

How I mine dogecoin with ASIC rigs

There are 3 ways to make money with Doge:

1. GPU mine them and instantly sell them on a crypto currency market
2. Hold on and wait for the day we [shibes go to the moon!](#)
3. Re-invest what you mine into more mining power

My strategy

The idea is simple: Trade a part of your collection for cloud hashing other coins and then keep recouping your investment into more hashing power. Once you're done mining, resell your hashing power and get back the doge you invested (at a potential profit no less!).

This is my current hashrate :



What you will learn

How am I doing this? Keep reading this article to learn:

- How I mine dogecoin with ASIC miners
- Step-by-step guide to setting up your own cloud hashing network
- How profitable is my dogecoin mining strategy

So let's start at the very beginning.

[Click here to skip the intro and go to my strategy](#)

How I started mining dogecoin



I had first heard of cryptocurrencies about 3 years ago, but like many other people, blew them off as a novelty item. When Bitcoin reached its [peak value of \\$1200](#), I quickly realised *cryptocurrency was no joke*.

I researched the [profitability of mining bitcoin](#) and quickly found out I had missed the boat. Unless you invested a few thousand dollars into specialized mining equipment, you would most likely spend more on electricity than you would earn mining Bitcoin, Litecoin and their counterparts.

The entry level investment has a steep price and, to be fair, cryptocurrency is volatile and a high risk investment.

However, on December 8th, there was a script based coin launched that could still be mined with my GeForce GTX 770. It was a joke coin based on the 2013 meme of the year.

It was called **Dogecoin**. You can view the [original Doge Bitcointalk thread here](#).

It was such a ludicrous concept that I had to be part of it! It took me awhile to figure out how to mine dogecoin, but I finally joined a mining pool and started hashing away.

Note: I'll soon make a tutorial on how to setup your very first cryptocurrency mining setup.
In a short period of time, I managed to mine and buy almost 1 million Doge. **I was hooked!**

Where I bought dogecoin for paypal



Like any noob, I first went to **ebay** to see if I could get safely acquire some dogecoin. Prices were well over \$1/1k. I saw some sell for \$3/1k!

My advice: **DON'T BUY DOGE ON EBAY.** Its overpriced and you have no protection from Ebay as you are dealing in digital currencies. Save yourself a ton of headaches and avoid Ebay at all costs.

I then found the marketplace on the [official dogecoin forums](#).

Boy was it a scary process! Scamming is very common, but I managed to find 2 good sellers and purchased over 500 000 Doge! 😊

Note: I will soon write up a guide on how to avoid being scammed and buy doge for paypal.

Being a Dogellionaire

Having over 1 000 000 doge is a great feeling!

Such coin **very feeling** wow

However, I wanted to **mine more and go to the moon!**

My GPU was only digging about 2 000 Doge per day. With difficulty skyrocketing due to the popularity of Doge, I knew I needed more mining power. So I had 2 choices:

1. Buy expensive GPUs and build some mining rigs
2. Get started in Cloud Mining

GPU Rigs for Dogecoin mining

This is the route most people take. You can buy multiple GPUs, connect them together and get a decent hashrate.

However, there biggest downside to building your own rig is the substantial upfront investment.

For example: you could plump down around \$1 200 on two of [Radeon R9 290Xs](#) and get roughly 2 MH/s (if you can find any decent GPUs in stock as everyone and their mother are now mining).

Let's do some math



With my 250ish KH/s rig, I mine about 2 000 DOGE per day. If I had the \$1200 afformentionned mining rig, I'd estimate you would be mining about 16 000 to 25 000 DOGE per day (depending on your pool, difficulty and luck).

At today's value of about 0.00000061 BTC per Doge, you'd get:

$$16\ 000\ \text{Doge} = 0.00964000\ \text{BTC} = \$6.65$$

$$25\ 000\ \text{Doge} = 0.01503125\ \text{BTC} = \$10.38$$

Which means it would take you a little under 115 days at optimal conditions **JUST TO BREAK EVEN. That's without factoring electricity!!**

That's also without taking into account:

- The drop in Doge Value
- The drop in BTC Value

You may be thinking : “I can just re-sell the GPUs once I’m done with them”.

True! If you’re good with Ebay, Craigslist or any other Classified Ads, you could potentially get a % of your GPU investment back.

You could also trade your rig with another miner in exchange for Crypto. Then deal with shipping and (hopefully) avoid getting scammed.

However, for the sake of argument, let’s say you’re a lazy bum like me and won’t bother trying to resell it. 😊

Do you see where I’m getting at?

