

# Hosted Mining Guide

Now **Everyone** Can Mine Bitcoin



# WELCOME TO COMPASS

---

From all of us at Compass Mining, thank you for being a customer.

We have assembled this packet to inform you about all the great products and services Compass Mining offers. This handbook will help answer any questions you may have about our business and the mining hardware you have purchased through us.

Our number one priority here at Compass is to make it easy for people to acquire a miner and start mining bitcoin. We aim to make this simple for all of our customers regardless of their bitcoin or mining knowledge base. **Now Everybody Can Mine Bitcoin** is our motto and we look forward to working for you and helping you learn and grow in your bitcoin journey.

If you have any questions or concerns after reading through this guide feel free to [contact us](#). Our team will be happy to assist you. *This document can be found on [our website](#).*

## Disclaimer:

Nothing in this document shall be construed as an offer to enter into a contract or as creating or modifying any contract between you and Compass Mining Inc. The hardware and hosting contracts you have signed shall control with regard to your rights and obligations with respect to Compass Mining Inc.

Compass Mining does not guarantee or warrant any particular outcomes of the mining machines, including that any mining activities will be successful. Mining machines and mining activities come with an inherent level of risk, including, without limitation, protocol risks, network, and information security risks, and operational risks. Such risks are more fully outlined in the hosting service agreement and you should review those carefully. You operate the mining machine entirely at your own risk. This document may not be reproduced or shared, in whole or in part, without Compass Mining's prior express written consent. Compass Mining reserves the right to revise this document at any time without notice to you.

© 2023 Compass Mining Inc.



# TABLE OF CONTENTS

---

1. GETTING STARTED CHECKLIST
2. HARDWARE HOSTING
3. MINING POOL RESEARCH & SETUP
4. CUSTOMER DASHBOARD
5. HOSTING OPERATIONS
6. CUSTOMER SUPPORT, SERVICE, AND RMAs
7. MARKETPLACE
8. HOME MINING
9. COMPASS NEWSLETTER & CONTENT
10. BITCOIN BASICS
11. FREQUENTLY ASKED QUESTIONS



## GETTING STARTED CHECKLIST

---

- ☐ Create an account
- ☐ Purchase a miner that meets your requirements
- ☐ Research and set up a mining pool
- ☐ Set your default pool
- ☐ Set up your mining pool payouts
- ☐ Pay your hosting bills
- ☐ Sit back and hash

### BONUS:

- ☐ Explore the marketplace
- ☐ Check out our media content
- ☐ Educate yourself about self-custody
- ☐ Educate yourself about bitcoin



# HARDWARE HOSTING

---

The primary product that Compass offers is miner hosting. Customers can purchase a miner directly from our [Mining Hardware Page](#) and we will install it into one of our partnered hosting facilities. We have partnerships around the world and are continuously expanding our hosting capacity. The hosting facilities' purpose is to provide affordable power for our customers' machines and to keep their miners hashing with optimal uptime. Customers will receive monthly invoices which cover electricity costs, onsite service, as well as access to Compass's full line of services and staff.

Additionally, our customers own the miner(s), giving them the flexibility to custody or sell their hardware. Customers can have their miner(s) shipped to them at the end of the hosting contracts or they have the option to sell their miner and hosting contract to other customers via our Marketplace, which is explained later in this document.

## Create an Account and Login

To get started with Compass you will first need to create an account and log in. If you are reading this you have likely already done so, if not then this can be done by visiting <https://compassmining.io> and selecting the login button on the top right-hand corner of our website. Here you will click on [Sign up](#) and fill out the information needed to create an account. You will receive a confirmation email with a link to complete your registration. Complete the login process with your new account and you are ready to start exploring our many miner listings.

## Purchasing a Hosted Miner

To purchase a miner you will need to make an account at [compassmining.io](https://compassmining.io). This can be done proactively or at checkout. Looking at the [Mining Hardware Page](#) you will see a list of miners for purchase. Excluding the home mining section, all the listed miners come with a hosting contract at one of our partnered hosting facilities.

Customers have two options for hosted miners:

1. Purchase a new miner and hosting contract.





2. Purchase a used miner from another user through our Marketplace and start a new hosting contract.

The hardware page shows information about each of the miners available for purchase. Clicking on the miner introduces additional information regarding the miners that will help you make your purchase.

The screenshot displays two miner product cards side-by-side. The left card is for a MicroBT Whatsminer M30S++ with 110 TH/s and 3410w power consumption, priced at \$4,900 with a Compass Score of 82.2. The right card is for a Bitmain Antminer S19j Pro with 100 TH/s and 3050w power consumption, priced at \$4,750 with a Compass Score of 81.5. The right card also includes a table of financial metrics: Current Monthly Rewards\* (\$258.81), Monthly Hosting Charges (\$166.9), and Current Monthly Net\* (\$91.91). Both cards feature a 'Buy Now' button and a 'More Details' link.

Miner Model	Brand	Hash Rate (TH/s)	Power (w)	Price (\$)	Compass Score
Whatsminer M30S++	MicroBT	110	3410	\$4,900	82.2
Antminer S19j Pro	Bitmain	100	3050	\$4,750	81.5

## Compass Score

**Introducing Compass Score**

Compass score is a new datapoint aimed to help you make an informed decision on your next mining purchase. The Compass Score factors in the specific miner purchase price, monthly hosting fees, estimated online date, miner efficiency (TH), current bitcoin price, current network difficulty and whether a machine is new or second hand. Higher scores represent a more attractive listing. Please note: scores are only added to SHA256 miners at this time. [Click to flip a miner product card to see more details.](#)

**93**  
Compass Score

To make it even easier to compare hardware we created the Compass Score. This is a new datapoint designed to score ASIC machines on a scale from 0 to 100. The higher the score the more advantageous or desirable the ASIC deal. The score abstracts the complexities of bitcoin and hardware specifications into a single number. With a growing number of listings on our marketplace, and with new-model ASICs coming available, the Compass Score allows customers to easily compare and contrast, highlighting the standout listings in real-time. Website visitors can utilize this score to quickly and easily identify the best listings available.



