatt hour*
- *GW or GWh = Gigawatts or gigawatt hour*

### **Forward-Looking Statements**

*This news release contains certain “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) that are based on expectations, estimates and projections as at the date of this news release and are covered by safe harbors under Canadian and United States securities laws. The statements and information in this release regarding receipt of the approval of the shareholders of Stronghold for the Transaction as well as all other applicable regulatory approvals, closing of the Transaction on a timely basis and on the terms as announced, the benefits of the Transaction, the ability to gain access to additional electrical power and grow the hashrate of the Stronghold business, performance of the plants and equipment upgrades and the impact on operating capacity including the target hashrate to take the Stronghold business to 10 EH/s in 2025, to increase the Bitfarms energy portfolio to 950 MW by year-end 2025 and multi-year expansion capacity up to 1.6 GW, the opportunities to leverage Bitfarms’ proven expertise to successfully enhance energy efficiency and hashrate, reclamation and environmental benefits in general, the synergies of the combined business, carbon capture potential, hashrate growth in general, energy efficiency and cost savings in general, and the benefits of the growth strategy including to merge HPC / AI with Bitcoin mining operations and other statements regarding future plans and objectives of each of Bitfarms, Stronghold and the combined company are forward-looking information. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “prospects”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information.*

*This forward-looking information is based on assumptions and estimates of management of each of Bitfarms and Stronghold at the time they were made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of each of Bitfarms and Stronghold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to: receipt of the approval of the shareholders of Stronghold and the Toronto Stock Exchange for the Transaction as well as other applicable regulatory approvals; that the Transaction may not close within the timeframe anticipated or at all or may not close on the terms and conditions currently anticipated by the parties for a number of reasons including, without limitation, as a result of a failure to satisfy the conditions to closing of the Transaction; the inability of Bitfarms to operate the plants as anticipated following consummation of the Transaction; failure of the equipment upgrades to be installed and operated as planned; the availability of additional power may not occur as currently planned, or at all; expansion may not materialize as currently anticipated, or at all; the power purchase agreements and economics thereof may not be as advantageous as expected; potential environmental cost and regulatory penalties due to the operation of the Stronghold plants which entail environmental risk and certain additional risk factors particular to the business of Stronghold including, land reclamation requirements may be burdensome and expensive, changes in tax credits related to coal refuse power generation could have a material adverse effect on the business, financial condition, results of operations and future development efforts, competition in power markets may have a material adverse effect on the results of operations, cash flows and the market value of the assets, the business is subject to substantial energy regulation and may be adversely affected by legislative or regulatory changes, as well as liability under, or any future inability to comply with, existing or future energy regulations or requirements, the operations are subject to a number of risks arising out of the threat of climate change, and environmental laws, energy transitions policies and initiatives and regulations relating to emissions and coal residue management, which could result in increased operating and capital costs and reduce the extent of business activities, operation of power generation facilities involves significant risks and hazards customary to the power industry that could have a material adverse effect on our revenues and results of operations, and there may not have adequate insurance to cover these risks and hazards, employees, contractors, customers and the general public may be exposed to a risk of injury due to the nature of the operations, limited experience with carbon capture programs and initiatives and dependence on third-parties, including consultants, contractors and suppliers to develop and advance carbon capture programs and initiatives, and failure to properly manage these relationships, or the failure of these consultants, contractors and suppliers to perform as expected, could have a material adverse effect on the business, prospects or operations; the digital currency market; the ability to successfully mine digital currency; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; the anticipated growth and sustainability of hydroelectricity for the purposes of cryptocurrency mining in the applicable jurisdictions; the inability to maintain reliable and economical sources of power to operate cryptocurrency mining assets; the risks of an increase in electricity costs, cost of natural gas, changes in currency exchange rates, energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which Bitfarms and Stronghold operate and the potential adverse impact on profitability; future capital needs and the ability to complete current and future financings, including each of Bitfarms', Stronghold's or the combined company's ability to utilize an at-the-market offering program (each, an "ATM Program") and the prices at which securities may be sold in each such ATM Program, as well as capital market conditions in general; share dilution resulting from an ATM Program and from other equity issuances; volatile securities markets impacting security pricing unrelated to operating performance; the risk that a material weakness in internal control over financial reporting could result in a misstatement of financial position that may lead to a material misstatement of the annual or interim consolidated financial statements if not prevented or detected on a timely basis; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; and the adoption or expansion of any regulation or law that will prevent any of Bitfarms, Stronghold or the combined company from operating its business, or make it more costly to do so. For further information concerning these and other risks and uncertainties, refer to Bitfarms' filings on [www.sedarplus.ca](http://www.sedarplus.ca) (which are also available on the website of the U.S. Securities and Exchange Commission (the "SEC") at [www.sec.gov](http://www.sec.gov)), including the MD&A for the year-ended December 31, 2023, filed on March 7, 2024 and the MD&A for the three and six months ended June 30, 2024 filed on August 8, 2024 and Stronghold's filings on [www.sec.gov](http://www.sec.gov), including the Annual Report on Form 10-K for the fiscal year ended 2023, filed on March 8, 2024, the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024, filed on May 8, 2024, the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2024, filed on August 14, 2024, and subsequent reports on Forms 10-Q and 8-K. Although each of Bitfarms and Stronghold has attempted to identify important factors that could cause actual results to differ materially from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended, including factors that are currently unknown to or deemed immaterial by Bitfarms or Stronghold, as applicable. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking information. Neither Bitfarms nor Stronghold undertakes any obligation to revise or update any forward-looking information other than as required by law.*

