



RESEARCH UPDATE

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Market Statistics

Price	\$ 4.70
52 week Range	\$1.39 - \$7.26
Daily Vol (3-mo. average)	428,170
Market Cap (\$M):	\$ 402.7
Enterprise Value (\$M):	\$ 431.2
Shares Outstanding: (M)	84.7
Float (M)	84.4
Public Ownership	83.7%
Institutional Ownership	16.0%

Financial Summary

Cash (\$)	\$ 4.37
Cash/Share	\$ 0.05
Debt (\$)	\$ 35.4
Equity (\$)	\$ 148.8
Equity/Share	\$ 1.77

FYE: Mar 2023 2024 E 2025 E

(in \$M)	2023	2024 E	2025 E
Rev	\$106.3	\$135.5	\$210.9
Chng %	-50%	27%	56%
Adj - EBITDA	\$23.2	\$41.4	\$87.3
EPS	\$ (2.85)	\$ (0.42)	\$ 0.20
EV/R	2.1x	4.1x	3.2x
EV/EBITDA	2.5x	18.6x	10.4x



Company Description

HIVE Digital Technologies is a leading data center owner and operator. The company's infrastructure includes over 100 megawatts of Bitcoin mining and fast-growing GPU cloud business powered by its industrial-grade NVIDIA GPUs. HIVE trades on the Nasdaq and TSX Venture Exchanges, under the ticker symbol HIVE, and on the Frankfurt Stock Exchange under the ticker HBFA.F. The company's facilities are strategically located near clean, low-cost energy sources such as hydroelectric and geothermal plants.

HIVE DIGITAL TECHNOLOGIES LTD. (TSXV: HIVE)

Company Updates

Name Change as Industry Evolves: HIVE recently announced that it will change its name from "HIVE Blockchain Technologies" to "HIVE Digital Technologies". This adjustment is to more fully capture the potential that HIVE sees in the market to not only take advantage of the possibilities provided by mining bitcoin, but also to use their GPU units to drive stable revenues in the High Performing Computers segment, specifically around AI applications.

Leader in Bitcoin Mining: HIVE is the first publicly traded cryptocurrency miner and was listed in 2017 on the TSX Venture Exchange. We estimate the Company is generating over 9.8 Bitcoin per day, which translates to \$274,400 revenue in crypto every day using May month spot prices. This is up from \$194,628 in January of 2023. Due to recent price volatility for forward run rate calculations, we will use the trailing 30-day average of \$28,775 BTC price for our revenue assumptions. This is amplified by the high operating efficiency that the Company has of approximately 92.4 BTC mined per EH as of May 2023. This is among most efficient BTC/EH in the industry.

More Tasks Given to Repurposed GPUs: Historically, HIVE generated significant revenues and profits from mining Ethereum (ETH). On 9/15/22, ETH "merged" with Beacon Chain making ETH mining obsolete. Due to the "merge", HIVE repurposed their GPU fleet to mine altcoins (cryptos outside of BTC) and has maintained profitability mining these coins. HIVE has also announced that in 2Q23 these GPUs will be used for cloud computing services supporting AI, a venture that can be 25 times more profitable than using the GPUs for mining. With how GPU intensive AI applications are, this GPU allocation gives investors direct exposure to AI.

ESG Oriented: The Company has a green energy focus that includes hydroelectric and geothermal energy that powers their mining facilities. The Company owns green energy-powered data center facilities in Canada, Sweden, and Iceland which produces minted digital currencies. Notably, the recent infrastructure upgrades in New Brunswick and Quebec were completed using green, clean, and cheap energy.

Positioned to Benefit from Price Correction: The Company mines and holds Bitcoin, leading to large revenue swings. There are many secular drivers which support upward bias to spot prices, including a limited supply curve, increased institutional interest, and steady progress in regulatory acceptance for Bitcoin. HIVE is strategically positioned to take advantage of its recent ASIC purchases at attractive prices as well as its increasing store of Uncommon Sats. We believe a near term catalyst could be if the Fed pivots to a more dovish stance and/or the BlackRock and Fidelity ETFs gaining approval from the SEC.

Valuation: We are valuing the Company based on our 2024 estimates:

EV/EBITDA: Applying an EV/EBITDA range of 10x to 11x, with a midpoint of 10.5x, results in a price range of \$4.10 to \$5.10, with a midpoint of \$4.85.

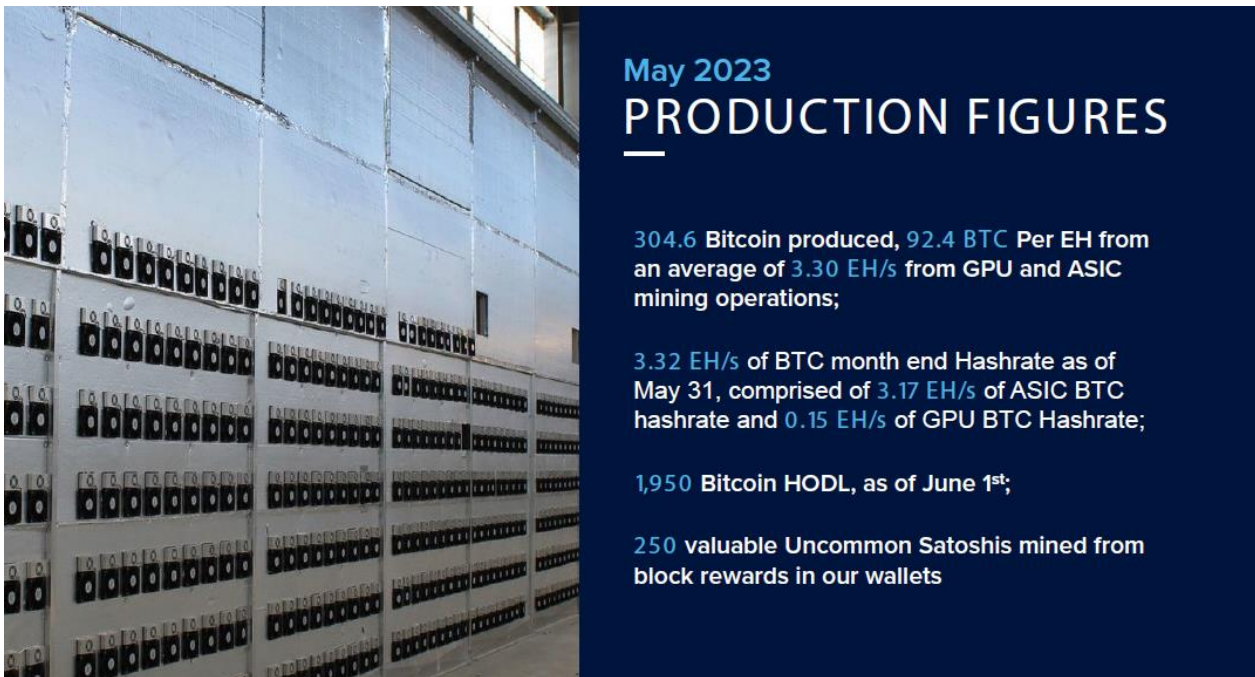
EV/Revenues: Applying an EV/Revenue range of 3x to 4x, with a midpoint of 3.5x, results in a price range of \$4.51 to \$6.14, with a midpoint of \$5.33.