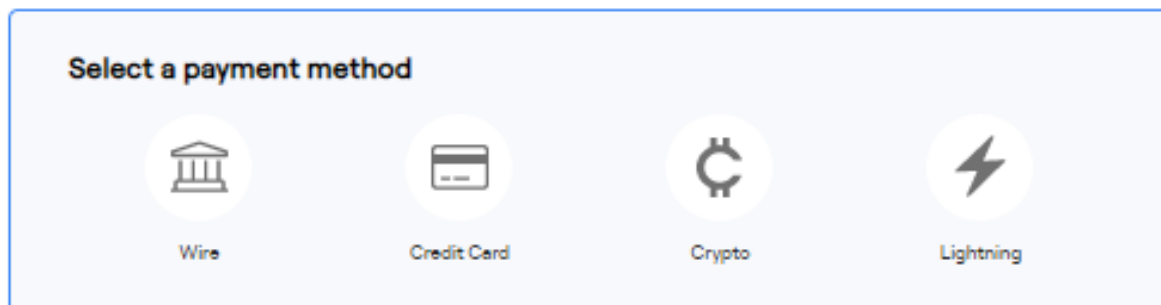
Compass Score accounts for the following variables:

- Higher efficiencies (high TH/s)
- Lower wattage (W) which impacts monthly hosting fees
- Lower hosting rates
- Sooner estimated online dates
- Lower listing purchase prices
- Newer machine.

Higher BTC price and lower network difficulty also drive higher Compass Score listing because this makes machines more profitable.

## Checkout

Once you have selected your miner for purchase, you will be brought to the checkout page which displays the details of your purchase. This includes your monthly hosting costs, hardware costs, and contract length. If you are satisfied with the purchase details you can then select your payment type. Compass allows customers to pay using the following methods.



Additionally, you have the option to apply *Compass Credits* if you have them available. More on this later. Before placing orders you need to read the *Compass Hosting Service Agreement* and *Compass Refund Agreement*. Once set, pressing the *Place Order* button will bring up the appropriate checkout terminal. Complete the payment and enjoy your new mining hardware.



# MINING POOL RESEARCH & SETUP

---

Mining Pools are crucial to the success of a mining operation. Users point their hashrate towards a mining pool and the pool gives each user different assignments to work on in an attempt to collectively find a block. In a mining pool, when a single miner wins a block, all of the rewards are distributed proportionally among each user according to the hashrate they contributed. This ensures that each user receives more consistent and frequent rewards than if they were mining alone.

Solo mining is possible, but outside of the scope of this handbook as it requires added infrastructure necessary for creating and propagating blocks. That being said, the risks of solo mining are important to understand. Those who can successfully set up a solo mining setup are competing with all the miners on the network. They may get lucky and get a payout a few times a year, or they might get unlucky and pay large electricity bills with no mining rewards.

## Pool Considerations

All customers will be required to set up a mining pool account before they can start receiving mining rewards. Many different mining pools exist and it is up to you to determine which one best suits your needs. If you just purchased a miner you have some time to figure out which pool you wish to mine with and we are here to help you make an educated decision. Choosing a mining pool is necessary to properly configure your hardware to start receiving mining rewards. The main things to consider when picking a pool are:

1. **Size** – How much hashrate does this pool have? Statistically, you should always receive the same amount of bitcoin over time proportional to your hashrate on the network but larger pools generally offer more regular payouts simply because they will find blocks more often than smaller pools.
2. **Reputation** – How is the mining pool viewed by the community? Reputation is everything in the bitcoin space. If you are trusting a mining pool to allocate your hashrate you need to have some assurance they are doing so honestly and with your interest in mind.
3. **Fees** – How much does the pool service charge you to operate? Most mining pools charge ~2% to use their services. These pools are businesses that need





funds to cover server costs, technical support, engineering staff, and revenue. The fees are collected by taking a portion of your bitcoin mining rewards.

4. **Payouts** – How are mining rewards paid out to my account? There are many different ways a pool will pay out its users. They have many different names but ultimately it comes down to how often users are paid out and how mining fees are paid. Some pools only issue rewards if the pool finds a block, other pools will give consistent payouts despite the number of blocks found by the pool. Both statistically ensure the same payout but one puts the luck volatility on the customer while the other puts it on the pool. Learn more about the [most common payout structures](#).
5. **Principles** – Does this pool align with my values and goals in the bitcoin space? Some pools are associated with organizations or products that you may or may not like. Picking a pool provides a revenue stream to the pool company which will help fund different projects.
6. **Additional features** – What additional tools and features does the pool offer? Some pools may have perks and features that make their business more appealing. Some pools look slick or have customizable payout features. Others may offer trading discounts or fund interesting projects. These additional features can make or break your pool decision.

Once you have done some research and picked a pool, make an account on their website. Mining pools can be changed at any time if you decide to try out another pool. Simply visit us at <https://support.compassmining.io/> to request a pool change.

## Pool Configuration and Definitions

With your pool account created you need to understand how to navigate it and set it up for use. Each pool is different therefore this guide will discuss the general features and important information that can be found instead of where to find it. Mining pools can always be viewed by logging into the pool website with your pool account. Oftentimes these pool accounts even have apps you can download and install on your phone.

Compass will configure your miner(s) on your behalf using the information you provide and the hashrate produced by your physical miner will be sent to the corresponding mining pool. The Mining pool determines what work each miner needs to do in an attempt to collectively find a block as a pool. This is done automatically



via the hashes done by the miner and the instructions provided by the pool. To properly configure the miner a few things need to be understood.

1. **Stratum URL** –Provides a destination to point your hashrate to. In this case, it tells the miner to point the hashrate to your mining pool.
2. **Username** –. Allocates any mining rewards earned from your miner to your specific pool account. Without a username, the pool doesn't know who to give the mining rewards.

Collectively these instructions tell the miner what pool to mine to and to what user. There is also something else to note when exploring your pool account. Most pool accounts have a way for users to share their pool details with external users. This can be called many things. **Watcher link, read-only account, or view access.** Whatever it is called, this is a simple way to share with people an overview of your mining operation. For Compass employees, sharing this allows us to view non-personal information about your mining operation. *This is very useful for troubleshooting and understanding any issues with your miner(s), or pool. It is completely optional to provide this information but it may speed any troubleshooting.*

## Giving Compass your Pool Information

The two required pieces of information needed to configure a miner are your Stratum URL and your pool username.

You will be required to provide this information via your Compass Dashboard. Start by logging into your account, select dashboard, select settings, and click on the *Your pool accounts* tab. Here you can add a default pool. Default pools will be used to configure any new miners to your account and start receiving payouts. For more information check out our [default pool article](#).

