Consensus Mining & Seigniorage Corporation

A Delaware Corporation
1 North Lexington Avenue,
Suite 12C, White Plains, NY
10601

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Corporate Website: www.consensusmining.com
Company Email: ir@consensusmining.com

SIC Code: 518210

Annual Report

For the period ending December 31, 2025 (the "Reporting Period")

The number of shares outstanding of our Common Stock is 2,250,009 as of END OF REPORTING PERIOD.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

OTCQX: CMSG

Consensus Mining & Seigniorage Corporation (the "Issuer", or CMSG), is responsible for the content of this information and disclosure statement for the year ended December 31, 2025 (the "Disclosure Statement"), which has been prepared to fulfill the disclosure requirements of the OTCQX U.S. marketplace. The information contained in this Disclosure Statement has not been filed with, or approved by, the U.S. Securities and Exchange Commission (the "SEC") or any state securities commission. Any representation to the contrary is a criminal offense.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information and Disclosure Statement contains forward-looking statements that involve risks and uncertainties, as well as assumptions that may not materialize or prove to be correct, which could cause our results to differ materially from those expressed in or implied by such forward-looking statements. All statements other than statements of historical fact, including those set forth under Item 15 “Management’s Discussion and Analysis,” are statements that could be deemed forward-looking statements, including, but not limited to, statements concerning: our plans, strategies and objectives for future operations; new equipment, systems, technologies, services or developments; future economic conditions, performance or outlook; future political conditions; the outcome of contingencies; potential acquisitions or divestitures; the value of Bitcoin awards in our mining operation; expected cash flows or capital expenditures; our beliefs or expectations; activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future; and assumptions underlying any of the foregoing. Forward-looking statements may be identified by their use of forward-looking terminology, such as “believes,” “expects,” “may,” “should,” “would,” “will,” “intends,” “plans,” “estimates,” “anticipates,” “projects” and similar words or expressions. You should not place undue reliance on these forward-looking statements, which reflect our management’s opinions only as of the date of filing and are not guarantees of future performance or actual results. The following are some of the factors we believe could cause our actual results to differ materially from our historical results or our current expectations or projections:

- our strategic decision to concentrate on and make capital investments in digital asset mining ties the success of our business to the success of the major digital assets we mine, particularly Bitcoin, as well as the success of digital assets, generally;
- our digital asset mining operations are subject to unique industry risks, including, among others, risks associated with the need for significant electrical power, intense competition for new miners, cybersecurity and increased world-wide competition for a fixed supply of Bitcoin rewards, which could have a material adverse effect on our business;
- our mining operations could be materially and adversely impacted by a natural disaster or other significant disruption;
- our present use of a third-party co-location arrangement for our mining operations;
- we depend on our ability to mine digital assets, particularly Bitcoin, at a value above our cost to mine them; however, the historical volatility in the market prices of these digital assets significantly impairs our ability to accurately predict their future prices and, therefore, our future revenues;
- strategic transactions, including mergers, acquisitions, investments and divestitures in other digital asset- and blockchain-focused companies, involve significant risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows and equity;
- we may need to raise additional capital to fund our business objectives, goals and strategies; however, volatility in the trading price of shares of our common stock may jeopardize our ability to maintain the OTC Marketplace listing of our common stock and/or make it difficult or impossible for us to raise the necessary capital;
- our reputation and ability to do business may be impacted by the improper conduct of our employees, agents or business partners;

- we are managed by Horizon Kinetics LLC, an affiliate of HKAM ("Horizon") through a service agreement and have a board of directors, and it may be difficult for us to replace a departing member of the management team or board;
- we have a limited operating history and we may be unable to achieve or sustain profitability;
- we participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth in our markets and, as a result, future income and expenditures;
- we cannot predict the consequences of future geo-political events, but they may adversely affect the markets in which we operate, our ability to insure against risks, our operations or our profitability;
- we could be negatively impacted by a security breach, through cyber attack, cyber intrusion, insider threats or otherwise, or other significant disruption of our IT networks and related systems;
- disputes with our suppliers, or their inability to perform or timely deliver new miners, parts or services, could adversely affect our expectations regarding future deployment of our miners;
- we face certain significant risk exposures and potential liabilities that may not be covered adequately by insurance or indemnity;
- unforeseen environmental issues could have a material adverse effect on our business, financial condition, results of operations, cash flows and equity; and
- the outcome of litigation or arbitration in which we are involved from time to time is unpredictable, and an adverse decision in any such matter could have a material adverse effect on our financial condition, results of operations, cash flows and equity

All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

Consensus Mining & Seigniorage Corporation. The Issuer was formed through the merger of HK Cryptocurrency Mining, LLC (formed in 2017) and HK Cryptocurrency Mining II, LLC (formed in 2018) and a capital raise conducted on November 30, 2021.

Item 2 The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:

Consensus Mining & Seigniorage Corporation
1 North Lexington Avenue, Suite 12C
White Plains, NY 10601

(i) the telephone of the issuer's principal executive offices is 646-495-7333.

(ii) www.consensusmining.com contains general information about the Issuer. The reference to our website is an interactive textual reference only, and the information contained on it shall not be deemed incorporated by reference herein.

(iii) name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.
- Horizon Kinetics Holding Corporation
- Agustin Krisnawahjuesa
- 470 Park Avenue South
- New York, NY 100016
- 646-495-7330
- ir@consensusmining.com

Check box if principal executive office and principal place of business are the same address: ☐

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

The Company was formed as a corporation in the State of Delaware on October 21, 2021 and commenced operations on November 30, 2021. The Company is currently in good standing in the State of Delaware.