EV/Exahash: Applying an EV/EH range of 150x to 200x, with a midpoint of 175x results in a price range of \$5.58 to \$7.57, with a midpoint of \$6.58.

Business Overview

HIVE Digital Technologies is a Canadian-based sustainable cryptocurrency mining Company with mining facilities in Canada, Sweden, and Iceland. As HIVE has expanded and upgraded its Bitcoin mining fleet, the Company has become one of the most efficient miners, producing an average of 9.8 BTC per day in May 2023 at a rate of 92.4 BTC per EH/s. HIVE went public in 2017 under the “HIVE” ticker on the TSX Venture Exchange and has since listed on the Nasdaq as well as the Berlin and Frankfurt Stock Exchanges.

Exhibit 1: Hive by the Numbers



Source: Company Reports

Per the most recent MD&A as of March 31, 2023, HIVE's cryptocurrency mining operations are all powered by green energy, hydroelectric or geothermal, with the major data centers being:

- 1) A Bitcoin mining operation in New Brunswick, Canada, currently equipped with approximately 17,300 new generation ASIC mining rigs with an aggregate operating hash rate of approximately 1,461 petahashes per second (PH/s), utilizing approximately 56 megawatts (MW) of power capacity with available capacity of 70 MW.
- 2) A Bitcoin mining operation at a leased facility in Quebec, Canada, currently equipped with approximately 7,100 new generation ASIC mining rigs with an aggregate operating hash rate of approximately 669 PH/s, utilizing approximately 28 MW power but with an available power capacity of 30 MW.
- 3) In Sweden, a leased facility equipped with power capacity of 32 MW, of which 6.5 MW are GPUs which produce approximately 296 PH/s of Bitcoin mining capacity, 21 MW are ASICs which produce 553 PH/s of Bitcoin mining capacity, and the remainder is cooling and operations.
- 4) In Iceland, HIVE has a 5 MW hosted data center which produces 158 PH/s and another 5 MW hosted facility which produce 101 PH/s.

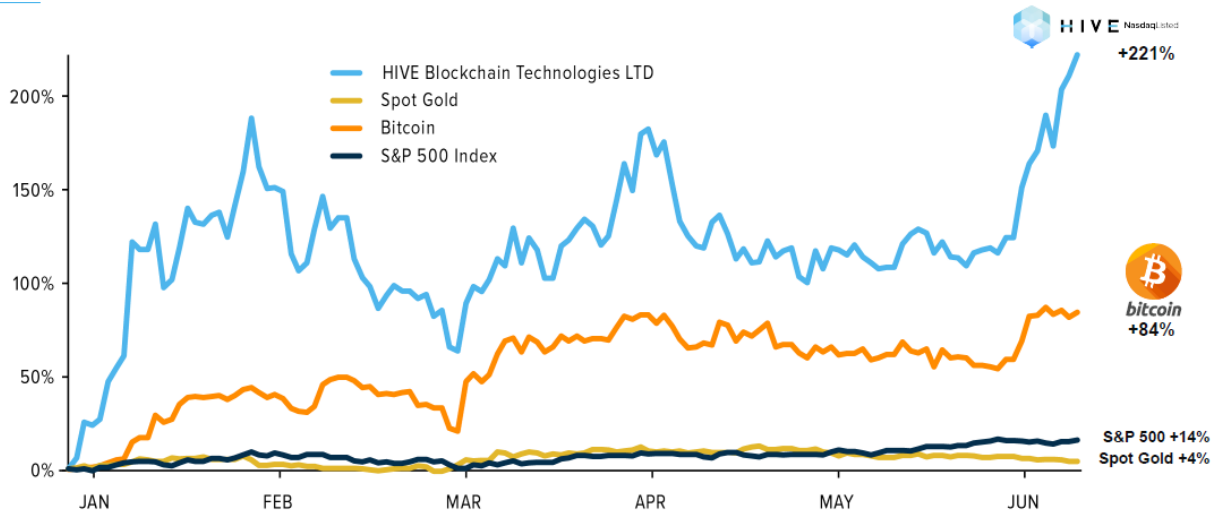
All the mining power is utilized by HIVE to generate mining rewards that are paid in Bitcoin and generally retained in secure storage.

HIVE demonstrated its adaptability in 2021 by executing numerous collaborations and agreements to expand its business. HIVE joined the NVIDIA Partner Network and made \$66M of industrial grade GPU purchases from top vendors like Bitmain, MicroBT, & Canaan, which will greatly enhance its BTC and altcoin mining capacity.

Overall, HIVE has made substantial efforts to scale its business and targets at achieving an EBITDA positive business. The fundamental principles, expansion plans, and green power agreements offer HIVE favorable crypto mining economics and a compelling value proposition in the market.

The Company currently has a significant Bitcoin treasury, and they have not pledged or staked it as collateral against debt or other obligations of any kind. This strategy is well suited for investors that believe in the long-term future of Bitcoin and want direct exposure to the digital asset market.

Exhibit 2: YTD HIVE Performance Through June 30, 2023



Source: Company Reports

HIVE Revenue Model

The Company recognizes revenue from the provision of transaction verification services, known as cryptocurrency mining, for which the Company receives digital currencies and records them at their fair value on the date received. As with any mining company, the spot price volatility of BTC can have a material impact on revenue generated in any given period. Mining revenue is also dependent on HIVE's hash rate and the BTC and other altcoin network hashrates.

The Company's generates revenue from mining Bitcoin using ASICs and GPUs. During the quarter that ended March 2023, the Company generated \$18.2 million in mining revenue. The Company currently holds 2,332 BTC worth \$65.9 million of digital currencies with cash of \$4.4 million in hand.

Exhibit 3: Digital Currencies

	March 31, 2023	March 31, 2022
Bitcoin	\$ 65,772,170	\$ 117,669,390
Ethereum	-	52,301,707
Ethereum Classic	117,281	29,315
Other coins	9,998	-
Total	\$ 65,899,449	\$ 170,000,412

Source: Company reports, Financial statements

The Company's revenue is generated through HIVE's profitable self-mining. The Company's sites in Canada, Sweden, and Iceland all achieve profitable self-mining using green energy, such as hydroelectric and geothermal. For its ASIC and GPU miners, HIVE has created an internal data center design with dependable uptime performance, affordable cooling, and direct grid connections. HIVE does not rely on external hosting for any of its operations, excluding its Icelandic data center. As of June 1 2023, the Company had a combined BTC mining hashrate of 3.32 EH/s, comprised of 3.17 EH/s from ASIC Mining and 0.15 from GPU BTC Mining.

Exhibit 4: Gross Mining Margin Q/Q Stats

Calculation of Gross Operating Margin:	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue (1)	\$ 18,223,402	\$ 14,318,711	\$ 29,596,579	\$ 44,178,526	\$ 49,783,515
Less:					
Operating and maintenance costs:	(14,198,665)	(10,702,734)	(13,656,022)	(17,161,751)	(26,910,860)
Gross Operating Margin	\$ 4,024,737	\$ 3,615,977	\$ 15,940,557	\$ 27,016,775	\$ 22,872,655
Gross Operating Margin %	22%	25%	54%	61%	46%

Source: Company Reports

Profitability is determined by taking income (the Company's share of network hashrate * block reward * price of BTC) and deducting expenditures (the cost of the miner + power + any other corporate expenses). The hashrate of the network, the cost of miners, the cost of Bitcoin, and the block reward are the variables. HIVE focuses largely on increasing hashrate and reducing electricity costs to achieve a lower breakeven BTC price and larger profitability.

