

**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): May 21, 2021

MARATHON DIGITAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

Nevada (State or other jurisdiction of incorporation)	001-36555 (Commission File Number)	01-0949984 (IRS Employer Identification No.)
1180 North Town Center Drive, Suite 100 Las Vegas, NV (Address of principal executive offices)		89144 (Zip Code)

Registrant's telephone number, including area code: (800) 804-1690

(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))

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.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MARA	The Nasdaq Capital Market

FORWARD-LOOKING STATEMENTS

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the Filings the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward-looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

ITEM 1.01 Entry into a Material Definitive Agreement.

On May 21, 2021, Marathon Digital Holdings, Inc. (the "Company") entered into a binding letter of intent with Compute North, LLC to host 73,000 Bitcoin Miners over a staged implementation between October 2021 and March 2022. The hosting cost is \$0.50 per machine per month and the hosting rate will be \$0.044 per kWh. In order to build out the infrastructure without paying for the capital expenditure, the Company will provide an 18 month bridge loan to Compute North of up to \$67 million dollars, in tranches, based upon specified requirements being met. The terms of the contract are limited to three years with increases thereafter capped at three percent per year thereafter. The Company has also agreed to pay up to \$14 million in expedite fees for construction/electrical and supply chain expediting activities.

10.1 [Binding Letter of Intent Between the Company and Compute North, LLC](#)

99.1 [Press Release documenting Binding Letter of Intent between the Company and Compute North, LLC](#)

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 thereunto duly authorized.

Date: May 27, 2021

MARATHON DIGITAL HOLDINGS, INC.

By: /s/ Simeon Salzman

Name: Simeon Salzman

Title: Chief Financial Officer



Binding Letter of Intent (CONFIDENTIAL)



May 21, 2021

This binding letter of intent (the "LOI") is for use by Marathon Digital Holdings ("MARA") and Compute North LLC ("Company") in structuring a cost-effective hosting partnership. Except with respect to the expressly binding terms set forth herein, this LOI is subject to the parties executing formal definitive agreements with customary terms and conditions that set forth their respective rights and obligations with respect to the following:

Hosting Requirements	<p>MARA has intentions of significant hosting requirements to be executed by Compute North LLC:</p> <ul style="list-style-type: none"> • September Batch 2021: 8,100 Units (6,000 S19j Pro; 2,100 S19 Pro) • October Batch 2021: 10,500 units (8,500 S19j Pro; 2,000 S19j) • November Batch 2021: 14,700 units (9,200 S19j Pro; 5,500 S19j) • December Batch 2021: 24,500 units (19,000 S19j Pro; 5,500 S19j) • January Batch 2022: 15,200 units (S19j Pro) <p>Total: 73,000 units</p>
Infrastructure Financing	<p>Marathon is to provide an 18-month bridge loan for \$67M according to the schedule listed in "Project Timeline Requirements". The loan shall be structured as an interest-only loan with no pre-payment penalty. Interest rate shall be 0% for the initial twelve-month period and 12% for the last six months. Loan amount is exclusive of Compute North's estimation of "Expedite Fees" to meet the Deployment Completion Schedule. Loan will be collateralized solely by the hosting infrastructure housing MARA mining equipment. Loan will be due in the event Compute North completes an equity raise via an IPO or similar equity transaction which includes the MARA hosting infrastructure. Interest and repayment are subject to tolling based on the Batch Deployment Completion Schedule.</p>
Expedite Fees	<p>Compute North estimates \$14M in Expedite Fees in order to meet MARA's deployment timeline. These fees consist of \$8M in construction/electrical premium as well as \$6M in supply chain expediting. MARA agrees to pay a total of \$8M toward these estimated fees by 2pm CDT 5/21/21. In lieu of the \$6M balance, MARA is waiving interest charges for the initial 12 month period.</p>
Energy/Hosting Cost(s)	<p>Based on the "Hosting Requirements", "Infrastructure Financing", and "Expedite Fees" detailed above, Compute North is offering an "all-in" hosting rate of <u>\$0.044 kWh</u>.</p>
Hosting Package	<p>MARA will operate on Compute North's managed "Select" hosting package @ \$0.50 per month, per miner pursuant to Compute North's standard Master Agreement.</p>