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

- Common stock – CUSIP 20848D105

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value*. Provide the par or stated value for each class of outstanding securities.
1. Common stock par value: $0.01

B. *Common or Preferred Stock*

1. For common equity, describe any dividend, voting and preemption rights.
   - o Common stock receives (1) vote per share

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

Common stock:

(i) Period end date: December 31, 2025

(ii) Number of shares authorized: 5,000,000 shares

(iii) Number of shares outstanding: 2,250,009 shares

(iv) Freely tradable shares (public float): 1,539,900 shares

(v) Number of beneficial shareholders owning at least 100 shares: 368

(vi) Total number of shareholders of record: 368

Item 7 The name and address of the transfer agent*.

The Issuer's transfer agent is Broadridge Corporate Issuer Solutions, Inc (the "Transfer Agent"). The Transfer Agent's address is Broadridge Shareholder Services, c/o Broadridge Corporate Issuer Solutions, PO Box 1342, Brentwood, NY 11717-0718 and its telephone number is 877-830-4936. Broadridge Corporate Issuer Solutions, Inc is registered under the Securities Exchange Act and is regulated by the SEC.

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. Business Development

Consensus Mining and Seigniorage Corporation ("CMSG" or the "Company") is a digital asset mining company with strategic partnerships in hosting, repair and management that enable it to operate with minimal overhead expenses and a conservative capital structure that allows for flexible and patient capital allocation. The Company earns substantially all of its operating revenue from the mining of digital assets, predominantly Bitcoin but also scrypt mining, which results in rewards of Dogecoin and Litecoin. The Company generally expects to hold the Bitcoin and Litecoin that is received as mining rewards as non-current investments.

CMSG was incorporated on October 21, 2021 and was subsequently capitalized as a result of (i) a merger between HK Cryptocurrency Mining LLC and HK Cryptocurrency Mining II LLC (the "Merger"), two private funds focused on digital asset mining that were created by Horizon Kinetics Asset Management LLC ("HKAM") in 2017 and 2018, respectively, and (ii) a capital raise, issuing securities pursuant to a private placement, which raised approximately $63 million in cash and equipment from new and existing shareholders. At the time of the Merger on November 30, 2021, we believe CMSG's enterprise value was approximately $86 million, including a cash balance of approximately $71 million and digital assets valued at approximately $7 million.

Since its formation, CMSG has focused on the mining and retention of Bitcoin but has also mined for and continues to retain other digital assets, including, among others, Bitcoin Cash and Litecoin.

As of December 31, 2025, the Issuer held approximately $31.3 million of digital assets at fair value consisting of the following:

	December 31, 2025			December 31, 2024		
	Units Held	Cost Basis	Fair Value	Units Held	Cost Basis	Fair Value
Bitcoin	346	$ 16,838,809	$ 30,249,275	320	$ 14,571,281	$ 29,842,075
Litecoin	12,730	1,235,107	976,736	10,168	980,778	1,048,055
Dogecoin	27,591	3,235	3,235	15,000	4,730	4,730
Other coins		58,562	103,146		57,889	47,441
Total		$ 18,135,712	$ 31,332,392		$ 15,614,677	$ 30,942,301

Blockchain and Digital Assets Generally

Distributed blockchain technology is a decentralized and encrypted ledger that is designed to offer a secure, efficient, verifiable, and permanent way of storing records and other information without the need for a central authority or intermediaries. Digital assets serve multiple purposes. They can serve as a medium of exchange, store of value or unit of account. Examples of digital assets include: Bitcoin, Bitcoin Cash, and Litecoin. Blockchain technologies are being evaluated for a multitude of industries due to the belief in their ability to have a significant impact in many areas of business, finance, information management, and governance.

Digital assets are decentralized currencies that enable near instantaneous transfers. Transactions occur via an open source, cryptographic protocol platform which uses peer-to-peer technology to operate with no central authority. The online network hosts the public transaction ledger, known as the blockchain, and each digital asset is associated with a source code that comprises the basis for the cryptographic and algorithmic protocols governing the blockchain. In a digital asset network, every peer has its own copy of the blockchain which contains records of every historical transaction - effectively containing records of all account balances. Each account is identified solely by its unique public key and is secured with its associated private key (i.e., a password). The combination of private and public cryptographic keys constitutes a secure digital identity in the form of a digital signature, providing strong control of ownership.

No single entity owns or operates the network. The infrastructure is collectively maintained by a decentralized public user base. As the network is decentralized, it does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of the currency units. Rather, the value is determined by market factors, supply and demand for the units, the prices being set in transfers by mutual agreement or barter among transacting parties, as well as the number of merchants that may accept the digital asset. Since transfers do not require involvement of intermediaries or third parties, there are currently little to no transaction costs in direct peer-to-peer transactions. Units of digital assets can be converted to fiat currencies, such as the US dollar, at rates determined by the market through various exchanges, such as Coinbase. Digital asset prices and products such as exchange-traded funds that are designed to offer exposure to digital assets are quoted on various exchanges and can fluctuate with extreme volatility.

Digital Asset Mining

Digital asset mining is the process that Bitcoin and several other digital assets use to generate new coins and verify new transactions. It involves vast, decentralized networks of computers around the world that verify and secure blockchains – the virtual ledgers that document digital asset transactions. In return for contributing their processing power, computers on the network are paid a block subsidy with new coins.

In addition to the standard block rewards, miners can also earn additional transactions fees for finding and verifying a block. A transaction fee is what a user pays to miners to get their transaction included in the blockchain. The more a user pays, the higher the chance their transaction will be picked up immediately as there is only a limited amount of space in each block.