Always keep an eye on your emails from Compass. In some cases, we may request additional information on your pool account. For more information on mining pools and how to find your pool information please check out [Mining Pool Information](#).



## Payouts

You can begin to receive mining rewards when your machine is deployed and configured to your pool account. Once online you will see a lot of information displayed on your pool account user pages. There are graphs showing hashrate along with statistics on uptime and average hashrate. This is all great information to help you manage your mining operation and see what is going on with your hardware.

Once you get up and running it is important to set up your payout method. Miners earn bitcoin which can be tracked in your pool account. To use the funds you will need to configure your mining pool account to issue payouts according to your needs. There are many wallets available, each with their own pros and cons. It's your responsibility to do research and determine what wallet meets your needs. Once you have funds in your personal wallet Bitcoin can easily be used to pay Compass Mining invoices and you can even exchange freshly mined Bitcoin for your local currency by selling funds on an exchange. *Please consult a tax professional to determine how these exchanges need to be reported.*

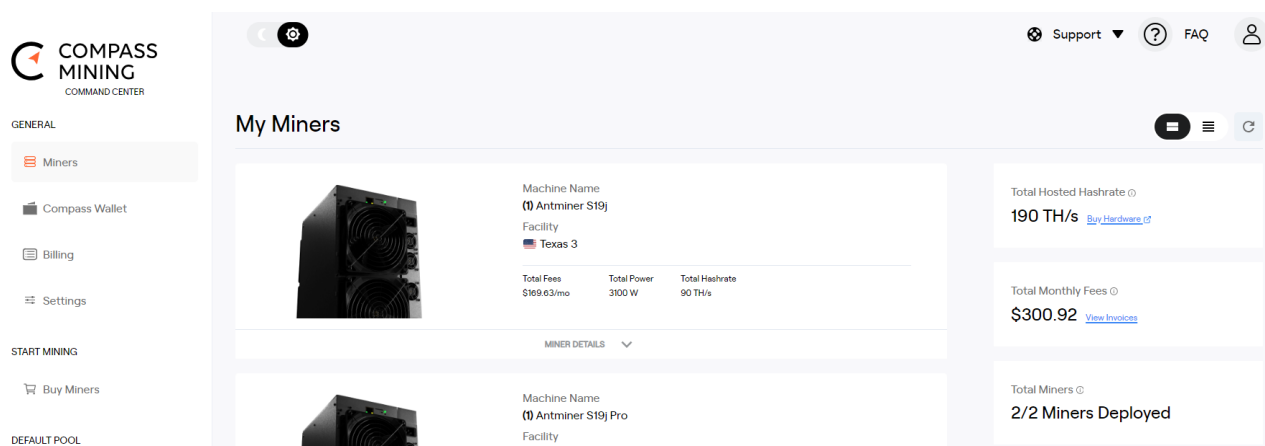
## Additional Tools

Each mining pool is slightly different and offers different tools and features accordingly. Some are very basic, while others offer unique payout types, unique labeling, or exchange interfaces. Take time to explore all the different features offered by your pool and feel free to change accounts if you wish to. Again, mining pools can be changed at any time. Simply visit us at <https://support.compassmining.io/> to request a pool change.



# CUSTOMER DASHBOARD

Now that you've purchased a miner and set up a pool account you may want to check on the status of your account and potentially pay some bills. You can see all this information about your account and more by visiting the Customer Dashboard. This can be accessed anywhere on our website by clicking the [Dashboard](#) button on the top right-hand corner of the website.



The dashboard has several pages displayed on the left-hand side of the screen, described below.

## Miners

The Miners page section contains all the information you need to know about your miner purchases. It includes important information such as model, rated hashrate, facility details, hosting fees, rated power and a quantity of units that meet the criteria. By pressing the More Details drop down you can see additional information regarding your mining term, minerId, workername and serial number which is all useful when communicating with our support teams.

This information can be displayed in a table or grid view and contains information on your mining Fleet off to the side. Customers can see how many miners they have online, their total hashrate and important financial information such as Total Compass Credits and monthly fees.



## Compass Wallet

This is intended to make it easier for customers to pay invoices and receive payments for miners sold on the marketplace. The Compass Wallet is a quick view to manage your funds.

## Billing

Compass Mining charges a flat monthly hosting fee assuming 95% uptime for your hardware. Hosting is a prepaid service which means that hosting invoices will be paid in advance each month (i.e. July hosting will be paid in June). Invoices are sent out near the 15th of each month and are to be paid by the 1st of the month. *Example: Invoice sent on March 15th should be paid by April 1st for your miner(s) April hosting.*

Hosting invoices will be prorated based on uptime. If your machine goes online mid month you will receive a reduced hosting invoice or credits to offset the invoice. The same will occur if a facility is down or your unit is out for repair during a billing period. Monthly hosting fees include electricity usage based on your miner's power consumption, facility service, and Compass support team. This fee gives you access to our growing product and service line.

### **Hosting fees are calculated using the following calculation:**

*Monthly Hosting Fee / 30.4 days \* Number of Days in a billing period*

Hosting fees are payable via Credit Card, ACH, Bitcoin or crypto, to pay for outstanding hosting bills simply visit your dashboard and pay using your preferred payment method. Follow the on screen prompts for guidance.

*Please consult a tax professional to determine how these exchanges need to be reported.*



Billing

Outstanding Invoices

Payment History & Credits

Automatic Payments

Invoices

Credits

Orders

☐

Select All

Export

☐

Hardware

Type: Repair

Paid Date

November 3, 2023

Total

\$299.00

Applied Compass Credits

\$299.00

Remaining Balance

\$0.00

Paid

...

☐

Hardware

Type: Shipping

Paid Date

October 18, 2023

Total

\$200.00

Applied Compass Credits

\$200.00

Remaining Balance

\$0.00

Paid

...

☐

Hardware

Type: Shipping

Paid Date

October 18, 2023

Total

\$200.00

Applied Compass Credits

\$200.00

Remaining Balance

\$0.00

Paid

...

## Outstanding Invoices

This is where customers can view all of their outstanding invoices. This will include hosting bills as well as tiered payments for bundles and other purchase plans. Below we detail these types of invoices. If there are any additional questions check out our [payments and invoice frequently asked questions](#).

