



**GRYPHON**  
DIGITAL MINING

**Nasdaq: GRYP**

May 2024

# Disclaimer

---

This presentation (“Presentation”) is being issued by Gryphon Digital Mining Inc. (the “Company”, “Gryphon” or “Gryphon Digital Mining”) for information purposes only. The content of this Presentation has not been approved by any securities regulatory authority. Reliance on this Presentation for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

This Presentation is not an admission document, prospectus or an advertisement and is being provided for information purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell or any solicitation of any offer to purchase or subscribe for any securities of the Company in Canada, the United States or any other jurisdiction. Neither this Presentation, nor any part of it nor anything contained or referred to in it, nor the fact of its distribution, should form the basis of or be relied on in connection with or act as an inducement in relation to a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any securities of the Company. No representation or warranty, express or implied, is given by or on behalf of the Company, its directors, officers and advisors or any other person as to the accuracy, sufficiency or completeness of the information or opinions contained in this Presentation and no liability whatsoever is accepted by the Company, its directors, officers or advisors or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.

## **Forward-Looking Statements**

Certain statements contained in this Presentation constitute “forward-looking information” or “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian and United States securities laws relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and the Company’s future performance (both operational and financial) and business prospects. In certain cases, forward-looking statements can be identified by the use of words such as “expects”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “plans”, “seeks”, “projects” or variations of such words and phrases, or state that certain actions, events or results “may” or “will” be taken, occur or be achieved. Such forward-looking statements reflect the Company’s beliefs, estimates and opinions regarding its future growth, results of operations, results of litigation, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Forward-looking statements are necessarily based upon a number of estimates and assumptions made by the Company that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. In particular, this Presentation contains forward-looking statements pertaining, but not limited, to: expectations regarding the price of bitcoin and sensitivity to changes in such prices; industry conditions and outlook pertaining to the bitcoin and cryptocurrency market; expectations respecting future competitive conditions; expectations regarding future government regulation, industry activity levels; beliefs about future power rates based upon historical rates, and the Company’s objectives, strategies and competitive strengths.

By their nature, forward-looking statements involve numerous current assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from those anticipated by the Company and described in the forward-looking statements. With respect to the forward-looking statements contained in this Presentation, assumptions have been made regarding, among other things: current and future prices for bitcoin; future global economic and financial conditions; current and future regulatory and legal regimes, demand for bitcoin and the product mix of such demand and levels of activity in the cryptocurrency finance markets and in such other areas in which the Company may operate, and supply and the product mix of such supply; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, current finance markets and proposed changes to those markets, supply and demand; and, where applicable, each of those assumptions set forth in the footnotes provided herein in respect of particular forward-looking statements.



# Disclaimer

---

A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein including, among others: volatility in market prices and demand for bitcoin; effects of competition and pricing pressures; risks related to interest rate fluctuations and foreign exchange rate fluctuations; changes in general economic, financial, market and business conditions in the industries in which bitcoin are used; alternatives methods to cryptocurrency; increases in power rates and changing demand for bitcoin; potential conflicts of interests; actual results differing materially from management estimates and assumptions. These and other risks and uncertainties are more fully described in the Company's periodic filings with the SEC, including the Company's Annual Report on Form 10-K for the year ended December 31, 2023. You should not place undue reliance on these forward-looking statements, which are made only as of the date hereof or as of the dates indicated in the forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will materialize or prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained in this Presentation are expressly qualified by this cautionary statement. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this Presentation. Except as may be required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements or information whether as a result of new information, future events or otherwise.

## Trademarks

This presentation includes trademarks of Gryphon, which are protected under applicable intellectual property laws and are the property of Gryphon or its subsidiaries. This presentation also includes other trademarks, trade names and service marks that are the property of their respective owners. Solely for convenience, in some cases, the trademarks, trade names and service marks referred to in this proxy statement/prospectus are listed without the applicable ®, ™ and SM symbols, but they will assert, to the fullest extent under applicable law, their rights to these trademarks, trade names and service marks.