Transaction fees are an important income stream for miners alongside the block subsidy. Users who pay transaction fees are contributing to the security of the bitcoin network. While the block subsidy is a set amount of the digital asset, subject to the halving and difficulty protocols of the network (see below), transaction fees can differ significantly from one block to the next.

Halving

Importantly for the industry, certain digital asset protocols, including the Bitcoin blockchain, the digital asset reward for solving a block is subject to periodic incremental halving. Halving is a process, which happens approximately every four (4) years, and is designed to control the overall supply and reduce the risk of inflation in digital assets using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving".

For Bitcoin, the first halving was on November 28, 2012, reducing the reward from 50 Bitcoin to 25. The second having occurred on July 9, 2016 and reduced the reward from 25 to 12.5. The third having, which took place on May 11, 2020, further reduced the reward from 12.5 to 6.25, and the next having occurred on April 19, 2024, and reduced the reward to 3.125. This process will recur until the total amount of Bitcoin currency rewards issued reaches 21 million, which is expected to occur around the year 2140.

Similarly, Litecoin first halved on August 25, 2015 at block 840,000 from 50 to 25 and the second halving occurred on August 5, 2019 at block 1,680,000 from 25 to 12.5. On August 2, 2023, the next having reduced the reward from 12.5 to 6.25.

Many factors influence the price of Bitcoin and Litecoin and potential increases or decreases in prices in advance of or following a future halving is unknown.

Network Hash Rate and Difficulty

In digital asset mining, "hash rate" is a measure of the processing speed by a mining computer for a specific coin. An individual miner, such as CMSG has a hash rate total of its miners seeking to mine a specific coin, and system wide there is a total hash rate of all miners seeking to mine each specific type of coin. The higher total hash rate of a specific miner, as a percentage of the system wide total hash rate, generally results over time in a corresponding higher success rate in coin rewards as compared to miners with lower hash rates.

"Difficulty" is a relative measure of how complex the process is made to successfully solve the algorithm and obtain a coin award. Using Bitcoin as an example, the difficulty is adjusted periodically generally as a function of how much hashing power is deployed by the network of miners and designed to maintain certain mining results so that, on average, 10 minutes, is required to produce a block. If the block is exceeding the 10-minute goal and miners are struggling with a target difficulty set too high, the network reduces it and vice versa, with this protocol called difficulty retargeting. At each interval of 2,016 blocks being mined (which takes roughly two weeks), the network re-analyzes the interval and revises the difficulty index, if needed.

Mining Pools

A "mining pool" is the pooling of resources by miners, who share their processing power over a network and split rewards according to the amount of work they contributed to the probability of placing a block on the blockchain. Mining pools emerged in response to the growing difficulty and available hashing power that competes to place a block on the Bitcoin blockchain.

The Company participates in mining pools wherein groups of miners associate to pool resources and earn digital assets together allocated to each miner according to the "hashing" capacity they contribute to the pool. As additional miners competed for the limited supply of blocks, individuals found that they were working for months without finding a block and receiving any reward for their mining efforts. To address this variance, miners started organizing into pools to share mining rewards more evenly on a pro rata basis based on total hashing capacity contributed to the mining pool.

The mining pool operator provides a service that coordinates the computing power of the independent mining enterprise. Fees are paid to the mining pool operator to cover the costs of maintaining the pool. The pool uses software that coordinates the pool members' hashing power, identifies new block rewards, records how much work all the participants are doing, and assigns block rewards for successful algorithm solutions in-proportion to the individual hash rate that each participant contributed to a given successful mining transaction. While we do not pay pool fees directly, pool fees are deducted from amounts we may otherwise earn. Fees (and payouts) fluctuate and historically have been approximately 2% on average.

Mining pools are subject to various risks such as disruption and down time. The Company monitors its hashing performance and reward rates to monitor credits for our contributed hashing power. In the event that a pool experiences down time or not yielding returns, our results may be impacted.

Bitcoin and other Digital Asset Mining Operations

As of December 31, 2025, CMSG owned and operated 830 miners for Bitcoin, and 555 miners for Litecoin and Dogecoin. The Company's Bitcoin hashrate was approximately 143 PetaHash (PH). The Company's Litecoin hashrate was approximately 6,890 GH.

Equipment is monitored regularly for profitability. Equipment placed out of service for profitability reasons may still be held should the profitability profile change.

We seek to increase our hashing power capacity devoted to the Bitcoin blockchain by acquiring and deploying increasing numbers of the latest generation of more powerful and energy-efficient miners. However, increases in our hashing power capacity could decline relative to the total hashing power devoted to the Bitcoin network, which would generally result in lower rewards.

Custody

Nearly all of the digital assets currently owned by the Company are held by NYDIG Trust Company, LLC and Coinbase, Inc., both institutional custody providers.

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1. **The form of organization of the issuer**: The Company is a Delaware corporation.

2. **Year that the issuer (or any predecessor) was organized:** The Company was organized in 2021.

3. **The issuer's fiscal year end date:** December 31

4. **Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding:** No prior bankruptcy, receivership or similar proceeding.

5. **Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets**; The Company was formed as a result of a merger between HK Cryptocurrency Mining LLC and HK Cryptocurrency Mining II LLC (the "Merger"), two private funds focused on digital asset mining that were created by Horizon Kinetics Asset Management LLC ("HKAM") in 2017 and 2018, respectively, and a capital raise conducted on November 30, 2021.