Customers who do not pay their outstanding invoices promptly will receive several courtesy reminders before their machine(s) are removed from the customer's pool. A monthly late fee will be charged to the customer's account until paid. The miner(s) will be returned to the customer's pool once the invoices are paid. If a customer does not pay the outstanding invoice they will be provided some options by the Compass Mining Finance Team regarding their miner(s) and hosting agreement.

## Payment History & Credits

This section of the dashboard shows all completed payments. It includes all hardware and hosting payments, and includes payment date, amounts, order details, and much more. Here you can also take a look at your Compass Credit history. See when and why you were deposited credits and how you have historically spent them. You can also check on your credit balance which you can use to help offset any future invoices.

In future dashboard releases, we will offer the ability to export your payment history to a .csv file which will be useful for tracking and reporting your mining operations.





## Automatic Payments

Here you can set up automatic payments for your monthly invoices. Visit this page to see what options are available for streamlining your monthly hosting fees.

## Settings

Within the Settings view you can manage your account information such as name and email address. Here you can reset your Multi Factor Authentication (MFA) and manage your account pools. This is necessary for us to properly configure your hardware. To learn more about pools please see our MINING POOL RESEARCH & SETUP section.

## Buy Miners

Clicking this will redirect you to our hardware page to view existing offers available for purchase.

## KYC & Compass Verification

KYC stands for Know Your Customer, or Know Your Client. KYC is the process of verifying the customer's identity when opening an account and periodically over time. In other words, financial institutions must make sure their customers are genuinely who they claim to be. Compass customers do not need to go through KYC by default. You are welcome to use our hosting and home mining services by simply creating an account and completing the checkout process. Additionally, you can be a marketplace buyer without providing KYC information.

To date, KYC information is only required for:

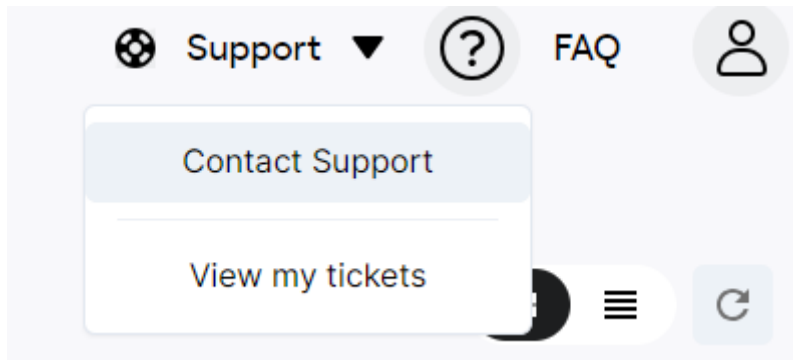
- Selling on the Marketplace
- Having access to the Compass Wallet
- Receiving payouts of any kind

*There may be special cases where you may be required to do identity verification over a video call.* This is only done when funds need to be returned to non-KYC customers.



Compass customers who wish to sell a hosted miner on the marketplace go through the process of KYC to become a 'verified seller'. There are limitations on who can become a verified seller based on the region you live in.

## Support



While there are many ways to contact Compass customer support, the most effective way is to submit a support ticket. Direct messages, personal emails, and social messages may get lost or forgotten while support tickets are properly documented and visible to our entire staff until resolved. The below information will show you how to properly submit a support ticket so that our team can quickly resolve your query.

From your customer dashboard there is a Support dropdown menu. Here you can [Contact Support](#) or [View my tickets](#)

### Contact Support

You can always contact [sales@compassmining.io](mailto:sales@compassmining.io) for any sales-related questions but the ideal way to reach us for service-related questions is through a support ticket. Clicking this link will direct you to our support form, where you will be prompted to choose your issue from the drop-down menu. You will be provided with a list of fields depending on your selection. Completing this form with all the information requested will help us route your ticket to the proper team member or department and result in a faster resolution.

### View My Tickets

Clicking this link will direct you to see all of your tickets, open and solved, associated with your account. This is a great place to track ticket history and follow up on a particular issue. Simply locate the ticket of interest and request an update.



## HOSTING OPERATIONS

---

Once you've purchased your miner with Compass Mining it will be hosted with one of our trusted facility partners around the world. The facility location will be shown when making your purchase and it will be displayed in your dashboard along with an estimated online date. Some machines are already at a facility and will begin mining to your pool account within 48-hours. Others require the facility to complete construction before miners can begin hashing.

These new facility build-outs are a part of Compass's goal to consistently increase mining capacity for our customers. Building and running a mining operation requires knowledge of energy grids, high-voltage electricity, networking, and heat mitigation. Even though anybody can [apply to partner with Compass](#), only qualified facilities will be accepted. Running a mining facility comes with a very unique set of challenges so it's very important for us to constantly evaluate our partnerships and maintain business contracts with those who will properly serve us and our customers.

### Hosting Facility Build-out Process

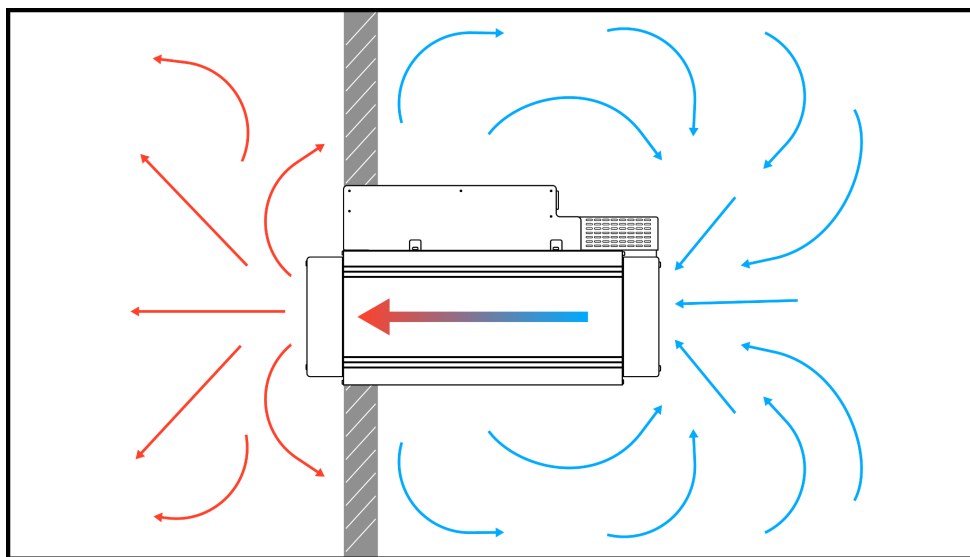
Depending on the existing state of the hosting facility Compass partners with, there will be varying levels of work that need to be done. Some facilities are built from scratch, while others are already built out when they partner with Compass. With any new construction, the land must be cleared, leveled, and the foundation must be set for the mining containers or facility to be built upon. Electrical capacity must be procured, and transformers will need to be installed to sufficiently power and protect the miners. A robust network will need to be established on-site so each miner can communicate with their pool and the greater Bitcoin blockchain. Wiring must be run to each miner with sufficient power and network management. Racks need to be placed with airflow and heat management in mind. All of this requires many permits and approvals along the way and requires proper planning and material procurement. Once everything is complete, miners are shipped to the site, installed, and configured for each of our customers. This industry is not immune to supply chain issues therefore everything must be completed with great detail to meet deadlines and avoid delays.