Multiple Growth Drivers for HIVE

Increasing Mining Capacity & Growing Hashrate:

HIVE continues to scale up its operations and has recently completed an additional 10MW in New Brunswick, and 4MW in Quebec for incoming ASICs, bringing total operating power capacity to 147.5MW across all operational sites.

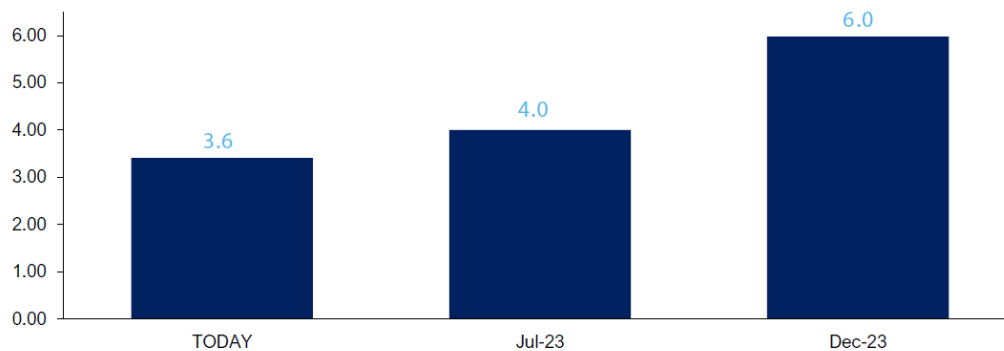
HIVE entered an at-the-market equity offering agreement in 3Q22 to sell up to \$100 million of company shares to support the growth of its mining operations. For the year ended March 31, 2023, the Company issued 1,306,476 common shares for gross proceeds of \$3,941,736. The proceeds will be used to capitalize on opportunities which may exist or may be brought to its attention relating to distressed asset sales of mining equipment throughout the mining ecosystem. This offering was terminated as of February 6, 2023.

As of May 11, 2023, the Company entered into a new ATM Equity Program with Stifel GMP and Canaccord Genuity Corp. This is an impressive milestone for HIVE as the backing of two large independent brokers in Canada lays runway for HIVE's continued growth. This financing is expected to be used to grow HIVE's Exahash rate to 6.

Exhibit 5: Growth Outlook

GPU And ASIC Combined For BTC Hashrate

HIVE 2023 ASIC HASHRATE GROWTH OUTLOOK



11% increase in hashrate this quarter via ASICs in HIVE's inventory which can be installed throughout its global infrastructure

**Included in these figures, HIVE has approximately 150 Petahash Bitcoin mining capacity from its GPU fleet*

Source: Company Reports

Key Data Points:

- As of June 01, 2023, HIVE HODLs 1,950 BTC with 250 Uncommon Satoshis mined from block rewards in its wallets and operates 3.17 EH/s in BTC equivalent mining capacity during the month from ASIC mining operations and 0.15 EH/s from GPU operations.
- Exhibit 5 above shows growth in hashrate from contracted deliveries of ASICs of the new HIVE Buzzminer powered by Intel ASICs. In addition to this projected ASIC capacity, HIVE has hash rate from its GPU fleet equivalent to approximately 150 PH/s (or 0.15 EH/s). We expect HIVE will operate at approximately 6.0 EH/s in BTC equivalent hashrate by year end 2023 (including both ASICs and GPUs).
- The Company has a robust growth pipeline at its New Brunswick, Iceland, and Sweden facilities, with capacity recently expanded to 147.5MW. Using low-cost renewable energy sources and fast ramping up both its operational BTC hashrate are the main goals of HIVE's site expansions.

HIVE Current Production Update:

As of June 1, HIVE is producing an average of 9.8 Bitcoin per day from ASIC and GPU production comprised of almost 9.3 Bitcoin per day from ASIC fleet and approx. 0.5 Bitcoin per day from GPU fleet.

Exhibit 6: Efficiency Analysis

	Argo	Bitfarms	Clearpool	BIT DIGITAL	Bitfarms	DMG	HIVE	HUT8	IntigEnergy	IO T	TERABALL
May 31, 2023 Total HR PH/s	2.50	5.00	6.70	1.30	6.00	0.99	3.32	2.60	5.60	15.20	3.90
Operational HR May 2023	2.50	4.90	6.70	1.20	6.00	0.78	3.30	2.60	5.51	14.60	3.90
Bitcoin Self Mined May 2023	173	459	609	113	493	70	305	147	508	1,245	323
Current Bitcoin Hodl	50	510	451	454	407	570	1,950	9,233	0	12,259	7,190
Bitcoin Sold May 2023	206	414	471	84	513	34	639	179	508	554	600
May 31, Hodl \$M	\$1.4	\$13.9	\$12.3	\$34.8	\$11.1	\$15.5	\$53.1	\$251.3	\$0.0	\$333.7	\$195.7
Bitcoin mined per 1 EH/s	69.2	93.7	90.9	94.3	82.2	89.7	92.3	56.5	92.2	85.3	64.4
Bitcoin Mined April per day	4.8	12.6	17.5	2.9	13.5	2.5	8.5	4.4	10.6	23.4	21.3
Bitcoin Mined May per day	5.6	14.8	19.6	3.7	15.9	2.3	9.8	4.7	16.4	40.2	21.8
Day on Day change %	16.3%	17.2%	12.5%	27.2%	17.5%	-8.0%	15.7%	7.8%	54.1%	71.6%	2.4%
May Self Mining Revenues \$M	\$4.7	\$12.5	\$16.6	\$3.1	\$13.4	\$1.9	\$8.3	\$4.0	\$13.5	\$33.9	\$18.4

Source: Anthony Power

The Company has 11,269 new generation ASIC miners deployed across HIVE’s data centers. This is along with 5,400 BuzzMiners deployed across the facilities in Canada and Sweden as well as the 3,600 S19j Pro+ Miners fully deployed in New Brunswick and Lachute facilities. The total mining power that HIVE employs translated to 3.32 Exahash at the end of May 2023. As ASIC prices approach all-time lows, the Company will be strategic with their capital allocation to upgrade their fleet at the most economic prices.

ESG Focus:

Currently, HIVE operates 70 MW in New Brunswick and a 30 MW facility in Quebec for mining Bitcoin in Canada. New Brunswick has a total capacity of 70MW, ready for new ASICs to arrive. Lachute has a total capacity of 30MW. New Brunswick/Quebec is a desirable site for expansion and flexibility for future operations, since it offers competitive costs for renewable energy, and skilled labor.

In addition, HIVE runs a 37.5MW mining plant in Sweden. Hydroelectricity provides power for Sweden's GPU infrastructure.