Building your own rig is fun, but its **expensive**, **risky** and **time consuming**. I wanted a simpler, smarter approach.

Cloud Mining Dogecoins



At first I looked at some straight up cloud mining services. A lot of solutions were trying to exploit traditional cloud computer services in order to get some hash rates going.

[Here's an example from Cryptcointalk.com](#)

As you can see, the fundamental problem with these type of solutions, is you need to CPU mine, but **Doge is better mined with a GPU**. As far as I know, there aren't any services that efficiently offer GPU power through the cloud. There is [Amazon EC2](#), but its not ideal for the raw power we need for mining.

That turned out to be a bust.

Then I found [CEX.io](#): a market place where you can trade ASIC hashing power by GH/s for cryptocurrency. I thought: "*What if I could turn an ASIC rig into a Dogecoin miner?*"

How do I ASIC mine dogecoin?

The answer is: **I don't.**

Well, not directly anyhow.

Dogecoin is a script based currency, which means ASIC rigs can't mine it. However, there are other altcoins that you CAN mine with an ASIC rig, then exchange them for BTC or Doge.

At the moment, the **price of DOGE is low**. Which means they are super cheap to buy. A single BTC can buy you ALOT of Doge.

Also, the price of cloud hashing is stable and/or keeps going up. Which means that your investment **GAINS VALUE OVER TIME** while a **GPU loses value over time!**

That's why I use cloud hashing to compliment my mining strategy.

My Doge mining strategy

I take a percentage of my Dogecoins and traded them for BTC. I did so when Doge was up and BTC was way down so each Doge yielded more BTC.

I then went to [CEX and bought 0.5 GH/s worth of cloud hashing power](#) with the Doge I had invested. Although I had to spend dogecoin to buy my hashing power, I know that when I sell it back, the value will have stayed relatively the same or even gone up in value (thus making a profit).

I could have invested more money into a physical rig, but there's a reason why I chose to go with CEX.

Cloud Hashing vs Buying a Rig

Let's compare buying GH/s from the cloud and buying GH/s from a rig.

Buying a Rig



There are 3 main distributors of mining rigs : [Butterfly Labs](#), [Avalon](#) and [Hashfast](#).

Pricing

Prices are fairly similar, but you're going to need to invest a few thousand dollars to get anything decent. You'll be looking at pricing anywhere between \$5.25 per GH/s (Hashfast) to \$32 per GH/s (Butterfly Labs).

Add the cost of electricity.

Availability

Most profitable machines are pre-sold months ahead of time. **By the time you could get your hands on a rig, mining difficulty might have gone up so far that it might not even be profitable anymore.**

Resale value

The physical rigs aren't what I could call easy to trade. You need to find a serious buyer, package it up tight and then there's shipping.

If the price of Bitcoin and/or the demand for mining rigs were to suddenly drop, you'd be stuck with a very expensive piece of machinery.

Cloud Miners



Pricing

Today, as I write this article, the price is 0.043 BTC per GH/s or roughly \$29.91 (1 BTC = \$722). Which is the equivalent of a Butterfly Labs rig.

Bonus : You don't pay for electricity!

Availability

The trade market is pretty active. You could easily buy or offload your mining power within a few minutes. Its easy to get up and running or to call it quits and cash out.

Resale Value

In case of a crash or if you just want to cash out, it takes only matter of minutes to trade in your hashing power for BTC.

You can also day trade your hashing power with the fluctation of the BTC market and the demand for hashing power.

The mobility of your hashing power is what makes it such a handy tool in mining Doge.

Why cloud mine with CEX?

cloud mining



Why do it with CEX?

First of all, the **entry level barrier is low**. You invest what you can and that's it. You don't need to mull over spending \$4 000 or more on a mining rig before you can start hashing.

Yes, the **cost per GH/s can be pretty high**, but there is the option to redeem your equipment and have it shipped to you. You can also sell your cloud back (maybe even at a profit) with relative ease.

That right there is : **Flexibility**.

CEX by default, mines not only BTC, but it also mines Litecoins (LTC), NMC, IXC, DVC and BF1 all at the same time.

I call that : **Diversification**.

It also features a very active mining pool (currently hasing at 3.29 Ph/s) and trading platform. So finding a block is quick, rewards are greater and its easy to sell what you mine.

I call that : **Utility**.

Those 3 reasons were enough for me to sign up.

Signing up and navigating on CEX

The layout is quite simple, but let me give you a step by step guide on how to get started with CEX.

Note : I may make a video guide soon.