Once miners are finally deployed and hashing to customer accounts there are still many adjustments that may need to be done. New facilities will need to be tuned

and optimized to maximize uptime. In the first few months of a new facility going online, there will likely be some downtime as the facility makes upgrades and tweaks to all the systems and infrastructure in place. This is typically resolved in a few weeks or months and customers will experience a very steady hashrate moving forward.

## Heat Mitigation

If you have any hands-on experience with mining hardware then you know how much heat and noise these machines put off. Electricity is needed to produce SHA-256 hashes which creates heat as a result. If not managed properly, the generated heat will cause cooling issues with the machines in the facility. At scale, a facility may have 100s or 1000s of units running at any given time. This requires careful consideration when directing cold air into the machines and hot air out. Generally fresh “new” air is pulled into the facility and “old” hot air is forced outside. This works well in colder climates where the “new” air is cool but gets challenging in the summer months when this air is already very hot.



Mining hardware, by design, is incredibly robust. The hardware is designed so that if anything is out of the ordinary it will not run. This is to protect the hardware and prevent people from accidentally damaging it. In the summer months, if the miner gets too hot the machine will stop hashing to prevent overheating and damaging the hashboards. We are constantly working with our facility partners to improve airflow and mitigate heat within the facility so that each individual mine maximizes uptime.



Miners that are turned off due to cooling issues will be rebooted when the heat subsides. If your unit is not turned back on after the temperature cools then we recommend checking out our [facility status page](#) if there are still questions don't hesitate to submit a [support ticket](#).

## Load Shedding and Curtailment

Oftentimes, extreme temperatures mean extra demands on the energy grids. Heating and cooling a house is very energy-intensive. This means that in cold or hot months there is added stress to the electrical grid as people use more electricity to maintain comfort. This added demand can cause problems on the grid if there is not sufficient energy available to match. If the electricity demand exceeds the supply then this causes rolling blackouts throughout the grid, leaving individuals without power. This is a huge problem as it can affect hospitals and military bases that use this power for mission-critical support systems.

To avoid these issues there are two solutions:

1. Increase Supply
2. Reduce Demand.

Increasing supply typically means building more infrastructure and takes years and years of planning. Reducing demand on the other hand can be done easily by the right businesses. [This is where Bitcoin Mining comes into play](#). Our facilities can lock in cheap power throughout the entire year by agreeing to curtail or load shed electricity demand in times of need. In times of extreme temperature, our partnered facilities may scale down or shut off the mining operations temporarily until there is less strain on the grid. This typically happens during the hottest and coldest months of the year.

Miners that are turned off for load shedding will be rebooted when the grid stabilizes. If your unit is not turned back on after the extreme weather passes then we recommend checking our [facility status page](#). If there are still questions don't hesitate to submit a [support ticket](#).

## Facility Partners

Compass Mining and its partners are continually working to minimize downtime as much as possible, whether it be power, heat, networking, construction, or load



shedding. Each facility has its challenges based on infrastructure and location. We are committed to optimizing these facilities to maximize uptime and will cease partnership with any facilities that do not meet our expectations.

## **CUSTOMER SUPPORT, SERVICES, AND RMA**

---





Compass customers will have access to the technical expertise of our employees and facilities to ensure their machines are up and running optimally. These experts will verify that the environment is clean and serviced to prolong the life of your miners and ensure high uptime. Facilities may occasionally turn off machines to service or clean the facility. Keeping a clean workspace ensures that minimal dust enters the miners. In the event your machine is offline we recommend you wait 2 hours before contacting our support team. If the machine is still offline after those 2 hours please reach out to support at <https://support.compassmining.io/> and we will begin diagnosing the problem.

While we do our best to monitor your machines on an individual basis we are not able to catch every issue with each machine. For example, sometimes miners will show as hashing on our end while it's not showing up in the pool. This is a common issue with some pool services that use proxy servers. It is in your best interest to submit support tickets providing as much detail as possible if your machine is acting up, underhashing, or offline.

## Warranty Service and Repair Introduction

In most cases, the miners can be repaired with onsite troubleshooting and part replacement. There are times when a miner will need to be serviced by a manufacturer-authorized repair technician. This is often due to damaged hardware caused by normal wear and tear. These repairs are covered under the warranty that is included with the purchase of a new machine. This is typically a one-year warranty but can vary depending on the manufacturer and model. If your miner is under warranty and in need of repair, we will complete the Return Merchandise Authorization or "RMA" request. In this case, the repairs are covered by the manufacturer but the initial shipping cost is not. You will be invoiced for this cost after the repair is completed.

Once the RMA is initiated, we will ship the miner to the authorized repair facility for an evaluation. The repair center will then perform their own diagnostic procedure which will tell them if the miner is repairable. If the miner is deemed unrepairable by the manufacturer's standards, we will attempt to find an out-of-warranty solution that requires replacement parts at a cost to the customer. These types of repairs are completely optional and if the customer chooses not to proceed they will be given the option to ship the miner to their homes and terminate their hosting agreement.



When a miner is deemed unrepairable by a certified technician or an authorized repair center, early termination of the hosting agreement is justified and approved. If you own multiple miners, you may also request that we hold this miner for future spare parts needs. (Please note: that the miner will be broken down and spare parts will be cataloged for credit and you will not receive the actual part from your former machine.)