# Mission Statement

To create a financially  
nimble, highly profitable,  
and environmentally  
responsible  
bitcoin miner



# Investment Highlights

**Creating an industry leader in bitcoin mining.**

## Size & Scale

- 0.94 exahash of self mining
- Approx. \$7.5M in value of BTC produced in Q1/24 based on an average price of \$53,000
- LTM Breakeven Cost per BTC ~22,495/BTC\*

## Leadership Team

- CEO & Director, Rob Chang, previously served as CFO of Riot Blockchain and as MD at Cantor Fitzgerald
- CFO, Sim Salzman, previously served as CFO of Marathon Digital Holdings
- Chief Technical Advisor, Chris Ensey, is the former CEO & COO of Riot Blockchain and has developed over 100 MW in mining operations
- Chairperson, Brittany Kaiser, globally-renowned expert in blockchain technology and digital assets

## ESG

- **Independently Certified 100% Renewable Energy Operation** as one of the inaugural recipients of the Green Proofs for Bitcoin certification
- **100% Renewable Energy Miner** pursuing a **negative carbon strategy** with the acquisition of carbon offset credits and mining operations

\*The Company defines Breakeven cost per Bitcoin as (a) Cost of Revenues (excluding depreciation) divided by (b) total bitcoin generated and received from the hashrate contributed to the mining pool operator. See Appendix: Non-GAAP Reconciliations.



# Management Team

## Industry leading management team



Rob Chang  
CEO & Director

- Former CFO, Riot Blockchain
- Former Managing Director, Head of Metals & Mining Research, Cantor Fitzgerald
- Current Board Member: Fission Uranium and Ur-Energy
- Member: Young Presidents Organization (YPO)



Sim Salzman  
CFO

- Former CFO, Marathon Digital Holdings
- Oversaw market cap growth from \$500 million to \$8 billion over 12 months
- Former CFO, Las Vegas Monorail Company
- Former Senior Auditor, BDO & RSM



Chris Ensey  
Chief Technical Advisor

- Former CEO and COO, Riot Blockchain
- Former CTO, BlueVoyant
- Former COO and Founder, Dunbar Cybersecurity
- Former Principal Security Strategist & Associate Director, IBM



# Board of Directors

## Compelling Pedigreed Leadership



Brittany Kaiser  
Chair of the Board

Globally renowned blockchain thought-leader, having co-authored 40 laws in the US to promote and protect blockchain businesses  
Current Member of the Congressional Standing Committee on Blockchain, Fintech and Digital Innovation for Wyoming  
Keynote speaker on blockchain, data & privacy for governments, corporate training & universities



Steven Gutterman  
Independent Director

- CEO, Falcon International, one of the largest private cannabis companies in California
- Former COO & EVP, E\*Trade Bank and other senior roles at E\*Trade Financial
- Former President of Harvest Health & Recreation Inc., which was acquired for \$2.1 billion



Heather Cox  
Independent Director

- Member of the Board of Directors, NRG Energy
- Former Chief Digital Health and Analytics Officer, Humana
- Former Chief Technology and Digital Officer, USAA
- Former CEO of Citi FinTech, Citigroup