6. **Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments:** None

7. **Any change of control:** None

8. **Any increase of 10% or more of the same class of outstanding equity securities:** None

9. **Any past, pending or anticipated stock split, stock dividend, recapitalization, merger,acquisition, spin-off, or reorganization:** None

10. **Any delisting of the issuer's securities by any securities exchange:** None

11. **Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator:** None

B. Business of Issuer

1. **The issuer's primary and secondary SIC Codes:** 518210
2. **If the issuer has never conducted operations, is in the development stage, or is currently conducting operations:** The Issuer is currently conducting operations.
3. **Whether the issuer has at any time been a "shell company**": The Issuer has not at anytime been a "shell company".
4. **The names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement:** Not applicable.
5. **The effect of existing or probable governmental regulations on the business:** Governments around the world continue to review and impose various regulations on digital assets and the companies involved with them. Certain governments have attempted to prohibit them or declare them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the U.S., subject to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. Ongoing and future regulatory actions may impact our ability to continue to operate, and such actions could affect our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations.
6. **An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers:** None.

7. **Costs and effects of compliance with environmental laws (federal, state and local)**: Not a significant impact.
8. **The number of total employees and number of full-time employees**: There are no employees of the Company, which is managed pursuant to a management services contract with Horizon Kinetics LLC, an affiliate of Horizon Kinetics Asset Managment ("Horizon").

General Risks

We may not be able to achieve or sustain profitability and may not be successful in this business.

Currently, our primary operations are focused on our digital asset mining business, which is dependent on securing locations in which the Company can operate its mining equipment. While the Company has a limited history, the industry is new and evolving and is subject to the risks discussed below. This strategy, like our prior ones, may not be successful, and we may lose money.

The impact of the recent Bitcoin halving is not understood at this time but we believe the Company is well positioned to manage through the uncertainty of mining operations after the halving.

We may not be able to sustain profitability.

We reported net loss and a net income for the years ended December 31, 2025 and 2024, respectively. We have also experienced net outflows from our operating activities for the years ended December 31, 2025 and 2024. While we have cash and cash equivalents of approximately $60.5 million at December 31, 2025, we will need to continue to invest in additional equipment and incur operating expenses. To date, we have not relied on equity financings.

Our primary focus is on mining digital currencies in locations that have changed from time to time to respond to the availability of hosting facilities, power costs and other factors. Our current strategy will continue to expose us to the numerous risks and volatility associated within this sector.

Our mining operating costs outpace our mining revenues, which could seriously harm our business or increase our losses.

Our mining operations are costly and our expenses may increase in the future. This expense increase may not be offset by a corresponding increase in revenue. Our expenses may be greater than we anticipate, and our investments to make our business more efficient may not succeed and may outpace monetization efforts. Increases in our costs without a corresponding increase in our revenue would increase our losses and could seriously harm our business and financial performance.

If we are unable to successfully renew our hosting agreements or find new locations, our operations may be disrupted, and our business results may suffer.

The Company owns no real estate and instead leases space with third party hosting facilities who are generally responsible for installing and monitoring miners in each location. If we are forced to relocate our mining equipment, we may not be successful in identifying adequate replacement facilities to house our miners. And even if we do identify such facilities, we may not be successful in leasing those facilities at rates that are economically viable to support our mining activities. Relocating our mining activities may require us to incur costs to transition to a new facility including, but not limited to, transportation expenses and insurance, downtime while we are unable to mine, legal fees to negotiate the new lease, de-installation at our current facility and, ultimately, installation at any new facility we identify. These costs may be substantial, and we cannot guarantee that we will be successful in transitioning our miners to a new facility. If we are required to move our activities, our business may suffer and the results of our operations may be adversely affected.

Our business model is subject to various uncertainties.

Blockchain technologies are evolving as are the services and products associated with them. We may not be able to manage operations or growth effectively, which could damage our reputation and negatively affect our operating results.

We may acquire other businesses, form joint ventures or partner with companies that could negatively affect our operating results, dilute our stockholders' ownership, or cause us to incur significant expense.

We may consider opportunities to acquire or partner with other companies. These business changes may not be successful. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into the existing business and could assume unknown or contingent liabilities.

Any future acquisitions or partnerships also could result in the issuance of stock, incurrence of debt, contingent liabilities or future write-offs of intangible assets or goodwill, any of which could have a negative impact on our cash flows, financial condition and results of operations. We may experience losses related to potential investments in other companies, which could harm our financial condition and results of operations. Further, we may not realize the anticipated benefits of any acquisition, strategic alliance or joint venture if such investments do not materialize.

To finance any acquisitions or joint ventures, we may choose to issue shares of common stock or a combination of debt and equity as consideration, which could significantly dilute the ownership of our existing stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our common stock is low or volatile, we may not be able to acquire other companies or fund a joint venture project using stock as consideration.

We may not be able to compete with other companies, many of whom have greater resources and experience.

The Company has only been in existence since November 2021. As such, with a limited history, we may not be able to compete successfully against present or future competitors. We may not have the resources to compete with larger providers of similar services at this time. A number of high-profile and well-established operators, some of which have substantially greater liquidity and financial resources than we do, pose significant challenges for the acquisition of equipment and the leasing of hosting space. With the limited resources we have available, we may experience difficulties in expanding and improving our network of computers to remain competitive. Competition from existing and future competitors, some of whom have access to more competitively priced energy, could result in our inability to secure acquisitions and partnerships that we may need to grow our business in the future.

The development of new digital assets may adversely affect the value of Bitcoin and other digital assets.

There are more than 11,000 digital assets in existence. Many have or could face significant government intervention. Existing or new digital assets could become more widely used to the detriment and potential exclusion of existing digital assets, such as our primary digital asset, Bitcoin.

The hosting facilities used in our mining network may experience damages, including damages that are not covered by insurance.