Lastly, the Company is operating a 10MW mining facility in Iceland. Iceland was HIVE’s first mining facility and is the only site to rely on third-party hosting to operate. Iceland offers mild year-round temperatures to reduce cooling costs and is powered by geothermal sources.

Increasing Supplier Arrangements to Drive Growth:

In preparation for its new sites coming online, HIVE has made significant investments to grow and optimize its fleet since 2021. In 2021, HIVE joined the NVIDIA Partner Network and also entered purchase agreements with MicroBT and Bitmain to enhance its mining fleet. These deals secured a large amount of top-of-the-line ASIC and GPU miners in preparation for expansion across its sites in North America and Europe.

Exhibit 7: Mining Capacity

2023 OPERATIONAL UPDATE
INFRASTRUCTURE

HIVE has completed the following infrastructure using green and clean energy:

CURRENT COMPLETED MW
 New Brunswick: 70MW
 Quebec: 30MW
 Sweden: 37.5MW
 Iceland: 10MW
TOTAL: 147.5MW

Source: Company Reports

HIVE announced a supply agreement with Intel Corporation to purchase high-performing ASIC chips that will be incorporated into state-of-the-art miner, which HIVE is developing and manufacturing. The product is named the HIVE Buzzminer, using the Intel BlockScale ASICs. Most of these miners have already been delivered, with the remaining expected to be delivered in the coming quarter.

In December 2022 HIVE brought online all 3,570 S19j Pro miners at their New Brunswick and Lachute Facilities. After having received the miners in December 2022, it is notable that management had these miners operational on a short timeframe.

Undervalued to its Peers

Historically, HIVE was operating its Ethereum mining fleet that generated approximately 3 to 4 times more revenue per MW, compared to Bitcoin ASIC mining, and reported higher gross margins compared to their peers. HIVE has consistently led the industry with the highest Bitcoin per Exahash production figures. Despite this, the Company has been valued within the lowest multiples in its peer group.

HIVE has strategically located its facilities in various mining friendly jurisdictions (in terms of coins mined, geographic locations, and equipment) which reduces risk. The Company follows an accelerated depreciation policy, depreciating their equipment over 2 years and continuing to invest in newer technology-based equipment miners. The Company has roughly 20 employees in managing its fleet, generating the highest revenue/employee compared to its peers.

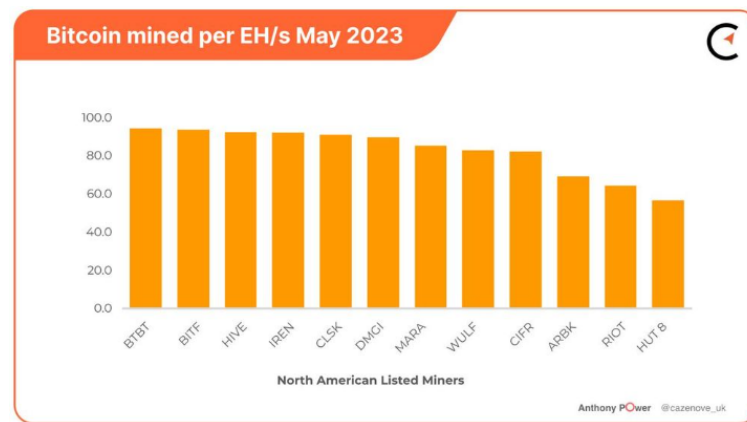
The table below from Anthony Powers in Exhibit 9 from Anthony Power, ranks all Bitcoin miners in terms of their monthly production in Bitcoin per Exahash, which is the industry leading KPI to determine uptime (operational efficiency). HIVE was in the top 3 of Miners in May of 2023 for Bitcoin mined per EH/s, with results having been tabulated by Anthony Powers.

Exhibit 8: Bitcoin Valuation Over Peers

Balance Sheet Extract	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total Current Assets	69.09	47.74	21.19	63.86	196.34	73.30	14.14
Total Current Liabilities	67.24	40.33	41.60	22.32	24.09	27.10	126.02
Current Ratio	1.03	1.18	0.51	2.86	8.15	2.70	0.11
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Net Assets (NA)	255.6	343.0	427.0	140.9	280.9	270.1	117.8
MCAP (\$M) (May 9, 2023)	230.7	497.3	333.0	259.1	393.5	208.9	312.9
Total Debt	21.0	20.3	25.1	34.9	37.9	1.4	124.9
Cash and Cash Equivalents	29.0	11.9	5.9	47.6	22.5	39.4	1.3
Enterprise Value less BTC Hold (EV)	209.1	493.1	343.0	179.6	148.8	170.9	436.6
EV / Net Assets	0.82	1.44	0.80	1.28	0.53	0.63	3.71
Debt to Equity Ratio	0.34	0.22	0.14	0.34	0.18	0.11	1.70
EV/Hash Rate	41.8	82.2	51.2	53.5	57.2	32.9	103.9

Source: Anthony Power

Exhibit 9: HIVE Efficiency in BTC Production over Peers



Source: Anthony Power

Post – Merge Review (Month Following Ethereum Merge)

The Ethereum Foundation finalized the Merge, bringing an end to Proof-of-Work as the consensus layer for the Ethereum network and signaled the end of GPU based Ethereum mining on September 15, 2022. HIVE has been positioning itself for the eventuality of Ethereum transitioning from Proof-of-Work to Proof-of-Stake and the Company notes it has sold substantively all its Ethereum. HIVE has focused on reoptimizing its GPU fleet to mine altcoins.

Prior to the Merge, the Company was generating approximately the same ETH/USD value of 7 Bitcoins per day. Post Merge, the Company was generating approximately 1.6 Bitcoins per day from the same equipment. With Bitcoin price at the time ~\$20,000, this was the difference of generating approximately \$140,000 USD from 25MW of GPU mining operations in Ethereum mining, and \$30,000 USD from these same 25MW of GPU mining operations, but instead mining alt-coins and then converting to Bitcoin.

The below exhibit explains what the financial impact on HIVE was after the merge. Daily revenue decreased from \$350,000 to \$201,000. Revenue/MW dropped from \$2,692/MW levels to \$1,546/MW levels.

Exhibit 10: Revenue Pre merge

Particulars	Average Daily Revenue- June 22 Qtr	Mining Grid (MW)	Revenue/ MW
BITF	464,611	158	2940.6
HIVE	490,873	130	3775.9

Pre-Merge: BTC & ETH		Post-Merge: BTC and Alt Coins		Assumes BTC Only	
105 MW MINING BTC	81%	105 MW MINING BITCOIN	81%	105 MW MINING BTC	81%
25 MW MINING ETH	19%	25 MW MINING GPU	19%	25 MW MINING ALSO MINING BTC	19%
\$171,000 BTC MINING REVENUE	53%	\$171,000 BTC MINING REVENUE	85%	\$171,000 BTC MINING REVENUE	81%
\$150,000 ETH MINING REVENUE	47%	\$30,000 GPU MINING REVENUE	15%	\$40,714 BTC MINING REVENUE	19%
130 MW		130 MW		130 MW	
\$ 321,000 TOTAL DAILY REVENUE		\$ 201,000 TOTAL DAILY REVENUE		\$ 211,714 TOTAL DAILY REVENUE	
\$ 2,469 Revenue/MW		\$ 1,546 Revenue/MW		\$ 1,629 Revenue/MW	

Note: These three scenarios assume HIVE keeps and sells BTC. In the Pre-merge Scenario (September month) Data for bitcoins mined per day & mining revenue per bitcoin is taken same as of October month & not the actual one for comparative purposes. It is pertinent to mention here that bitcoin difficult has also increased in the Q123 for all bitcoin miners & therefore Revenue per MW has also reduced

Source: Stonegate Research

The drop further to \$1,546 MW post merge was in line with competitors operating at \$1,629 Revenue/MW.