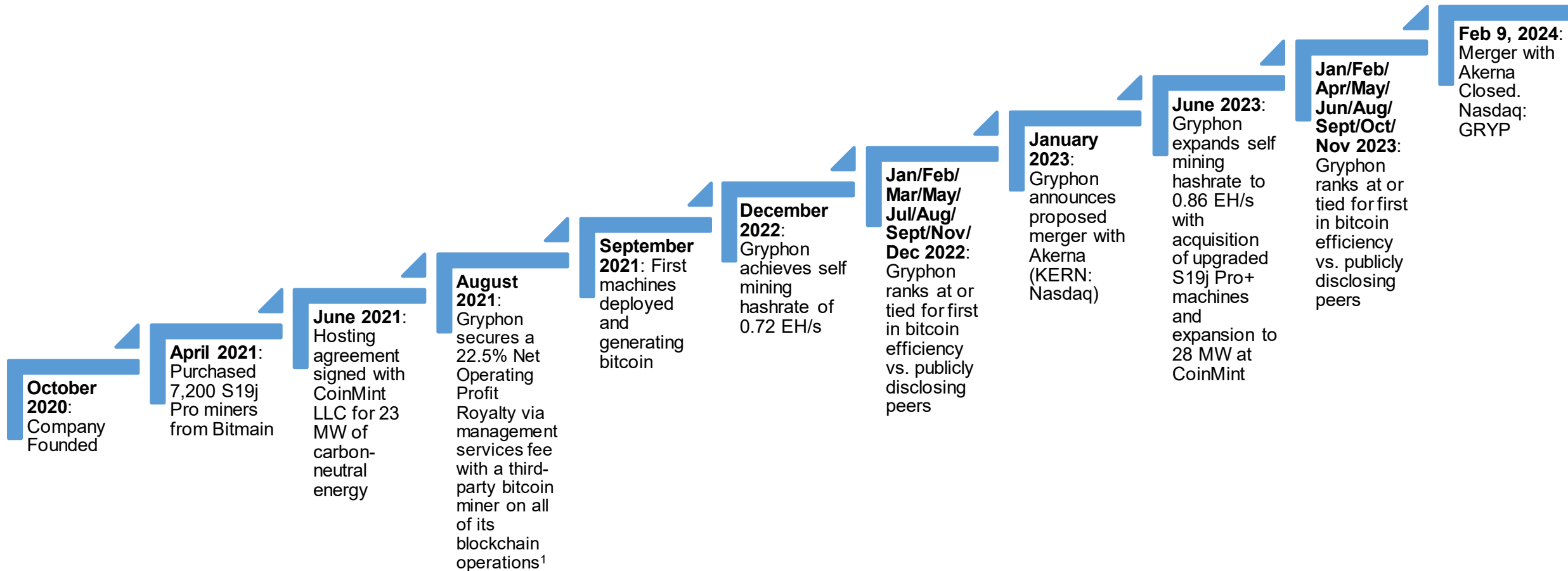
Jessica Billingsley  
Independent Director

- Member of the Board of Directors, Nu Energy & OARO
- Former Founder, Chair of the Board, and CEO of Akerna
- Inc. Top 100 Female Founder and Fortune's Most Promising Woman Entrepreneur



# Company Overview - History

## Substantial Growth in Just Over 3 Short Years



<sup>1</sup> Royalty partner has purported to terminate this arrangement and has taken back possession of its blockchain operations. Gryphon is pursuing litigation to recover damages for breach of the agreement in the amount of \$30 million and while Gryphon is confident it will prevail, no assurance can be given as to the timing, the result or the ability to recover damages.