We mine in multiple locations. With such reliance on limited facilities, damage to any location could leave us inoperable, temporarily or permanently, as a result of a fire, weather or other natural disaster or by a terrorist or other attack on the mine. The security and other measures we take, and those taken by our vendors, to protect against these risks may not be sufficient. Additionally, a location could be materially adversely affected by a power outage or loss of access to the electrical grid or loss by the grid of cost-effective sources of electrical power generating capacity. Our insurance does not cover any interruption of our mining activities; our insurance therefore may not be adequate to cover the losses we suffer as a result of any of these events. In the event of an uninsured loss, including a loss in excess of insured limits, at any of the mines in our network, such mines may not be adequately repaired in a timely manner or at all and we may lose some or all of the future revenues anticipated to be derived from such mines.

Our operations are dependent on the Services Agreement with Horizon, and the termination of that agreement or the loss of any of our management team could adversely affect our business.

The Company has seven executive officers who oversee the management of the Company. Those executive officers also serve in similar roles for Horizon and related entities. The executive officers are not compensated by the Company. Instead, the Company has entered into a Services Agreement with Horizon, under which Horizon is paid monthly for its services in managing the affairs of the Company. As such, our success will depend to a large degree on the services provided by Horizon. Further, without the Services Agreement with Horizon, the Company would be forced to pay salaries and other payroll related costs or engage other third parties, the sum of which would be significantly greater than the amount paid under the Services Agreement.

Additionally, the Company's officers devote a significant portion of their time to Horizon and the competition for their time could impact the services they provide to the Company. Furthermore, if we fail to execute an effective contingency or succession plan with the loss of any member of management or the Services Agreement, the loss of such management personnel may significantly disrupt our business.

We may require personnel with different skills and experiences, and who have a thorough understanding of our business and the digital asset industry. The market for highly qualified personnel in this industry is very competitive and we may be unable to attract such personnel. If we are unable to attract such personnel, our business could be harmed.

Negative publicity could affect our business.

There is a growing negative sentiment in the press with digital asset mining companies as well as government regulators. Any adverse publicity associated with operating in this industry could lead to litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable.

We will incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; if we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and our reputation.

As a public company, we are required to, among other things, maintain a system of effective internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Substantial work will continue to be required to further implement, document, assess, test and remediate our system of internal controls.

If our internal control over financial reporting is not effective, we may be unable to issue our financial statements in a timely manner, we may be unable to obtain the required audit or review of our financial statements by our independent registered public accounting firm in a timely manner or we may be otherwise unable to comply with the periodic reporting requirements applicable to companies such as ours, our common stock listing could be suspended or terminated and our stock price could materially suffer. In addition, we or members of our management could be subject to investigation and sanction by federal and state regulatory authorities and to stockholder lawsuits, which could impose significant additional costs on us.

There may be identified material weaknesses in our internal control over financial reporting in the future or we may otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

We or our auditors may identify material weaknesses in our internal controls over financial reporting and management's assessment of our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

If we fail to comply with any requirements imposed on the Company relative to the accuracy and timeliness of the filing of our annual and quarterly reports, it may adversely affect us and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. In addition, a material weakness in the effectiveness of our internal control over financial reporting could result in an increased chance of fraud and the loss of customers, reduce our ability to obtain financing and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on our business, results of operations and financial condition.

Because digital assets may be determined to be investment securities, we may inadvertently violate the Investment Company Act and incur large losses as a result and potentially be required to register as an investment company or terminate operations and we may incur third party liabilities.

We believe that we are not engaged in the business of investing, reinvesting, or trading in securities, and we do not hold ourselves out as being engaged in those activities. However, under the Investment Company Act a company may be deemed an investment company under section 3(a)(1)(C) thereof if the value of its investment securities is more than 40% of its total assets (exclusive of government securities and cash items) on an unconsolidated basis.

The value of all our investments and our mining activities, including investments in which we do not have a controlling interest, the investment securities we hold could exceed 40% of our total assets, exclusive of cash items and, accordingly, we could determine that we have become an inadvertent investment company. The digital asset we own, acquire or mine may be deemed an investment security by the SEC, although we do not believe any of the digital assets we own, acquire or mine are securities. An inadvertent investment company can avoid being classified as an investment company if it can rely on one of the exclusions under the Investment Company Act. One such exclusion, Rule 3a-2 under the Investment Company Act, allows an inadvertent investment company a grace period of one year from the earlier of (a) the date on which an issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis and (b) the date on which an issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. As of December 31, 2025, we do not believe we are an inadvertent investment company.

Classification as an investment company under the Investment Company Act requires registration with the SEC. If an investment company fails to register, it would have to stop doing almost all business, and its contracts would become voidable. Registration is time consuming and restrictive and would require a restructuring of our operations, and we would be very constrained in the kind of business we could do as a registered investment company. Further, we would become subject to substantial regulation concerning management, operations, transactions with affiliated persons and portfolio composition, and would need to file reports under the Investment Company Act regime. The cost of such compliance would result in the Company incurring substantial additional expenses, and the failure to register if required would have a materially adverse impact to conduct our operations.

Our insurance may by inadequate to cover existing and future claims against the Company and our ability to pay for such claims may be limited, which may adversely affect our business.

We are subject to claims by shareholders and regulatory authorities, all of which may result in claims for indemnification by our officers and directors (both present and past) named in such claims. If our existing insurance policies expire or are otherwise inadequate to cover such liabilities and claims for indemnification, we may be required to pay for such liabilities directly, which could negatively affect our liquidity. To the extent we are required to pay for such liabilities directly, our available cash reserves will be affected, which may affect our ability to respond to market conditions and to pay for other emergent expenses, which could negatively affect the results of our operations and our business.