*The manufacturer's one-year warranty starts the moment the miner leaves the manufacturing facility, NOT when you purchase the miner. This is different from how most electronics manufacturers operate their RMA service but it is a standard for ASIC miner manufacturers.*

For any machines that are no longer under warranty, we will send you a quote for repair and shipping if needed. If you agree to the charges we will proceed with the out-of-warranty repair process. More information about repair and shipping fees can be found here on our support site:

<https://support.compassmining.io/hc/en-us/articles/5738823210781>

## Dead on Arrival (DOA) Miners

ASIC miners are built with high performance and efficiency in mind. Given this dynamic, the industry typically sees approximately 2.5% of miners have maintenance and performance problems during the initial boot. To put it more directly, 1 in 40 ASIC miners don't work out of the box or are considering Dead on Arrival (DOA). This is not due to a lack of quality control, but because ASIC miners are designed to meet a fast-paced industrial manufacturing standard that requires a lot of research and development to be done in the field. This would be comparable to using a 'beta' version of some new software. With some lesser-known or unproven manufacturers, you could compare this to 'alpha' builds of new software and this is why we advise less experienced miners to stick with the brand names they know.

Dealing with these DOA failures is one of the biggest benefits of partnering with Compass Mining. If issues are found with your miner upon deployment or within 48 hours of initial deployment we will assign you a new miner at no cost. We will take possession of the broken miner during the RMA process so you can be online and hashing without delay. Any issues that occur after deployment will need to be addressed using standard diagnostic procedures.



## Fan Replacements

ASIC fans are covered under the manufacturer warranty, however, due to the time it takes for the RMA process with the manufacturer, customers purchase a replacement fan that our onsite team can replace quickly. The cost for replacement fans includes labor. More details can be found in our [Parts and Services article](#).

## Manufacturer RMA Process

RMA (Return Merchandise Authorization) is a process for any ASIC that is under warranty by the manufacturer. Our team will troubleshoot the issue with an onsite technician and look for alternative solutions to get the miner back online before we send the miner in for an RMA repair. In an effort to keep your miners in the racks longer we have developed a unique process for RMA's that is explained below.

1. Confirm the warranty using the manufacturer's database.
2. If the miner is found to have a bad part such as a PSU or control board we can replace these parts with our stock of spare parts, at a cost to the customer. We'll swap that part after the replacement is approved and take the bad part into our stock for RMA so you don't have to worry about it. This keeps you hashing with minimal delay.
3. Once we have confirmed that there is an issue that cannot be repaired on-site, such as a bad hashboard or dead chips, we will begin the RMA process for the entire machine.
4. We'll submit the issue with the manufacturer and the RMA number is usually provided within one week.
5. After we have the RMA number we'll have the onsite technician pack the machine up and send it to one of the Authorized Service Providers for the manufacturer in question. We have a good relationship with these repair centers which allows us the utmost transparency.
6. The repair center will fix and return the machine back to the facility where it will be plugged back in for the customer.
7. Once the process is complete you'll receive an invoice for the shipping cost.

More details on the Manufacturer's Repair process can be seen in the links below:

[Bitmain RMA Process](#)



### Out-of-Warranty Repairs

For miners that are not covered under warranty, the customer can decide how to proceed. The process is similar to the RMA procedure, however, we will need customer approval for the estimated cost of the repairs as well as shipping.

- A diagnostic will be performed to determine if the issue requires repair or replacement parts.
- The Compass Team will contact the customer for approval to proceed with the repairs and for the customer to pay the cost of the parts and shipping costs.
- Repairs can take up to 7 days for an onsite part replacement if the parts are onsite, or up to 8 weeks for a hashboard repair (timeline subject to the third-party repair center).
- After the process is complete you will receive an invoice for the cost of the repair and any shipping costs.
- Please refer to the [fee schedule](#) on our support site for more information.

### Downtime Credits

Customers will receive a monthly hosting bill based on their miner's power rating and the hosting contract. These bills assume that your miner is up 24/7. If a miner is down for more than 5% of the time in a month you will be eligible for downtime credits. These credits will appear on your dashboard on a monthly basis. Credits do not cover any mining rewards and are used solely to offset your hosting bill the time your miner was not running under the 95% mark. For more information check out our [Downtime Credits documentation](#).

## MARKETPLACE

---



The Marketplace is a portal for customers to buy and sell miners hosted with Compass. This greatly reduces the risk for buyers and sellers as it allows customers to sell their miner to other users at any time during their hosting contract. This also increases the selection and availability of miners to customers looking to onboard with Compass Mining's hosting service. One thing people don't always consider when buying mining hardware is the investment value of the hardware. Using the Marketplace customers can cash in on their hardware costs at any point in time they see fit, reducing the risk of mining.

## Buyers

Marketplace miners can be found on the [Mining Hardware page](#) of the website under the *Certified Reseller ASICs* section, which displays the different hardware listed for sale by other customers. When you click on a model you can see a range of prices, facility locations, and estimated online dates. Customers who buy from the Marketplace will typically see their new miners hashing to their pool account within a week of the online date.

## Sellers

Compass customers who have hosted miners with Compass can list their machines on the Marketplace for other customers to purchase. When selling miners on the Marketplace, the contract is terminated and Compass enters into a new contract with the buyer. To list eligible miners on the Marketplace, Compass customers must apply to become a "verified seller" (and go through KYC) from their dashboard. KYC is required to become a verified seller. After KYC is completed, Compass customers can choose to list their eligible miner(s) and set the listing price from their dashboard. Their miner will then appear on the [Mining Hardware page](#) alongside other listings once it's approved for listing. The miner will continue hashing under the seller's account until the machine is officially transferred to the new owner. Sellers will be instructed to complete KYC for their account and will receive funds to their bank\* 7-10 days after the miners are purchased. The miners will be transferred to the buyer based on the online date posted on the listing.

*\*There are eligibility limitations based on geographic regions.*

## Step-by-Step: Listing a Miner for Sale



## Becoming a Verified Seller (KYC Process)

All Compass customers must apply to become verified sellers, (KYC), before listing eligible miners on the Marketplace. Compass customers can apply for KYC as an individual or as an entity. To start the KYC process, Compass customers must sign into their dashboards and click on the “Get Verified Now” button. When a Compass customer is KYC-approved we will be able to facilitate payment to a bank of your choosing. Compass will assist and guide customers through the KYC process.

The first step in becoming a verified seller is naming the account. This is the name that will appear on the Compass customer’s dashboard. Then, the customer must select whether they wish to proceed as an individual or an entity (company, trust, LLC, etc).