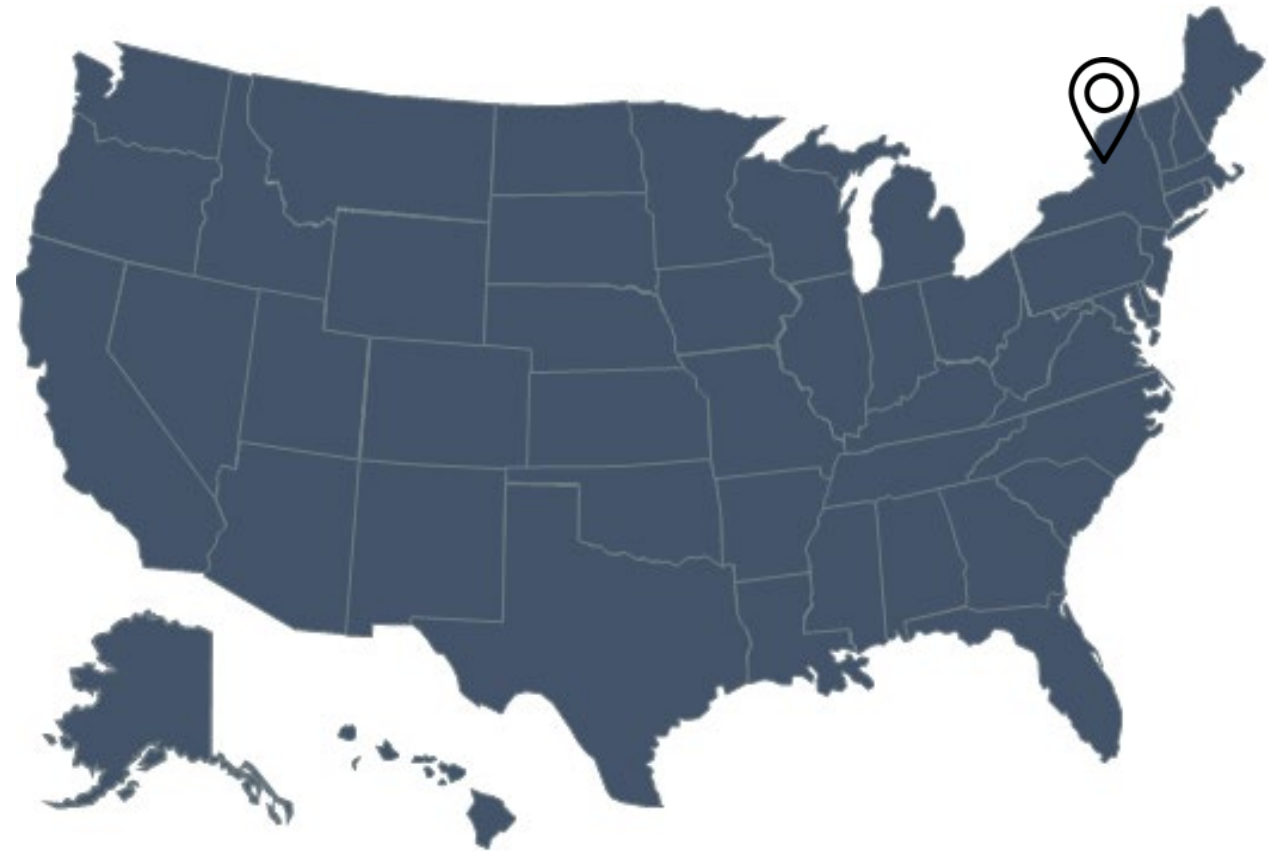




# Location – 28 MW Hydro-Powered Energy

## Partnering with one of the largest digital currency data centers in the world

- Hydro-powered host in an economic opportunity zone
- Direct cost pass-through with profit sharing model
  - \$22,495/BTC cost\*
- Gryphon has secured 28 MW of power for its ~9,000 machines
- Hosting and share structure reduces capital investment and financial risk