Digital Asset-Related Risks

Regulatory changes may restrict the use of digital assets.

Governments around the world continue to review and impose various regulations on digital assets and the companies involved with them. Certain governments have attempted to prohibit them or declare them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the U.S., subject to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. Ongoing and future regulatory actions may impact our ability to continue to operate, and such actions could affect our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations.

The development and acceptance of cryptographic and algorithmic protocols governing the issuance of and transactions in digital assets is subject to a variety of factors that are difficult to evaluate.

The use of digital assets to, among other things, buy and sell goods and services and complete transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. Large-scale acceptance of digital assets as a means of payment has not, and may never, occur. The growth of this industry in general, and the use of digital assets in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may occur unpredictably.

Banks and financial institutions may not provide banking services, or may cut off services, to businesses that engage in digital asset-related activities or that accept digital assets as payment, including financial institutions of investors in our securities.

A number of companies that engage in Bitcoin and/or other digital asset-related activities have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with digital assets may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions in response to government action, particularly in China, where regulatory response to digital assets has been to exclude their use for ordinary consumer transactions within China. We also may be unable to obtain or maintain these services for our business. The difficulty that many businesses that provide Bitcoin and/or derivatives on other digital asset-related activities have and may continue to have in finding banks and financial institutions willing to provide them services may be decreasing the usefulness of digital assets as a payment system and harming public perception of digital assets, and could decrease their usefulness and harm their public perception in the future.

The usefulness of digital assets as a payment system and the public perception of digital assets could be damaged if banks or financial institutions were to close the accounts of businesses engaging in Bitcoin and/or other digital asset-related activities. This could occur as a result of compliance risk, cost, government regulation or public pressure. The risk applies to securities firms, clearance and settlement firms, national stock and derivatives on commodities exchanges, the over-the-counter market, and the Depository Trust Company, which, if any of such entities adopts or implements similar policies, rules or regulations, could negatively affect our relationships with financial institutions and impede our ability to convert digital assets to fiat currencies. Such factors could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and harm investors.

We may face risks of Internet and power disruptions, which could have an adverse effect on the price of digital assets.

A disruption of the Internet may affect the use of digital assets. Generally, digital assets and our business of mining digital assets is dependent upon the Internet. A significant disruption in Internet connectivity could disrupt a currency's network operations until the disruption is resolved and have an adverse effect on the price of digital assets and our ability to mine digital assets.

The impact of geopolitical and economic events on the supply and demand for digital assets is uncertain.

Geopolitical crises may motivate large-scale purchases of Bitcoin and other digital assets, which could increase the price of Bitcoin and other digital assets rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior dissipates, adversely affecting the value of our inventory following such downward adjustment. Such risks are similar to the risks of purchasing commodities in general uncertain times, such as the risk of purchasing, holding or selling gold. Alternatively, as an emerging asset class with limited acceptance as a payment system or commodity, global crises and general economic downturn may discourage investment in digital assets as investors focus their investment on less volatile asset classes as a means of hedging their investment risk.

As an alternative to fiat currencies that are backed by central governments, digital assets, which are relatively new, are subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is largely uncertain but could be harmful to us and investors in our common stock. Political or economic crises may motivate large-scale acquisitions or sales of digital assets either globally or locally. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or any other digital assets we mine or otherwise acquire or hold for our own account.

Acceptance and/or widespread use of digital assets is uncertain.

Currently, there is a relatively limited use of any digital asset in the retail and commercial marketplace, thus contributing to price volatility that could adversely affect an investment in our digital assets. Banks and other established financial institutions may refuse to process funds for digital asset transactions, process wire transfers to or from digital asset exchanges, digital asset-related companies or service providers, or maintain accounts for persons or entities transacting in digital assets. Conversely, a significant portion of digital asset demand is generated by investors seeking a long-term store of value or speculators seeking to profit from the short- or long-term holding of the asset. Price volatility undermines any digital asset's role as a medium of exchange, as retailers are much less likely to accept it as a form of payment. Market capitalization for a digital asset as a medium of exchange and payment method may always be low.

The relative lack of acceptance of digital assets in the retail and commercial marketplace, or a reduction of such use, limits the ability of end users to use them to pay for goods and services. Such lack of acceptance or decline in acceptances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of Bitcoin or any other digital assets we mine or otherwise acquire or hold for our own account.

Transactional fees may decrease demand for Bitcoin and prevent expansion.

As the number of Bitcoins currency rewards awarded for solving a block in a blockchain decreases, the incentive for miners to continue to contribute to the Bitcoin network may transition from a set reward to transaction fees.

In order to incentivize miners to continue to contribute to the Bitcoin network, the Bitcoin network may either formally or informally transition from a set reward to transaction fees earned upon solving a block. This transition could be accomplished by miners independently electing to record in the blocks they solve only those transactions that include payment of a transaction fee. If transaction fees paid for Bitcoin transactions become too high, the marketplace may be reluctant to accept Bitcoin as a means of payment and existing users may be motivated to switch from Bitcoin to another digital asset or to fiat currency. Either the requirement from miners of higher transaction fees in exchange for recording transactions in a blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for Bitcoin and prevent the expansion of the Bitcoin network to retail merchants and commercial businesses, resulting in a reduction in the price of Bitcoin that could adversely impact an investment in our securities. Decreased use and demand for Bitcoin may adversely affect its value and result in a reduction in the price of Bitcoin and the value of our common stock.

The decentralized nature of digital asset systems may lead to slow or inadequate responses to crises, which may negatively affect our business.