#### **Additional Information about the Merger and Where to Find It**

This communication relates to a proposed merger between Stronghold and Bitfarms. In connection with the proposed merger, Bitfarms intends to file with the SEC a registration statement on Form F-4, which will include a proxy statement of Stronghold that also constitutes a prospectus of Bitfarms. After the registration statement is declared effective, Stronghold will mail the proxy statement/prospectus to its shareholders. This communication is not a substitute for the registration statement, the proxy statement/prospectus or any other relevant documents Bitfarms and Stronghold has filed or will file with the SEC. **Investors are urged to read the proxy statement/prospectus (including all amendments and supplements thereto) and other relevant documents filed with the SEC carefully and in their entirety if and when they become available because they will contain important information about the proposed merger and related matters.**

Investors may obtain free copies of the registration statement, the proxy statement/prospectus and other relevant documents filed by Bitfarms and Stronghold with the SEC, when they become available, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the documents may also be obtained for free from Bitfarms by contacting Bitfarms' Investor Relations Department at [investors@bitfarms.com](mailto:investors@bitfarms.com) and from Stronghold by contacting Stronghold's Investor Relations Department at [SDIG@gateway-grp.com](mailto:SDIG@gateway-grp.com).

## **No Offer or Solicitation**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## **Participants in Solicitation Relating to the Merger**

Bitfarms, Stronghold, their respective directors and certain of their respective executive officers may be deemed to be participants in the solicitation of proxies from Stronghold's shareholders in respect of the proposed merger. Information regarding Bitfarms' directors and executive officers can be found in Bitfarms' annual information form for the year ended December 31, 2023, filed on March 7, 2024, as well as its other filings with the SEC. Information regarding Stronghold's directors and executive officers can be found in Stronghold's proxy statement for its 2024 annual meeting of stockholders, filed with the SEC on April 29, 2024, and supplemented on June 7, 2024, and in its Form 10-K for the year ended December 31, 2023, filed with the SEC on March 8, 2024. This communication may be deemed to be solicitation material in respect of the proposed merger. Additional information regarding the interests of such potential participants, including their respective interests by security holdings or otherwise, will be set forth in the proxy statement/prospectus and other relevant documents filed with the SEC in connection with the proposed merger if and when they become available. These documents are available free of charge on the SEC's website and from Bitfarms and Stronghold using the sources indicated above.

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