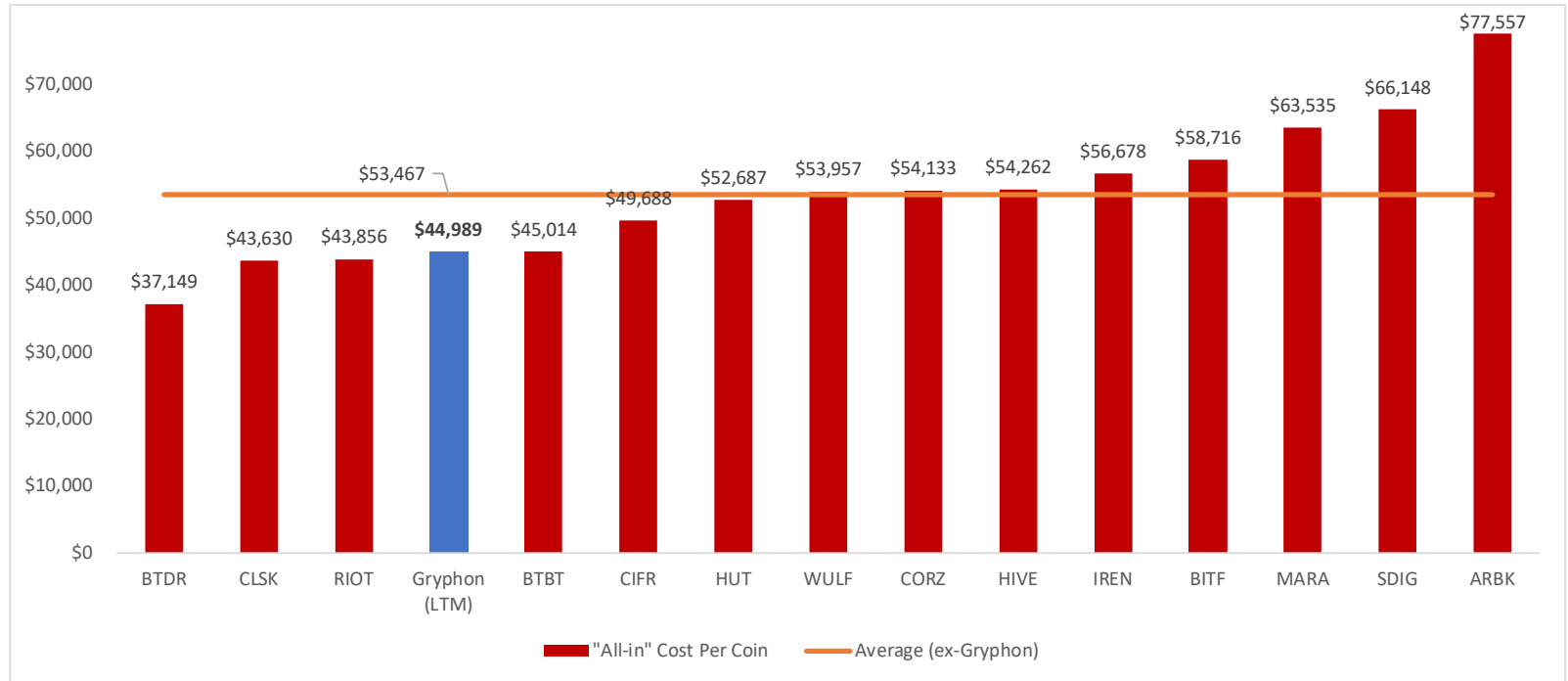
\*LTM As at Mar 31, 2024. See Appendix: Non-GAAP Reconciliation.



# “All-In” Cost-per-Coin\*

## An Industry Leader in Cost per Coin Post Halving

- Gryphon’s cost per bitcoin produced post halving has historically ranked among the industry leaders
- Calculated based on Cantor Fitzgerald Research Methodology\*\*
- Gryphon’s forecast “All-in” Cost-per-Coin would be \$44,989/BTC post halving\*\*\*



\* Source: Cantor Fitzgerald Research, April 19, 2024, Gryphon cost as Q1/24

\*\* Cantor Fitzgerald Research that defines “All-In” Cost-per-Coin as Electricity Costs + (Cash OpEx+ Interest Expense + Lease Expense Hosting/Ancillary Gross Profit) / Realized BTC per Day

\*\*\* Gryphon’s forecast of an “All-in” cost would be similar to the “Breakeven Costs” as defined in the Appendix multiplied by 2x given the estimated Bitcoin earned post halving would decrease by 50%.



# Leading Bitcoin Efficiency

## Gryphon also outperforms peers in Bitcoin Efficiency\*

- Gryphon is an industry leader in Bitcoin Efficiency, posting a market leading 43 BTC/EH in April 2024
- Gryphon has consistently placed at or near the top of these publicly available bitcoin efficiency scores
  - Top tier efficiency among all peers since inception and 1<sup>st</sup> in 17 out of 31 months since operations commenced
  - At or tied for 1<sup>st</sup> in six of the last 12 months
- Superior performance driven by Gryphon's experienced mining team in making key differentiated choices (location, hosting structure, etc.)