Step 1 – Create an account

[Click here to go to CEX.io](#)

1. Click on Sign Up at the top right corner of your screen.
2. Fill the form out and pick a unique password.
3. Confirm your email

Step 2.1 – If you don't have BTC already

1. Signup for a currency exchange site like [coinedup.com](#)
2. Click on WALLET in the menu bar
3. Copy the Deposit Address
4. Go to your BTC wallet and click on SEND
5. Enter the deposit address and specify how much you want to send.
6. Wait a few minutes for Coinedup to confirm the transaction. This can take a few minutes or hours.
7. In the Order Book menu, click on SELL DOGE
8. Specify how much DOGE you want to sell and set the price. Then click on PLACE ORDER

Once a buyer is found for your order, you will have the BTC sent to your Coinedup account. From then on, you can send the BTC to your wallet or directly to CEX.

Step 2.2 – Deposit some BTC into CEX

1. Once you're logged in, click on **Balance**
2. Copy the Deposit address
3. Send the money via your wallet or directly from Coinedup by pasting the Deposit address into.
Wait a few minutes for the transaction to go through.

Step 3 – Trade your BTC for GH/s

1. Click on the TRADE tab at the top of the screen
2. Specify how much GH/s you want and set the price you want to pay.
3. Click on PLACE ORDER

For a quick sale, click on INSTANT BUY. The system will find the lowest prices available and buy them up automatically for you.

How Profitable is my doge mining strategy?

Everything I am about to explain is based on the assumption that Doge will one day go to the moon! 😊

Obviously if you don't believe in dogecoin, I suggest you use this strategy to simply mine more BTC or any other digital currency.

In my first day of ASIC mining, I invested 25 000 DOGE (worth approximately \$8 back then) and generated 0.00038271 BTC which is worth a whopping \$0.25!!

At that rate, I would find a **100% ROI** (return on my invest) after **32 days**. If I were to sell back my hashing power, I would more or less get back my **initial 25 000 Doge + the 25 000 Doge worth of BTC I mined** in the meantime.

I would now have **50 000 Doge**

Not bad? Sure.

What if I invested 250 000 Doge or 2 500 000 Doge?

I have yet to test to see if more Hashing power would give you a higher share count per block discovered. For the sake of an argument, let's assume the ROI is directly proportional to your investment.

250 000 Doge = \$2.50 per day

2 500 000 Doge = \$25 per day

Either way you're still looking at approximately **32 days for a complete return on investment**. If you sell back the GH/s for BTC, you will have **doubled your dogecoins**.

As difficulty goes up, you may make less per day, however, the demand for hashing power should go up, so you're investment is still backed by the value of investing in hashing power.

Let's take this to another level

Re-invest!

Every day I look at the prices for hashing power on the market place. As soon as I see the price go down, I re-invest all of my earned BTC into more hashing power.

Say you bought at 0.043 BTC per GH/s and in a week the price drops to 0.04, take all your accumulated BTC and buy more hashing power!

The time to 100% ROI should keep going down the more you re-invest into hashing power.

My petty 25 000 Doge investment will soon be producing \$0.50 a day, then \$0.75 a day and more! The profit made from mining bitcoin always goes back into buying more hashing power.

Let's wrap it up

There you have it. The **plan is fairly simple**:

1. Take a part of your dogecoins
2. Buy cloud hashing power and mine for bitcoins
3. Convert mined bitcoins into more dogecoins
4. Or re-invest what you mined into more hashing power
5. Once you're done mining, resell your cloud hashing and get back what you invested (at a potential profit on the equipment)

I will soon be investing much more Doge into CEX. You can track my current hash rate here:



I believe **you shouldn't let your dogecoins sit in your wallet**. Have those shibes work for you constantly making you more coin!

Any decent profit I make, I'll re-invest into Dogecoins.

Pros of cloud mining

- Risk is minimal
- No need to resell a bunch of used up GPUs
- No crazy electric bills
- You're mining multiple coins at the same time
- Your current doge balance is invested into producing more coins
- Low entry level barrier
- You can resell your equipment after you are done mining and regain everything you invested

Cons of Cloud Mining

- If the price of hashing suddenly drops, you may lose some of your investment/profits
- Market fluctuations could suddenly make your coins worth nothing



If you believe in Doge as much as I do: **I'll see you on the moon** 😊

Sharing is Caring

If you want to say thanks & help me out, then I only ask one thing.

Please *share this post with others*. On forums, on your blog, with your email list – anywhere & everywhere you can post it =D

If it helped you – it will help others, share the love folks!