Contract(s) Terms	The initial term of MARA's hosting contracts subject to this LOI will be three (3) years with 1-year extension periods unless either party provides 365 days' prior written notice of cancellation. Contract renewal or extension hosting rates shall not exceed a 3% increase.																																												
Deposit Requirements	MARA will deposit two (2) months of estimated monthly hosting services fees upon contract signature for the procurement of energy from Independent Power Provider (IPP).																																												
Batch Deployment Completion Schedule	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">MARA / Compute North (CN) DEPLOYMENT SCHEDULE</th> </tr> <tr> <th colspan="4" style="text-align: center;"><i>*560 units per container</i></th> </tr> <tr> <th style="text-align: left;">Month</th> <th style="text-align: right;">MARA Units Received</th> <th style="text-align: right;">Deployment Completion</th> <th style="text-align: right;">CN Containers</th> </tr> </thead> <tbody> <tr> <td>Sep-21</td> <td style="text-align: right;">8100</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Oct-21</td> <td style="text-align: right;">10500</td> <td style="text-align: right;">8100</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Nov-21</td> <td style="text-align: right;">14700</td> <td style="text-align: right;">10500</td> <td style="text-align: right;">19</td> </tr> <tr> <td>Dec-21</td> <td style="text-align: right;">24500</td> <td style="text-align: right;">14700</td> <td style="text-align: right;">27</td> </tr> <tr> <td>Jan-22</td> <td style="text-align: right;">15200</td> <td style="text-align: right;">14700</td> <td style="text-align: right;">27</td> </tr> <tr> <td>Feb-22</td> <td style="text-align: center;">-</td> <td style="text-align: right;">14700</td> <td style="text-align: right;">27</td> </tr> <tr> <td>Mar-22</td> <td style="text-align: center;">-</td> <td style="text-align: right;">10300</td> <td style="text-align: right;">19</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">73000</td> <td style="text-align: right;">73000</td> <td style="text-align: right;">134</td> </tr> </tbody> </table> <p>Subject to the risk factors identified below, the parties shall undertake all commercially reasonable efforts to achieve and accelerate the completion dates set forth in the Deployment Schedule.</p>	MARA / Compute North (CN) DEPLOYMENT SCHEDULE				<i>*560 units per container</i>				Month	MARA Units Received	Deployment Completion	CN Containers	Sep-21	8100	-	-	Oct-21	10500	8100	15	Nov-21	14700	10500	19	Dec-21	24500	14700	27	Jan-22	15200	14700	27	Feb-22	-	14700	27	Mar-22	-	10300	19	TOTAL	73000	73000	134
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Risk Factors	<ul style="list-style-type: none"> • Land/Site Acquisition • Regulatory Affairs • Power Purchase Agreement (PPA) • Infrastructure Equipment Availability (medium voltage cables, containers, etc.) • Long Lead Time Equipment Procurement (substation, transformer, etc.) 																																												
Project Timeline Requirements	<ul style="list-style-type: none"> • Binding LOI executed by May 21, 2021 • Definitive Documents executed on or before May 31, 2021 • Estimated Bridge Loans: Draws: <ul style="list-style-type: none"> ○ \$30M due by 6/1/2021 ○ Subsequent draws to be made to meet delivery and construction milestone payments upon 7 days notice in minimum draws of \$5M 																																												
Carbon Neutral Target	Compute North shall collaborate with MARA to achieve a goal of 100% carbon neutral energy sources. Compute North's Hosting Fee includes up to \$0.50/MWh in RECs, carbon offsets or other agreed-upon ESG/renewable instruments needed for MARA to achieve its carbon neutral requirements. Any cost of achieve the carbon neutral goals beyond the \$0.50 credit provided by CN shall be borne by MARA.																																												
Binding Commitment to Loan and Procure Services	MARA acknowledges and agrees that Company is relying upon its commitment to fund and lend the amounts set forth herein and that the Company is in turn making binding commitments to make payments to third parties in reliance thereon (the "Funding Commitment"). MARA further acknowledges and agrees that Company is relying upon its commitment to																																												



	<p>enter into the hosting and related agreements at the pricing and other material terms set forth herein for the three-year term specified herein (the "Procurement Commitment"). Upon MARA's execution of this LOI, MARA is expressly legally bound by the Funding Commitment and the Procurements Commitment as set forth herein. Neither party will publicly disclose any financial terms in this LOI prior to executing formal definitive agreements, notwithstanding the foregoing, the Company acknowledges and agrees that MARA will be permitted to file a Current Report on Form 8-K no later than May 27, 2021, disclosing all material terms of this LOI (including all financial terms) and shall file a copy of this LOI, in its entirety, with the Form 8-K.</p>
<p>Agreed and accepted on <u>May 21, 2021</u></p> <p>COMPUTE NORTH LLC</p> <p>By: <u></u> Name: Tad Piper Title: Chief Financial Officer</p>	<p>Agreed and accepted on <u>May 21, 2021</u></p> <p>MARATHON DIGITAL HOLDINGS, INC.</p> <p>By: <u></u> Name: Fred Thiel Title: Chief Executive Officer</p>