	Gryphon	Peer Average	Peer Rank
Sep-21	218	181	2
Oct-21	199	165	3
Nov-21	173	148	2
Dec-21	166	151	3
Jan-22	183	141	1
Feb-22	134	118	1
Mar-22	146	132	1
Apr-22	136	121	2
May-22	132	107	1
Jun-22	129	108	2
Jul-22	139	112	1
Aug-22	141	118	1
Sep-22	122	105	1
Oct-22	115	105	2
Nov-22	106	94	1
Dec-22	115	96	1
Jan-23	113	94	1
Feb-23	94	81	1
Mar-23	94	81	2
Apr-23	86	71	1
May-23	101	84	1
Jun-23	81	65	1
Jul-23	80	67	2
Aug-23	78	63	1
Sep-23	73	60	1
Oct-23	68	60	1
Nov-23	67	60	2
Dec-23	72	66	2
Jan-24	60	55	4
Feb-24	49	44	2
Mar-24	49	47	6

\*Bitcoin Efficiency is a measure of the number of bitcoin generated per exahash of hashing power deployed  
Source: Company Reports



# 22.5% MSA with Sphere 3D

## Litigation for Damages Pursuant to 22.5% MSA

- Gryphon had an agreement to manage all of Sphere 3D's blockchain operations for a five-year period
- Gryphon had the right to earn 22.5% of gross operating profit royalty from all of Sphere 3D's current and future blockchain operations through August 2026
- Sphere 3D's fully deployed 15,000 miners are expected to have over 1.5 Exahash and generate 940 BTC in 2024 based on current network hashrate\*
- Sphere has purported to terminate this arrangement and has taken back possession of its blockchain operations. Gryphon is pursuing litigation to recover damages for breach of the agreement in the amount of \$30 million and while Gryphon is confident it will prevail, no assurance can be given as to the timing, the result or the ability to recover damages.



*\*Based on a network hashrate of 540 EH and assuming the network hashrate declines by 50% post halving and recovering to pre-halving levels by November 2024*





# Key Success Factor: Certified Renewable

## Independently verified certification based on clean energy use

- Certified 100% renewable energy operation heading into 2024
- Gryphon Digital Mining was among a select inaugural group of 5 miners to be awarded a “Green Proofs for Bitcoin” certification
- Certifications were issued to Bitcoin miners based on their clean energy use and contributions to grid stability via demand response
- Developed in partnership with over 35 miners, NGOs, grid operators, and other energy and crypto market participants, its approach to scoring is aligned with best practices for sustainability leadership and to approaches to corporate ESG reporting
- Full carbon emissions report for 2022 and 2023 published



# 2024E Gross Profit Sensitivity Analysis – Self Mining Only<sup>1</sup>

		BTC - USD										
		\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$125,000	\$150,000
Global Hash Rate (TH/s)	400,000,000	\$21,474,220	\$23,348,167	\$25,222,113	\$27,096,059	\$28,970,006	\$30,843,952	\$32,717,898	\$34,591,845	\$36,465,791	\$45,835,523	\$55,205,255
	450,000,000	\$18,364,753	\$20,031,975	\$21,699,197	\$23,366,419	\$25,033,641	\$26,700,863	\$28,368,085	\$30,035,307	\$31,702,529	\$40,038,639	\$48,374,749
	500,000,000	\$15,877,180	\$17,379,022	\$18,880,865	\$20,382,707	\$21,884,550	\$23,386,392	\$24,888,235	\$26,390,077	\$27,891,919	\$35,401,132	\$42,910,344
	550,000,000	\$13,841,893	\$15,208,425	\$16,574,956	\$17,941,488	\$19,308,020	\$20,674,552	\$22,041,084	\$23,407,616	\$24,774,148	\$31,606,807	\$38,439,467
	600,000,000	\$12,145,820	\$13,399,593	\$14,653,366	\$15,907,139	\$17,160,912	\$18,414,686	\$19,668,459	\$20,922,232	\$22,176,005	\$28,444,871	\$34,713,736
	650,000,000	\$10,710,681	\$11,869,043	\$13,027,405	\$14,185,767	\$15,344,129	\$16,502,491	\$17,660,853	\$18,819,214	\$19,977,576	\$25,769,386	\$31,561,195
	700,000,000	\$9,480,563	\$10,557,143	\$11,633,724	\$12,710,305	\$13,786,886	\$14,863,467	\$15,940,047	\$17,016,628	\$18,093,209	\$23,476,113	\$28,859,017