If Compass customers apply to be a verified seller as an individual, the following information will be required:

- Full Name
- Email
- Phone Number
- Country of Residence
- Address
- Tax Country
- Government Issued ID # or SSN
- Date of Birth
- Valid ID – Driver’s License, Passport, Government ID, Residence Permit
  - Image of the valid ID

If Compass customers apply to be a verified seller as an entity, the following information will be required:

- Entity Name
- Entity Contact Email
- Entity Phone Number
- Entity Address Country
- Principal Place of Business
- Tax Country
- EIN
- Region of Formation
- Proof of Address





- Proof of Entity Formation
- Proof of Beneficial Ownership of Entity

The Marketplace is available to verified sellers in the US and internationally. The specific coverages included and excluded under this service can be found in detail in the Marketplace Terms & Conditions [here](#). Contact Compass Support with any questions at <https://support.compassmining.io/>.

## Select a Machine to Sell

Verified users will see the Your Orders dashboard tab convert into a seller view. Each order in that tab can be expanded to see machines that are eligible for resale. Eligible hardware units have checkboxes next to them. Sell a machine by clicking "Set for Sale". A seller can create one listing for multiple machines that were purchased in a single order.

## Set Your Price

Sellers can use historical payouts for the machine and the hosting facility's electricity prices as a guide to set the price for their listing. After setting a price, click confirm to see the expected profit from the sale. All listings are subject to a maximum price limit based on market conditions to protect buyers.

# HOME MINING

---

Compass offers a home mining product where customers can purchase a miner from our website and have it shipped to a location of their choice, usually their home or business. Please select a secure location to receive your miner and guard yourself against theft regardless of the carrier and requested signature. A signature is required by the recipient at delivery.

To purchase a miner you will need to create an account at [compassmining.io](https://compassmining.io). This can be done proactively or at checkout. Looking at the [Mining Hardware Page](#) you will see a list of miners for purchase under the 'ASICs for Home Mining' section. Clicking on the miner introduces additional information that will help you make your purchase.



Mining comes with many challenges that need to be addressed. Customers need to carefully consider the power and internet requirements, as well as how to properly manage noise and heat when running their machine. Miners consume a large amount of power and produce heat. They require a 208–240VAC and a 20-amp dedicated circuit for each machine or you may also use a PDU. Please consult an electrician to determine the best solution for your situation. Miners can produce temperatures in excess of 140°F, and heat is dissipated via the heatsinks and hardware fans. These fans typically make noise comparable to a household vacuum cleaner.

Customers who purchase a home miner will receive a detailed document that talks about setting up their machine(s) along with any tips and tricks needed to keep the machine online.

## Home Miner Hardware Contract

When a miner is purchased it is shipped from our Denver, CO logistics hub. Products typically take 7–10 days to arrive once shipped. New machines will come with a one-year manufacturer's warranty which begins the moment it leaves the manufacturing plant. Similar to most electronics, the warranty is handled by the manufacturer. The Compass team will use its expertise to help with any troubleshooting and installation questions. If the miner is damaged in shipping or DOA, the customer will be instructed by the manufacturer to ship the miner to an authorized repair facility to have the miner repaired using the RMA process. Shipping to the facility is covered by the customer, but return shipping is covered by the manufacturer. It is advised that you refer to our troubleshooting guides and reach out to our team before beginning the repair process. This will ensure that repairs are only used for more severe issues and mining downtime is minimized. Warranty statuses can be checked on the manufacturers' website by entering the serial number found on the outside of the miner.

[Bitmain Warranty Check](#)

[MicroBT Warranty Check](#)

If a machine is out of warranty and needs to be repaired, then the full cost of the repair will be covered by the owner. Please contact us for authorized service provider recommendations. Review our Customer Support, Service, and RMA section for more information.



## Home Mining Guide

Upon purchasing a home miner you will receive a detailed document attached to your purchase confirmation email. This document discusses all the considerations of mining at home and can be found under 'Guides' at the bottom of our [website](#). The document will walk you through setting up your new miner, along with key information on how to set up the electrical circuit and network. Additionally, the document talks about how to manage the heat and noise produced by the miner. We hope this document will provide you with enough information to get you up and running the day your miner arrives at your door.

## COMPASS NEWSLETTER & CONTENT

---



We strive to be at the forefront of the mining industry as we set the standard for hosted solutions. As part of that process, our team is actively engaged in the community. We are passionate about spreading the word and educating the public about Bitcoin as well as Bitcoin Mining. Here are three resources for you to look at while we prepare your miner to start hashing:

- [Mining Memo newsletter](#) – A great way to keep up to date on our new content is to subscribe to our weekly newsletter.
- [Compass Content](#) – Our content page is filled with industry articles covering everything from global mining trends to the features of new miners coming on the market.
- [Youtube](#) – Whether it is our podcasts with leaders in the industry, documentaries, or facility tours, this is a MUST SUBSCRIBE for any bitcoin miner.
- [LinkedIn](#) and [X](#) – Follow us for timely content about the mining industry and updates on Compass Mining.

If you have questions about mining or hosting the best way to reach our support team is our Help Center at <https://support.compassmining.io/>.

## **BITCOIN BASICS**

---

Bitcoin is a financial system that has a fixed amount of coins, 21 million. Its supply and rules cannot be changed because each user collectively enforces them. Due to the



decentralized nature of Bitcoin, nobody can stop anyone from buying, selling, or transferring Bitcoin. Bitcoin held by you is truly yours and cannot be directly seized or taken by any entity.

## What is Mining?

Miners on the network play a very important role in Bitcoin. They are servants to the users and do two things:

1. Miners finalize/confirm transactions.
  - a. Any transaction sent on the Bitcoin network is pending until a miner includes it in a bitcoin block and makes the transaction final.
2. Miners fairly distribute the 21 million bitcoin supply.
  - a. We know that there will only ever be 21 million bitcoin in existence but did you know that when bitcoin was invented there were 0 in circulation?
  - b. Over time the 21 million bitcoins are distributed to the miners. Every 10 minutes miners are awarded bitcoins for helping secure and finalize transactions. Currently, there are about 90%, or nearly 19 million bitcoin in circulation today. The remaining 2 million will be distributed to miners from now until approximately the year 2140.
  - c. This may seem unorthodox, but again, this is a creative way to distribute the supply in a fair, decentralized manner.