The decrease of revenue is only on 25MW of capacity operating the GPU fleet/ The HIVE Revenue/MW earned on the rest of the 105MW grid remains unchanged, that is the ASIC Bitcoin mining fleet, which has industry leading efficiency in Bitcoin per Exahash per month.

Since the Merge, HIVE has made optimal use of its GPU fleet. In the past, the Company has reassigned its GPU fleet to optimize energy consumption, generating \$180,000 of profit in January of 2023 by selling energy back to the electrical grid. This was after a further \$3.1M in profits recognized in December of 2022 using the same strategy. The Company can be expected to utilize this strategy in the future should it be profitable.

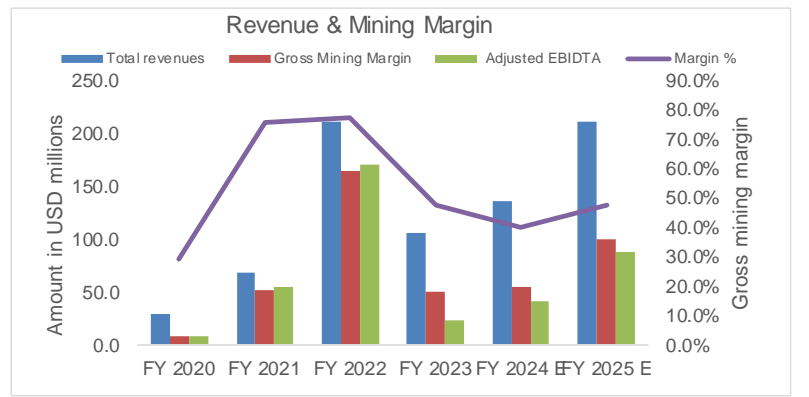
HIVE has also assigned portions of their GPU fleet to launch HIVE Performance Cloud in 2Q23. This pivot is past the proof-of-concept stage and has shown potential for a run-rate of \$1M in annual revenues. To achieve this revenue amount, the Company is using approx. 450 GPUs to support AI, machine learning, and graphic applications, an endeavor that is estimated to be 25x more profitable than mining once it reaches scale.

The next phase of this evolution will involve scaling the usage of HIVEs GPUs to further take advantage of the opportunities offered by AI. The extensive knowledge and track record that HIVE has with GPUs puts them in a strong position to benefit from supporting the High Performance Computing segment. This has the potential to create a less volatile, more profitable, base business should HIVE be able to scale this portion of their business.

Financial Overview

During the quarter ended March 31, 2023, the Company reported revenue of \$18.2 million, down 63% from the same quarter prior year. The company achieved gross mining margin of \$4.0 million for the quarter, an 82% decrease over 4Q22 of \$22.9 million, the Company's gross mining margin was 22.1%, versus 45.9% in 4Q22. Adjusted EBITDA was \$(1.3) million & Adjusted EBITDA margin stood at (7.0)% vs 23.7% reported in 4Q22.

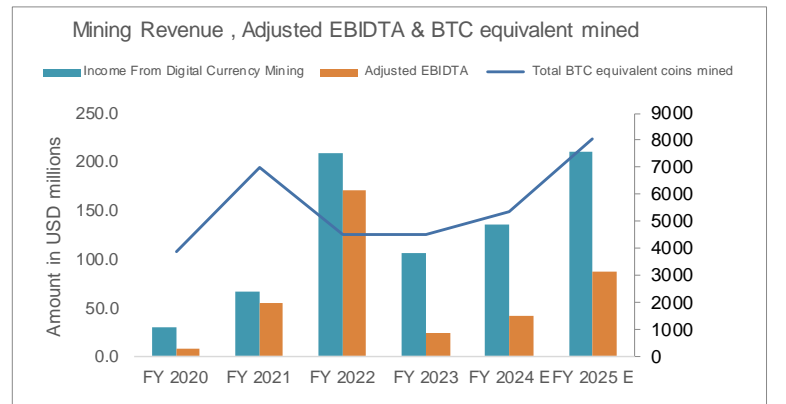
Exhibit 11: Margin Statistics



Source: Company Presentation and Stonegate Research

The Company mined 792 Bitcoin during the three-month period ended March 31, 2023. The Company also reported Digital currency assets of \$65.9 million, as of March 31, 2023.

Exhibit 12: Bitcoin Equivalent Mining Statistics



Source: Stonegate Research

Exhibit 13: Balance Sheet Stats



Source: Company Presentation

GP Margins:

We analyzed each of the factor in the following way:

- 1) **Network Difficulty:** Network difficulty factors are a significant variable in the Company's gross profit margins. The Bitcoin network difficulty saw a 17% increase quarter over quarter as of May 2023. Furthermore, the Bitcoin network difficulty saw a total 4.7% increase during the month of May. Despite the increased difficulty, the Company saw consistent Bitcoin production at 304.6 Bitcoin in May of 2023.
- 2) **Digital Currency Rewards:** Block difficulty denotes a relative measure of how difficult it is to find a new block. The difficulty is adjusted periodically as a function of how much hashing power has been deployed by the network of miners. The block reward is how new bitcoin is "minted" or brought into the economy. These rewards, which started at 50 Bitcoin at inception of the network in 2009, halve every 210,000 blocks, with the halving that occurred on May 11, 2020, resulting in a reward of 6.25 Bitcoin per block vs 12.5 immediately prior to the halving. The next halving which will reduce the reward to 3.125 Bitcoin per block is currently projected to happen in April or May 2024.

Risks:

Capital Intensive – Cryptocurrency mining is a capital-intensive industry. Participants are required to use significant capital to acquire new miners and to expand their hash rate capacity to compete with other large-scale miners.

Highly Competitive Industry – Industry participants in Bitcoin are competing to solve a block on the blockchain. There is no guarantee that an industry participant will win its expected Bitcoin reward. Additionally, as the price of cryptocurrencies goes up, a new market participant may be attracted to cryptocurrency mining. The addition of more miners can potentially reduce the current hash rate of existing miners.

Unregulated Cryptocurrency Exchanges – In general, cryptocurrency exchanges are not well-regulated markets. Industry participants are dependent on underregulated third-party providers to establish a market price for Bitcoin or other cryptocurrencies. HIVE relies on well-performing cryptocurrency markets for its revenue generation.

Digital Currency Volatility– HIVE's operating results are directly tied to the price of Bitcoin. The price of Bitcoin has historically experienced significant volatility. If the market price for Bitcoin drops significantly, operating results may suffer.

Supplier Risk – Historically, HIVE has purchased its miners from a single manufacturer. If the Company is unable to obtain the necessary miners or obtain its miners at an appropriate price, its operating results could suffer.