<sup>1</sup> Based on Company internal data

\* Gryphon Net Debt ~\$16.9 million as of Mar 31, 2024

\*\* Post halving hashrate estimated to be 30% lower than beginning of the year. Bitcoin price forecast to be 1.5x opening price at the beginning of the year six months after halving

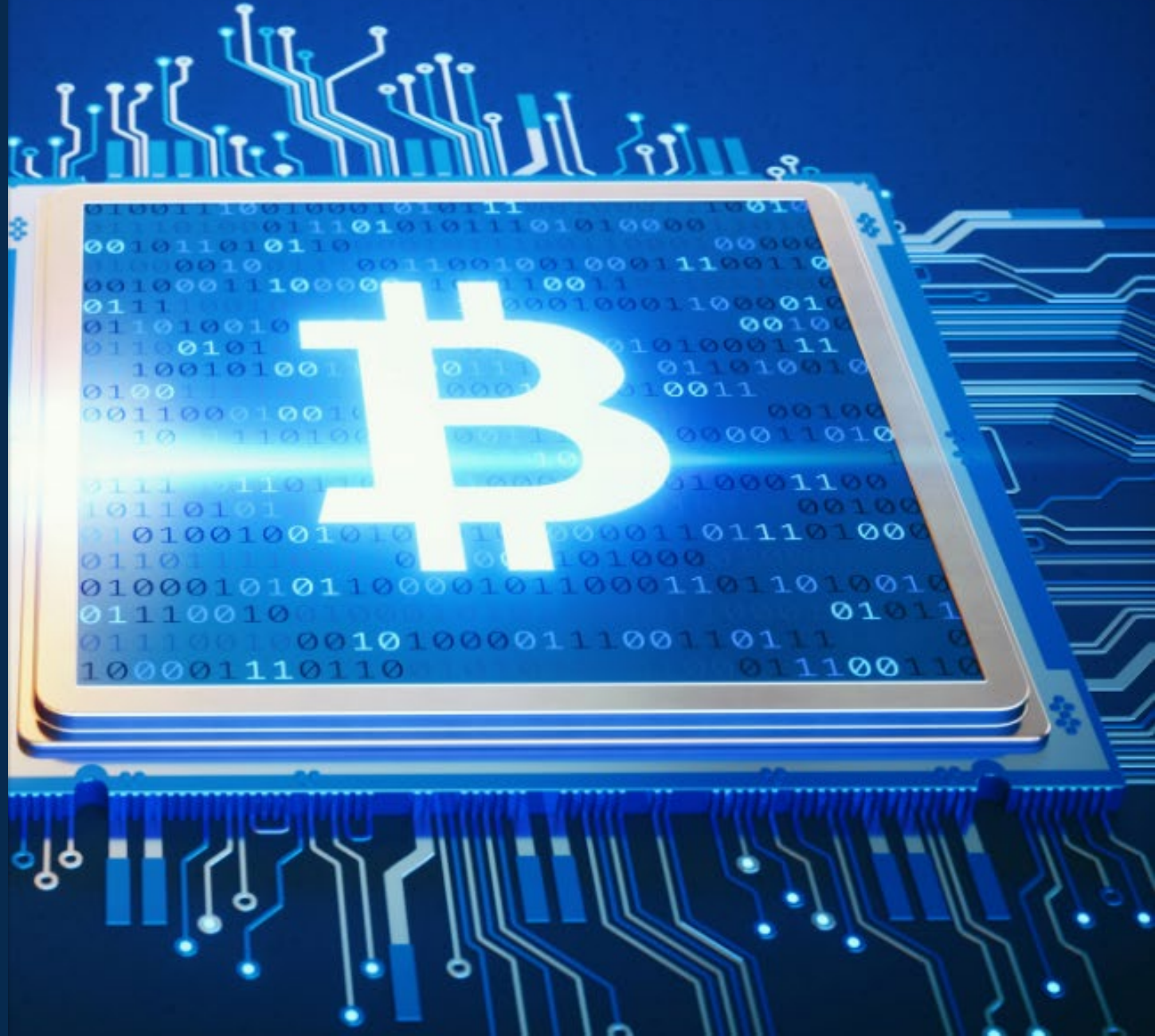




# GRYPHON DIGITAL MINING

**Nasdaq: GRYP**

Contact:  
[james@haydenir.com](mailto:james@haydenir.com)



# Appendix: Non-GAAP Reconciliations

## **Breakeven Costs (i.e.. Cost to mine one bitcoin)**

The Company defines Breakeven Cost per Bitcoin as (a) Cost of Revenues (excluding depreciation) divided by (b) total bitcoin generated and received from the hashrate contributed to the mining pool operator. The Company mined approximately 142 and 212 Bitcoin, respectively for the quarter ended March 31, 2024 and 2023, respectively. The breakeven analysis is an operational metric that does not take capital expenditures or financing mechanics into consideration. The calculation only considers direct operational costs, such as electricity and hosting. The mining equipment was originally financed primarily through equity capital raises and cash flows resulting from the sale of bitcoin generating by mining operations.

## **Value of one mined bitcoin**

The Company defines Value of one mined bitcoin as total Mining Revenues divided by total Bitcoin mined during each respective year.

	Q2/23	Q3/23	Q4/23	Q1/24	Trailing Twelve Months
Mining Revenues	\$ 4,963,000	\$ 4,940,000	\$ 6,309,000	\$ 7,490,000	\$ 23,702,000
Bitcoin mined	187	176	164	142	669