## Mining Rewards

As stated above, miners are awarded a portion of the 21 million bitcoin supply for helping finalize and secure transactions. This is known as the block subsidy. On top of this reward, miners also receive transaction fees. Users of the bitcoin network attach a fee to each transaction to incentivize the miners to mine their transactions. This fee is paid to miners and higher fees will get mined quicker than lower fees.

Today, miners earn a block subsidy of 6.25 bitcoin every block, which is awarded approximately every 10 minutes. Miners who belong to a pool earn a portion of the 6.25 bitcoin every block based on their contribution to the hash of the pool. If I am contributing 10% of the mining hashrate then I will receive ~0.625 bitcoin+fees every awarded block. This amount is determined by the supply schedule of the Bitcoin protocol and reduces over time. This is further described below.



## Price Volatility

It is important to understand the price risks when mining bitcoin. Historically the price is very volatile and can change quickly. A profitable operation can become unprofitable if the price drops enough. Similarly, an operation can increase profitability quickly if the price rises. This is why it's very important to maintain low operating costs. Securing the lowest cost electricity is the greatest way to ensure an operation can weather price volatility for a long period of time. This is why Compass prioritizes securing affordable electricity for our users so they can mine with us long-term.

## Mining Difficulty

Another risk to consider with mining is the 'difficulty adjustment' used in mining. As stated above, users receive a portion of the mining rewards proportional to their contribution of hash. As more users or hashrate join the mining network your rewards are reduced. Similarly, if users drop off the mining network your rewards are increased. Mining is difficult to start doing because it involves acquiring miners and power. Once started, it is easy to stop, and miners may turn off their rigs if rewards become unfavorable. Again Compass prioritizes affordable electricity for its users which helps ensure our customers can mine favorably for a long period of time despite price or difficulty actions.

## What is Halving?

Currently, 6.25 bitcoin are given to the miners every block, but this was not always the case. When Bitcoin started, miners were given 50 bitcoin every block. After 210,000 blocks, approximately 4 years, this was cut by **HALF** to 25 bitcoin. Every 210,000 blocks this happens, which has led miners to get 6.25 bitcoin every block as of today. The next halving event will happen around April of 2024, reducing the block subsidy to 3.125. This is a direct cut in mining rewards, but with low enough operating costs miners will be well-positioned to weather this. Past increases in bitcoin's price have offset this reward drop due to the halving, and in fact, miners are currently achieving more revenue per terahash than they were in bitcoin's early years. Another reason for this is historically when the halving occurs the miners with higher operating costs will turn off their machines decreasing the network hashrate and in turn decreasing difficulty at the next retarget time, giving more rewards to other miners online.





## FREQUENTLY ASKED QUESTIONS

---

### **When will my miner come online?**

Before you purchase your miner we will provide an estimated online date on the Hardware Page. These estimated online dates can also be seen on the customer



dashboard once a purchase has been made. Once your miner is online we will display the start mining date for each reservation

We strive to get all miners online by their estimated online dates, but delays do happen for reasons outside of our control.

## **Why is my online date delayed?**

Online date delays can happen. These delays generally are due to supply chain or facility build-out delays. Each deployment can have 1,000s of miners that need to be shipped, received, and plugged into a properly built-out facility. These facilities require massive amounts of power, organized networking, and proper ventilation. Every hosting facility is unique and must meet Compass's standards before we partner with them. Since mining has so many moving parts and the industry is changing every day, there are many reasons an order might be delayed. You can find staying up to date with weekly facility updates on our [Facility Status page](#).

## **Why is my miner offline?**

Your miner may be offline for a number of reasons, from scheduled cleaning to facility repair. The following link details the bulk of the reasons a miner may be offline: ["Why Is My Miner Offline?"](#) If your machine is offline because of a facility concern you can check out our [Facility Status page](#) to see updates from each of our facilities. If the information on these pages is not sufficient then your machine may require troubleshooting. Please [submit a support request](#) and we will do what we can to get your unit back online.

## **What can I do with my miner now that it's online?**

Once online with Compass, miners will begin hashing and mining rewards will begin appearing in customer's pool accounts. Miners may drop offline from time to time due to regular maintenance or repairs. Customers can let their miners run through their hosting contract. At the end of their contract, they can engage in a new contract and continue hashing. Additionally, our customers own the miner(s), giving them the flexibility to custody or sell their hardware. Customers can have their miner(s) shipped to them at the end of the hosting contracts or they have the option to sell their miner and hosting contract to other customers via our Marketplace, which is explained later in this document.



## Where do I provide my pool information?

This information will be requested through email when your miner is in the final stages of setup and can be entered into your miner's web interface. The functionality to do this through your customer dashboard is currently being worked on.

## When can I sell my miner?

You can sell your miner at any point in time via the Compass Marketplace. The customer sets the price of the miner including hosting capacity. Once the sale is completed, the miner will be reconfigured to the new customer and they will take over the hosting contract and ownership of the machine. Customers will be paid out for the sale once this transfer is completed.

## Can I have my machine shipped to me?

Yes, miners can be shipped to customers at any time upon request. Customers will be expected to pay out the remaining balance of their hosting and other contracts.

## How are Hosting Fees Calculated?

When you buy a miner with hosting through Compass you will need to pay a monthly hosting fee for each miner. The hosting fee covers the electricity costs, hosting services, and access to Compass's tools and customer service. Hosting services include basic maintenance, monitoring, and security provided by our partnered facilities. Hosting bills are a flat monthly rate and can be paid through your Compass Dashboard (fees are not taken from your mined BTC).

## What Tax implications are there with Bitcoin Mining?

Understanding the tax implications to your mining operation is important to ensure you are following local legislation. In general, use the following as guidelines for your mining operation. *This is not financial advice, and a tax advisor should be consulted for any financial decisions.*

### Taxable Event

- Selling Bitcoin/Crypto for a local currency
- Exchanging Bitcoin/Crypto for another Crypto
- Converting between Bitcoin and USD or other forms of currency
- Mining Bitcoin



#### Not a Taxable Event

- Buying and holding Bitcoin
- Buying and holding a Bitcoin Miner

Tax laws are complicated and often changing. Compass complies with the rules and regulations set for the industry with the consultation of professionals in their field. Any customers who perform taxable events using Compass' services will be issued a 1099 form. Customers will be responsible for complying with tax laws and filing the 1099 form appropriately.

To learn more about taxes associated with bitcoin mining check out our article, [Five commonly asked questions about mining taxes](#).