May 24, 2021



CORRECTION -- Marathon Digital Holdings Announces Binding Letter of Intent with Compute North to Host 300-Megawatts of Bitcoin Mining at New Data Center

New Data Center to House Approximately 73,000 of Marathon's Bitcoin Miners, Transitioning the Company's Mining Operations to 70% Carbon Neutral

LAS VEGAS, May 24, 2021 (GLOBE NEWSWIRE) -- In the news release issued under the same headline earlier today by Marathon Digital Holdings, Inc. (NASDAQ:MARA), please note that in the third paragraph, the figure "\$0.453 per kWh" should read "\$0.0453 per kWh." The complete corrected text follows:

Marathon Digital Holdings, Inc. (NASDAQ:MARA) ("Marathon" or "Company"), one of the largest enterprise Bitcoin self-mining companies in North America, has entered into a binding letter of intent with Compute North to host approximately 73,000 of Marathon's previously purchased Bitcoin miners as part of a new 300-megawatt data center located in Texas.

Under the terms of the agreement and based on specified requirements being met, Marathon will provide Compute North with an 18-month bridge loan of up to \$67 million, in tranches, to construct the facility. The initial term of the contract is three years with increases capped at three percent per year thereafter. Implementation is planned to take place in stages between October 2021 and March 2022.

Once all of Marathon's miners are installed, the Company's hashrate will be approximately 10.37 EH/s, the Company's average mining cost for hosting services, electricity, data center management, and hosting related capital expenditure across all its facilities will be \$0.0453 per kWh, and Marathon's operations will be approximately 70% carbon neutral.

"Compute North is a long-term partner of ours, and by expanding our working relationship with them through this new agreement, we have now secured economical hosting arrangements for all 103,120 of our previously purchased Bitcoin miners," said Fred Thiel, Marathon's CEO. "This agreement sets us on a clear path to becoming one of the largest, most efficient, and most environmentally conscious Bitcoin miners in North America. Additionally, the structure of this agreement is highly advantageous as it allows us to have the necessary infrastructure for our miners built without the capital expenditure, and it provides us with the flexibility to explore alternative locations, should we require them, while mitigating the risk of price increases.

"Once all our miners are deployed by the end of the first quarter of 2022, our hashrate will be

10.37 EH/s, and our operations will be 70% carbon neutral, with our long-term objective being to obtain a 100% carbon neutral footprint.”

Merrick Okamoto, Marathon’s executive chairman commented, “The new agreement with Compute North allows us to operate our mining fleet in regulatory environments that have proven to be friendly to Bitcoin miners and at rates that we believe are among the lowest in the country. As we continue to scale our operations to become one of the leading enterprise miners in North America, we believe our mining pool will follow suit. Once our miners are fully deployed, and we have transitioned to a 100% carbon neutral footprint, we believe our pool will not only be among the top 10 in the world, but it will be the first and only mining pool which produces 100% carbon neutral and OFAC compliant bitcoins.”

“We are thrilled to expand our relationship with Marathon and help achieve their ESG goals through the delivery of carbon neutral hosting operations,” commented Dave Perrill, CEO at Compute North. “Because of our unique TIER 0™ data center model, Compute North has become known as the go-to service provider for large-scale, low-cost, environmentally friendly hosting and infrastructure, and we are proud to be a part of Marathon’s success.”

Investor Notice

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2020. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. Future changes in the network-wide mining difficulty rate or Bitcoin hashrate may also materially affect the future performance of Marathon's production of Bitcoin. Additionally, all discussions of financial metrics assume mining difficulty rates as of May 2021. See "Forward-Looking Statements" below.

Forward-Looking Statements

Statements made in this press release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “should,” “expect,” “anticipate,” “estimate,” “continue,” or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading “Risk Factors” in the Company’s Annual Reports on Form 10-K, as may be supplemented or amended by the Company’s Quarterly Reports on Form 10-Q. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

About Marathon Digital Holdings

Marathon is a digital asset technology company that mines cryptocurrencies with a focus on the blockchain ecosystem and the generation of digital assets.

About Compute North: Compute North is the North American leader in TIER 0™ computing. The company provides efficient, low-cost, and distributed infrastructure for clients in the blockchain, cryptocurrency mining and the high-performance computing space. With operations in Minnesota, Texas, South Dakota, and Nebraska, Compute North brings a unique combination of data center, energy, and computing expertise to deliver the lowest cost computing in the world. For additional information, please visit computenorth.com.

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Marathon Digital Holdings Investor Contact:

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Matt Glover and Charlie Schumacher

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Email: MARA@gatewayir.com



Source: Marathon Digital Holdings, Inc.