<b>Value of one mined bitcoin</b>	<b>\$ 26,540</b>	<b>\$ 28,068</b>	<b>\$ 38,470</b>	<b>\$ 52,746</b>	<b>\$ 35,429</b>
Cost of Revenues (excluding depreciation)	\$ 2,823,000	\$ 3,982,000	\$ 3,920,000	\$ 4,837,000	\$ 15,562,000
<b>Cost to mine one bitcoin</b>	<b>\$ 15,096</b>	<b>\$ 22,625</b>	<b>\$ 23,902</b>	<b>\$ 34,063</b>	<b>\$ 23,262</b>
Total Bitcoin Equivalent Coins Generated (Total BTC Equiv)*	200	185	165	142	692
<b>Breakeven of Total BTC Equiv</b>	<b>\$ 14,115</b>	<b>\$ 21,501</b>	<b>\$ 23,813</b>	<b>\$ 34,063</b>	<b>\$ 22,495</b>





# Appendix: Non-GAAP Reconciliations

## Adjusted EBITDA

The Company defines adjusted EBITDA as (a) GAAP net income (loss) plus (b) adjustments to add back the impacts of (1) depreciation and amortization, (2) interest expense, (3) income tax expense (benefit) and (4) adjustments for non-cash and non-recurring items which currently include (i) stock compensation expense, (ii) change in fair value of notes payable and (iii) unrealized (gain) loss on marketable equity securities.

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Reconciliation to Adjusted EBITDA:</b>		
<b>Net loss</b>	<u>\$(11,744,000)</u>	<u>\$(6,910,000)</u>
Exclude: Depreciation	3,247,000	3,981,000
Exclude: Interest expense	<u>330,000</u>	<u>190,000</u>
<b>EBITDA</b>	(8,167,000)	(2,739,000)
Non-cash/non-recurring operating expenses:		
Exclude: Stock based compensation expense	208,000	(1,152,000)
Exclude: Change in fair value of notes payable	9,638,000	8,189,000
Exclude: Unrealized (gain) loss on marketable equity securities	<u>216,000</u>	<u>(63,000)</u>
<b>Adjusted EBITDA</b>	<u><u>\$ 1,895,000</u></u>	<u><u>\$ 4,235,000</u></u>