The decentralized nature of the governance of digital asset systems may lead to ineffective decision making that slows development or prevents a network from overcoming emergent obstacles. Governance of many digital asset systems is by voluntary consensus and open competition with no clear leadership structure or authority. To the extent lack of clarity in corporate governance of digital systems leads to ineffective decision making that slows development and growth of such digital assets, the value of our common stock may be adversely affected.

It may be illegal now, or in the future, to acquire, own, hold, sell or use digital assets, participate in blockchains or utilize similar digital assets in one or more countries, the ruling of which would adversely affect us.

Although currently digital assets generally are not regulated or are lightly regulated in most countries, one or more countries may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use these digital assets or to exchange for fiat currency. In some nations, it is illegal to accept payment in Bitcoin and other digital assets for consumer transactions and banking institutions are barred from accepting deposits of digital assets. Such restrictions may adversely affect us as the large-scale use of digital assets as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and harm investors.

There is a lack of liquid markets, and possible manipulation of blockchain/digital assets.

Digital assets that are represented and trade on a ledger-based platform may not necessarily benefit from viable trading markets. Stock exchanges have listing requirements and vet issuers; requiring them to be subjected to rigorous listing standards and rules, and monitor investors transacting on such platform for fraud and other improprieties. These conditions may not necessarily be replicated on a distributed ledger platform, depending on the platform's controls and other policies. The more casual a distributed ledger platform is about vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of the ledger due to a control event. These factors may decrease liquidity or volume or may otherwise increase volatility of investment securities or other assets trading on a ledger-based system, which may adversely affect us. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account and harm investors.

Our operations, investment strategies and profitability may be adversely affected by competition from other methods of investing in digital assets.

We compete with other users and/or companies that are mining digital assets and other potential financial vehicles, including securities backed by or linked to digital assets through entities similar to us. Market and financial conditions, and other conditions beyond our control, may make it more attractive to invest in other financial vehicles, or to invest in digital assets directly, which could limit the market for our shares and reduce their liquidity. The emergence of other financial vehicles and exchange-traded funds have been scrutinized by regulators and such scrutiny and the negative impressions or conclusions resulting from such scrutiny could be applicable to us and impact our ability to successfully pursue our new strategy or operate at all, or to establish or maintain a public market for our securities. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and harm investors.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or other alternatives.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or an alternative to distributed ledgers altogether. Our business utilizes presently existent digital ledgers and blockchains and we could face difficulty adapting to emergent digital ledgers, blockchains, or alternatives thereto. This may adversely affect us and our exposure to various blockchain technologies and prevent us from realizing the anticipated profits from our investments. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and harm investors.

Our digital assets may be subject to loss, theft or restriction on access.

More than 99.9% of the digital assets owned by the Company as of December 31, 2025 are held by Coinbase, Inc. ("Coinbase") or NYDIG Trust Company LLC ("NYDIG"). Custodians such as Coinbase face the risk that some or all of our digital assets could be lost or stolen. Digital assets are stored in digital asset sites commonly referred to as "wallets" by holders of digital assets which may be accessed to exchange a holder's digital assets. A hot wallet refers to any digital asset wallet that is connected to the Internet. Generally, hot wallets are easier to set up and access then wallets in cold storage, but they are also more susceptible to hackers and other technical vulnerabilities. Cold storage refers to any digital asset wallet that is not connected to the Internet. Cold storage is generally more secure than hot storage, but is not ideal for quick or regular transactions and we may experience lag time in our ability to respond to market fluctuations in the price of our digital assets. Coinbase and NYDIG generally hold most of our digital assets in cold storage to reduce the risk of malfeasance, but the risk of loss of our digital assets cannot be wholly eliminated.

Hackers or malicious actors may launch attacks to steal, compromise or secure digital assets, such as by attacking the digital asset network source code, exchange miners, third-party platforms, cold and hot storage locations or software, or by other means. The custodians of our holdings may be in control and possession of one of the more substantial holdings of digital assets. As our custodians increase in size, they may become a more appealing target of hackers, malware, cyber-attacks or other security threats. Any of these events may adversely affect our operations and, consequently, our investments and profitability. The loss or destruction of a private key required to access our digital wallets may be irreversible and we may be denied access for all time to our digital asset holdings or the holdings of others held in those compromised wallets. Our loss of access to our private keys or our experience of a data loss relating to our digital wallets could adversely affect our investments and assets.

Digital assets are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public blockchain. To the extent any private keys are lost, destroyed or otherwise compromised, we will be unable to access our digital asset rewards and such private keys may not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to store our digital assets could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account.

Risks due to hacking or adverse software event.

Although less than 0.1% of the digital assets owned by the Company as of December 31, 2025 are maintained in hardware wallets, in order to minimize risk, CMSG has established processes to manage wallets that are associated with our digital asset holdings. There can be no assurances that any processes we have adopted or will adopt in the future are or will be secure or effective, and we would suffer significant and immediate adverse effects if we suffered a loss of our digital assets due to an adverse software or cybersecurity event.

Incorrect or fraudulent digital asset transactions may be irreversible.

Digital asset transactions are irrevocable and stolen or incorrectly transferred digital assets may be irretrievable. As a result, any incorrectly executed or fraudulent digital asset transactions could adversely affect our investments and assets.

Digital asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the digital assets from the transaction. In theory, digital asset transactions may be reversible with the control or consent of a majority of processing power on the network, however, we do not now, nor is it feasible that we could in the future, possess sufficient processing power to effect this reversal. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of a digital asset or a theft thereof generally will not be reversible and we may not have sufficient recourse to recover our losses from any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our digital asset rewards could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

Our interactions with a blockchain may expose us to SDN or blocked persons or cause us to violate provisions of law that did not contemplate distribute ledger technology.