Regulatory Changes – Any regulation of cryptocurrency limiting or barring its use can potentially reduce the demand for these digital assets, and lead to a loss in the overall value of the asset. In general, most countries do not have a high degree of regulation in place for digital asset exchanges, creating the opportunity for more restrictive regulations.

Environmental Risks – Future regulation over the environmental impact of both cryptocurrency mining and the manufacturing of new miners could restrict HIVE's mining activities or affect the availability of new miners.

Significant Need for Power – The process of mining digital assets requires a significant amount of electrical power to run its miners. An inability to secure the necessary electrical power or the ability to access electrical power at acceptable costs could negatively impact operations. This risk was most evident following the Russian invasion of Ukraine where the Company saw a significant increase in energy costs at their Sweden location.

VALUATION SUMMARY

HIVE's revenues are closely tied to the price of BTC. We have included a sensitivity analysis in exhibit 14, to determine a potential annual run rate for the next twelve months of revenue and EBITDA assuming a 45% Gross Mining Margin and a BTC price of \$29,750 (based on a 30-day moving average). HIVE has historically generated higher margins relative to its peers yet has traded at a significantly discounted valuation. We believe HIVE should trade at or above industry peers. Due to the volatility in BTC price, we opted to use the near term 2024 multiples to value HIVE as opposed to 2025 multiples.

We are using three methods to value the Company based on our 2024 estimates:

- **EV/EBITDA:** Applying an EV/EBITDA multiple range of 10x to 11x, with a midpoint of 10.5x, results in a price range of \$4.60 to \$5.10, with a midpoint of \$4.85.
- **EV/Revenues:** Applying an EV/Revenue multiple range of 3.0x to 4.0x, with a midpoint of 3.5x, results in a price range of \$4.51 to \$6.14, with a midpoint of \$5.33.
- **EV/Exahash:** Using an alternative approach, applying an EV/EH range of 150x to 200x, with a midpoint of 175x, results in a price range of \$5.58 to \$7.57, with a midpoint of \$6.58.

We note that there is significant upside to these valuation results should HIVE capitalize on the potential to use GPUs in the High Performance Computing Segment and/or, as the price of BTC rises.

Exhibit 14: Valuation Summary

Bitcoin Price Sensitivity Analysis						
BTC Price	29,750	20,000	25,000	30,000	35,000	40,000
Revenue NTM (\$m)	148.0	92.4	117.2	142.1	167.0	191.9
EBITDA NTM (\$m)	26.0	13.7	20.0	26.3	32.6	38.9
EBITDA %	18%	15%	17%	18%	20%	20%

*Current 30 day trailing average highlighted

HIVE Digital Technologies Ltd.
(all figures in USD M, except for per share information)

Company Name	Symbol	Price (1)	EV	MC	ROA	Gross Margin	PH	EV/PH	P/B	EV/Rev (2)			EV/EBITDA (2)			
										2022	2023 E	2024 E	2022	2023 E	2024 E	
Core Scientific, Inc.	CORZ.Q	\$ 0.89	319	347	-17%	1%	NM	NM	NM	0.5x	0.4x	0.4x	NM	2.0x	1.4x	
Argo Blockchain plc	ARB	\$ 0.12	129	66	-22%	18%	3	51.62424	4.0x	2.7x	2.7x	2.7x	2.7x	10.9x	4.9x	
Bitfarms Ltd.	BITF	\$ 1.58	413	405	-6%	7%	4.90	84.3x	1.4x	2.9x	2.3x	2.3x	15.1x	8.3x	5.8x	
Hut 8 Mining Corp.	HUT	\$ 3.12	717	693	-8%	-17%	2.60	275.5x	2.6x	4.8x	7.6x	7.7x	5.3x	NM	32.5x	
CleanSpark, Inc.	CLSK	\$ 5.09	610	597	-2%	69%	6.70	91.0x	0.7x	4.6x	3.5x	1.6x	17.4x	20.9x	4.5x	
Marathon Digital Holdings, Inc.	MARA	\$ 14.78	3,300	2,691	-17%	38%	14.60	226.1x	6.0x	28.0x	8.3x	5.7x	NM	25.8x	12.5x	
Riot Platforms, Inc.	RIOT	\$ 15.84	2,913	3,048	-11%	25%	10.50	277.5x	2.5x	11.2x	8.0x	4.9x	NM	29.6x	10.2x	
								Average	167.7x	2.9x	7.8x	4.8x	3.6x	10.1x	16.2x	10.2x
								Median	158.6x	2.6x	4.6x	3.5x	2.7x	10.2x	15.9x	5.8x
Hive Blockchain Technologies	HIVE	\$ 4.70	431	403	-24%	48%	3.30	130.5x	2.6x	2.1x	4.1x	3.2x	2.5x	18.6x	10.4x	

(1) Previous day's closing price
(2) Estimates are from Capital IQ for corresponding FY

EV/EBITDA	10.0x	10.5x	11.0x	Particulars	Valuation Range		
					EV/EH	150.0x	175.0x
Adjusted EBITDA FY 2024	\$41.38	\$41.38	\$41.38	EV/EH	3.30	3.30	3.30
EV	413.84	434.53	455.22	EV	495.67	578.28	660.89
Net Debt	31.04	31.04	31.04	Net Debt	31.04	31.04	31.04
Equity Value (in \$ million)	382.8	403.5	424.2	Equity Value (in \$ million)	464.6	547.2	629.8
No of Shares (in million)	83.20	83.20	83.20	No of Shares (in million)	83.20	83.20	83.20
Per Share Value	\$ 4.60	\$ 4.85	\$ 5.10	Per Share Value	\$ 5.58	\$ 6.58	\$ 7.57

Particulars	Valuation Range		
	3.0x	3.5x	4.0x
FY 2023 Revenue	\$135.54	\$135.54	\$135.54
EV	406.61	474.38	542.15
Net Debt	31.04	31.04	31.04
Equity Value (in \$ million)	375.6	443.3	511.1
No of Shares (in million)	83.20	83.20	83.20
Per Share Value	\$ 4.51	\$ 5.33	\$ 6.14

Source: Stonegate Research

BALANCE SHEET

HIVE Blockchain Technologies Ltd. Consolidated Balance Sheets (\$Ms) Fiscal Year: March								
ASSETS	FY 2020	FY2021	FY 2022	Q1 Jun-22	Q2 Sep-22	Q3 Dec-22	Q4 Mar-23	FY2023
ASSETS								
Assets								
Cash	5.1	40.3	5.3	4.0	8.1	8.6	4.4	4.4
Amounts receivables and prepaids	9.7	8.8	8.0	7.7	9.2	10.8	9.4	9.4
Investments	0.0	1.0	17.0	7.9	6.5	5.5	2.9	
Digital Currencies	3.5	57.5	170.0	71.4	64.9	39.0	65.9	65.9
Total Current Assets	18.3	107.5	200.3	91.0	88.7	63.9	82.5	82.5
Property & Equipment	-	-	177.5	171.2	132.0	93.7	87.2	87.2
Net Property & equipemnt	-	-	177.5	171.2	132.0	93.7	87.2	87.2
Data Centre Equipment	6.4	21.6	-	-	-	-	-	-
Cloud mining rights	0.0	0.0	-	-	-	-	-	-
Right of use asset	2.2	3.0	12.6	11.3	9.9	11.2	11.0	11.0
Deposits	1.9	45.5	59.7	43.7	45.8	15.9	9.5	9.5
Invetments in sublease	0.2	0.1	0.0	0.0	-	-	-	-
Goodw ill	-	0.6	0.3	0.3	0.2	0.1	0.1	0.1
Long Term recievables	-	-	1.8	1.8	1.8	4.7	5.8	5.8
Other assets	10.8	70.8	74.4	57.0	57.6	31.8	26.4	26.4
Total Assets	29.1	178.3	452.3	319.2	278.4	189.4	196.1	196.1
LIABILITIES AND SHAREHOLDERS' EQUITY								
Current Liabilities								
Accounts Payable and accrued liabilities	2.1	3.5	12.4	16.3	10.4	9.6	9.4	9.4
Loans Payable	2.7	4.4	1.2	1.2	1.2	1.2	1.2	1.2
Taxes Payable	0.8	0.1	0.1	0.0	-	-	-	-
Current portion of lease liability	1.6	1.9	2.2	2.0	1.9	2.1	2.3	2.3
Current portion of Term Loan	-	-	9.4	8.8	7.9	7.6	7.1	7.1
Current income tax liability	-	-	0.9	0.9	2.3	1.9	1.8	1.8
Total Current Liabilities	7.2	9.9	26.2	29.2	23.7	22.3	21.9	21.9
Long Term Liabilities								
Lease Liability	0.8	1.2	10.5	9.3	8.2	8.2	8.1	8.1
Convertible Loan - Liability component	-	6.3	5.6	5.4	5.2	5.0	4.7	4.7
Convertible loan- derivative component	-	9.4	5.0	0.6	0.8	0.1	0.5	0.5
Loans Payable	-	17.1	14.5	13.1	12.0	12.9	11.9	11.9
Term Loan	-	-	0.0	-	-	-	-	-
Deferred Tax Liability	-	-	1.5	1.5	-	-	0.2	0.2
Total Long Term Liabilities	0.8	34.0	37.1	30.0	26.2	26.2	25.4	25.4
Total Liabilities	8.0	43.9	63.2	59.2	49.9	48.5	47.3	47.3
Shareholders' Equity								
Share Capital	188.5	259.9	413.7	413.7	414.5	418.6	419.2	419.2
Equity reserve	0.0	0.0	12.2	13.2	15.0	16.6	18.9	18.9
Accumulated other comprehensive income	5.7	5.2	23.4	10.8	10.2	10.4	7.4	7.4
Accumulated deficit (Earnings)	(173.2)	(130.6)	(60.2)	(177.7)	(211.2)	(304.7)	(296.7)	(296.7)
Special Warrants	-	-	-	-	-	-	-	-
Total Stockholders Equity	21.1	134.5	389.1	260.0	228.5	140.9	148.8	148.8
Total Liabilities and Shareholders' Equity	29.1	178.3	452.3	319.2	278.4	189.4	196.1	196.1
Ratios								
Liquidity								
Current Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x	3.8x	3.8x
Quick Ratio	2.5x	10.9x	7.7x	3.1x	3.7x	2.9x	3.8x	3.8x
Working Capital	11.09	97.68	174.1	61.7	65.0	41.5	60.6	60.6
Leverage								
Net Debt to Equity	-20.7%	-4.7%	7.8%	9.4%	7.9%	20.2%	14.0%	14.0%
Net Debt to Capital	-26.0%	-4.9%	7.2%	8.6%	7.3%	11.1%	12.3%	12.3%
Capital Usage- Annualized								
A/R Turns	3.0x	7.7x	26.5x	22.5x	13.8x	5.3x	7.2x	11.4x
Days Sales Outstanding	121.8	47.3	13.8	16.2	26.4	68.6	50.4	32.1
A/P Turnover	9.7x	4.8x	3.8x	1.2x	1.2x	1.1x	6.0x	6.0x
Dayes Payables outstanding	37.5	76.6	95.6	305.0	303.9	326.7	60.8	61.3

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

HIVE Blockchain Technologies Ltd. Consolidated Statements of Income (in M \$, except per share amounts) Fiscal Year: March																	
	FY 2021	FY 2022	Q1 Jun-22	Q2 Sep-22	Q3 Dec-22	Q4 Mar-23	FY 2023	Q1 E Jun-23	Q2 E Sep-23	Q3 E Dec-23	Q4 E Mar-24	FY 2024 E	Q1 E Jun-24	Q2 E Sep-24	Q3 E Dec-24	Q4 E Mar-25	FY 2025 E
Income From Digital Currency Mining	66.70	209.61	44.18	29.60	14.32	18.22	106.32	31.44	32.96	34.97	36.17	135.54	51.58	52.31	53.31	53.74	210.94
Hosting Revenue	1.00	1.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 67.7	\$ 211.2	\$ 44.2	\$ 29.6	\$ 14.3	\$ 18.2	\$ 106.3	\$ 31.4	\$ 33.0	\$ 35.0	\$ 36.2	\$ 135.5	\$ 51.6	\$ 52.3	\$ 53.3	\$ 53.7	\$ 210.9
Operating and mining costs	(16.6)	(47.3)	(17.2)	(13.7)	(10.7)	(14.2)	(55.7)	(19.7)	(20.6)	(20.1)	(20.8)	(81.2)	(28.4)	(28.8)	(26.7)	(26.9)	(110.7)
Gross Mining Margin	51.1	163.9	27.0	15.9	3.6	4.0	50.6	11.8	12.4	14.9	15.4	54.4	23.2	23.5	26.7	26.9	100.3
General and Administrative	(5.1)	(11.0)	(3.4)	(3.2)	(3.2)	(3.4)	(13.2)	(3.3)	(3.3)	(3.3)	(3.3)	(13.0)	(3.3)	(3.3)	(3.3)	(3.3)	(13.0)
Share-based compensation	(1.7)	(6.8)	(1.0)	(1.9)	(2.6)	(2.9)	(8.4)	(2.2)	(2.2)	(2.2)	(2.2)	(8.6)	(2.3)	(2.3)	(2.3)	(2.3)	(9.0)
Depreciation	(10.9)	(67.0)	(25.8)	(24.3)	(20.3)	(11.3)	(81.7)	(15.0)	(15.0)	(15.0)	(15.0)	(60.0)	(15.0)	(15.0)	(15.0)	(15.0)	(60.0)
Operating Income	33.4	79.2	(3.1)	(13.6)	(22.5)	(13.6)	(52.8)	(8.6)	(8.0)	(5.5)	(5.0)	(27.2)	2.7	3.0	6.2	6.4	18.3
Revaluation of Digital Currencies	24.7	0.0	(72.2)	(2.4)	(6.0)	9.6	(70.9)	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Digital Currencies	8.0	0.1	(7.2)	0.0	-	5.4	(1.8)	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	1.3	3.3	(3.7)	7.1	2.0	(4.2)	1.2	-	-	-	-	-	-	-	-	-	-
Realised Gain/loss on Investments	0.0	-	(8.7)	-	-	8.7	-	-	-	-	-	-	-	-	-	-	-
Unrealized Gain/loss on investments	0.8	(0.8)	4.4	(1.0)	(1.1)	(15.7)	(13.4)	-	-	-	-	-	-	-	-	-	-
Change in Fair Value of derivative Liability	(0.9)	10.8	-	(0.2)	0.7	4.0	4.5	-	-	-	-	-	-	-	-	-	-
Change in Fair Value of Contingent consideration	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment expenses	-	(13.3)	(11.0)	(26.2)	(61.5)	1.0	(97.7)	-	-	-	-	-	-	-	-	-	-
Gain/ Loss on sale of subsidiary	(23.4)	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of mining Assets	-	2.2	-	0.0	(1.3)	(0.1)	(1.4)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	0.2	(0.4)	(0.1)	-	-	-	-	-	-	-	-	-	-
EBIT	43.9	85.9	(101.4)	(36.2)	(89.4)	(5.4)	(232.4)	(8.6)	(8.0)	(5.5)	(5.0)	(27.2)	2.7	3.0	6.2	6.4	18.3
Finance Expenses	(1.2)	(3.9)	(1.0)	(0.9)	(1.0)	(0.8)	(3.7)	(0.9)	(0.9)	(0.9)	(0.9)	(3.8)	(0.9)	(0.9)	(0.9)	(0.9)	(3.8)
Net Income (Loss) before tax	42.7	82.0	(102.4)	(37.2)	(90.4)	(6.2)	(236.1)	(9.5)	(9.0)	(6.5)	(6.0)	(31.0)	1.8	2.1	5.2	5.4	14.5
Tax Expense	(0.2)	(2.4)	-	0.1	0.4	(0.8)	(0.3)	(1.3)	(1.2)	(0.9)	(0.8)	(4.2)	0.2	0.3	0.7	0.7	2.0
Net income (loss) for the period	42.5	79.6	(102.4)	(37.0)	(90.0)	(7.0)	(236.4)	(10.8)	(10.2)	(7.3)	(6.8)	(35.1)	2.0	2.4	5.9	6.2	16.5
Adjusted EBITDA	55.3	171.0	4.1	\$18.8	\$1.5	(\$1.3)	23.2	8.5	\$9.1	\$11.6	\$12.1	41.4	20.0	\$20.3	\$23.4	\$23.6	87.3
Basic EPS (loss)	\$ 0.12	\$ 1.02	\$ (1.24)	\$ (0.45)	\$ (1.09)	\$ (0.08)	\$ (2.85)	\$ (0.13)	\$ (0.12)	\$ (0.09)	\$ (0.08)	\$ (0.42)	\$ 0.02	\$ 0.03	\$ 0.07	\$ 0.07	\$ 0.20
Diluted EPS (loss)	\$ 0.12	\$ 0.94	\$ (1.24)	\$ (0.45)	\$ (1.09)	\$ (0.08)	\$ (2.85)	\$ (0.13)	\$ (0.12)	\$ (0.09)	\$ (0.08)	\$ (0.42)	\$ 0.02	\$ 0.03	\$ 0.07	\$ 0.07	\$ 0.20
Basic shares outstanding	347.1	77.7	82.2	82.3	82.7	82.9	82.9	83.0	83.0	83.1	83.2	83.2	83.4	83.5	83.7	83.9	83.9
Diluted shares outstanding	347.1	84.8	82.2	82.3	82.7	82.9	82.9	83.0	83.0	83.1	83.2	83.2	83.4	83.5	83.7	83.9	83.9
Margin Analysis																	
Gross Margin	75.5%	77.6%	61.2%	53.9%	25.3%	22.1%	47.6%	37.5%	37.5%	42.5%	42.5%	40.1%	45.0%	45.0%	50.0%	50.0%	47.5%
Operating Margin	49.3%	37.5%	-6.9%	-45.8%	-157.3%	-74.7%	-49.6%	-27.4%	-24.4%	-15.8%	-13.9%	-20.1%	5.3%	5.8%	11.5%	11.9%	8.7%
EBITDA Margin	81.7%	81.0%	9.3%	63.6%	10.8%	-7.0%	21.8%	27.2%	27.6%	33.2%	33.5%	30.5%	38.7%	38.8%	43.9%	44.0%	41.4%
Pre-Tax Margin	63.1%	38.8%	-231.7%	-125.6%	-631.5%	-33.9%	-222.1%	-30.4%	-27.3%	-18.5%	-16.5%	-22.9%	3.4%	4.0%	9.8%	10.1%	6.9%
Net Income Margin	62.8%	37.7%	-231.7%	-125.1%	-628.6%	-38.4%	-222.4%	-34.5%	-30.9%	-21.0%	-18.7%	-25.9%	3.9%	4.6%	11.1%	11.5%	7.8%
Tax Rate	-0.4%	-2.9%	0.0%	-0.4%	-0.5%	13.5%	0.1%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
Growth Rate Y/Y																	
Total Revenue	131.7%	212.0%	13.3%	-44.8%	-79.2%	-63.4%	-49.7%	-28.8%	11.3%	144.2%	98.5%	27.5%	64.1%	58.7%	52.5%	48.6%	55.6%
Total cost of revenues	-20.0%	185.1%	175.9%	79.8%	64.0%	-47.2%	17.9%	14.5%	50.8%	87.9%	46.5%	45.6%	44.4%	39.7%	32.6%	29.2%	36.4%
Selling, General and Administrative	8.5%	113.0%	45.4%	22.9%	13.5%	7.9%	20.9%	-3.4%	0.4%	0.0%	-4.2%	-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Depreciation	73.6%	512.7%	273.3%	152.7%	35.7%	-68.1%	21.9%	-41.8%	-38.3%	-26.3%	32.6%	-26.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income	-1138.9%	137.2%	-114.4%	-142.1%	-152.6%	-20.2%	-166.6%	181.9%	-40.7%	-75.4%	-63.0%	-48.4%	-131.5%	-137.8%	-211.2%	-226.7%	-167.2%
Pre-Tax Income	-5230.6%	92.2%	-856.9%	-162.1%	-240.7%	-88.9%	-387.8%	-90.7%	-75.8%	-92.8%	-3.4%	-86.9%	-118.6%	-123.4%	-180.6%	-191.0%	-146.9%
Net Income	-5212.4%	87.2%	-856.9%	-161.9%	-240.1%	-87.9%	-396.9%	-89.4%	-72.5%	-91.8%	-3.4%	-85.1%	-118.6%	-123.4%	-180.6%	-191.0%	-146.9%
EPS	-1573.1%	735.9%	-3566.0%	-387.5%	-758.0%	-88.7%	-378.5%	-89.5%	-72.7%	-91.9%	-3.7%	-85.2%	-118.5%	-123.2%	-180.0%	-190.3%	-146.5%
Share Count- fully diluted	247.1%	-75.6%	-79.2%	-79.5%	-79.9%	-2.3%	-2.3%	0.9%	1.0%	0.5%	0.4%	0.4%	0.5%	0.6%	0.7%	0.8%	0.8%
(1) Excludes 1x items (2) Using applicable tax rate																	

Source: Company Reports, Stonegate Capital Partners estimates

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