The Office of Financial Assets Control of the US Department of Treasury ("OFAC") requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals (“SDN”) list. However, because of the pseudonymous nature of blockchain transactions we may inadvertently and without our knowledge engage in transactions with persons named on OFAC’s SDN list. Our Company’s policy prohibits any transactions with such SDN individuals, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact with respect to selling digital assets. Moreover, federal law prohibits any US person from knowingly or unknowingly possessing any visual depiction commonly known as child pornography. Recent media reports have suggested that persons have imbedded such depictions on one or more blockchains. Because our business requires us to download and retain one or more blockchains to effectuate our ongoing business, it is possible that such digital ledgers contain prohibited depictions without our knowledge or consent. To the extent government enforcement authorities literally enforce these and other laws and regulations that are impacted by decentralized distributed ledger technology, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties, all of which could harm our reputation and affect the value of our common stock.

Digital assets face significant scaling obstacles that can lead to high fees or slow transaction settlement times.

Digital assets face significant scaling obstacles that can lead to high fees or slow transaction settlement times and attempts to increase the volume of transactions may not be effective. Scaling digital assets is essential to the widespread acceptance of digital assets as a means of payment, which widespread acceptance is necessary to the continued growth and development of our business. Many digital asset networks face significant scaling challenges. For example, digital assets are limited with respect to how many transactions can occur per second. Participants in the digital asset ecosystem debate potential approaches to increasing the average number of transactions per second that the network can handle and have implemented mechanisms or are researching ways to increase scale, such as increasing the allowable sizes of blocks, and therefore the number of transactions per block, and sharding (a horizontal partition of data in a database or search engine), which would not require every single transaction to be included in every single miner’s or validator’s block. However, there is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of digital asset transactions will be effective, or how long they will take to become effective, which could adversely affect an investment in our securities.

The price of digital assets may be affected by the sale of such digital assets by other vehicles investing in digital assets or tracking digital asset markets.

The global market for digital assets is characterized by supply constraints that differ from those present in the markets for commodities or other assets such as gold and silver. The mathematical protocols under which certain digital assets are mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. To the extent that other vehicles investing in digital assets or tracking digital asset markets form and come to represent a significant proportion of the demand for digital assets, large redemptions of the securities of those vehicles and the subsequent sale of digital assets by such vehicles could negatively affect digital asset prices and therefore affect the value of the digital asset inventory we hold. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account.

Because there has been limited precedent set for financial accounting of Bitcoin and other digital assets, the determination that we have made for how to account for digital assets transactions may be subject to change.

Over the years, there have been a number of changes with respect to the financial accounting of digital assets and related revenue recognition. In December 2023, the Financial Accounting Standards Board published an Accounting Standards Update ("ASU") intended to improve the accounting for, and disclosure of, certain digital assets. Such amendments in the ASU are effective for entities with fiscal years beginning after December 15, 2024. The Company has elected to early adopt the ASU as of January 1, 2024.

Digital Asset Mining-Related Risks

There are risks related to technological obsolescence, the vulnerability of the global supply chain for digital asset hardware disruption, and difficulty in obtaining new hardware which may have a negative effect on our business.

Our mining operations can only be successful and ultimately profitable if the costs, including hardware and electricity costs, associated with mining digital assets are lower than the price of a Bitcoin. As our miners experience ordinary wear and tear and may also face more significant malfunctions caused by a number of extraneous factors beyond our control. The degradation of our miners will require us to, over time, replace those miners which are no longer functional. Additionally, as the technology evolves, we may be required to acquire newer models of miners to remain competitive in the market and the cost of new machines is unpredictable but could be extremely high. As a result, at times, we may obtain miners from third parties at premium prices, to the extent they are available. This upgrading process requires substantial capital investment, and we may face challenges in doing so on a timely and cost-effective basis.

Also, because we depreciate our new equipment over a three-year period for financial reporting purposes, our reported operating results will be negatively affected. Further, the global supply chain for digital asset miners is presently heavily dependent on China, which was severely affected by the emergence of the COVID-19 coronavirus global pandemic. Should similar outbreaks or other disruptions to the China-based global supply chain for digital asset hardware occur, we may not be able to obtain adequate replacement parts for our existing miners or to obtain additional miners from the manufacturer on a timely basis.

The Company's reliance on a third-party mining pool service providers for our mining revenue payouts may have a negative impact on the Company operations.

We use third–party mining pools to receive our mining rewards from the network. Mining pools allow miners to combine their processing power, increasing their chances of solving a block and getting paid by the network. The rewards are distributed by the pool operator, proportionally to our contribution to the pool's overall mining power, used to generate each block. Should the pool operator's system suffer downtime due to a cyber-attack, software malfunction or other similar issues, it will negatively impact our ability to mine and receive revenue. Furthermore, we are dependent on the accuracy of the mining pool operator's record keeping to accurately record the total processing power provided to the pool for a given Bitcoin mining application in order to assess the proportion of that total processing power we provided. While we have internal methods of tracking both our power provided and the total used by the pool, the mining pool operator uses its own record-keeping to determine our proportion of a given reward. We have little means of recourse against the mining pool operator if we determine the proportion of the reward paid out to us by the mining pool operator is incorrect, other than leaving the pool. If we are unable to consistently obtain accurate proportionate rewards from our mining pool operators, we may experience reduced reward for our efforts, which would have an adverse effect on our business and operations.

The primary digital assets for which we mine, Bitcoin, and Litecoin, are subject to halvings; the digital asset reward for successfully uncovering a block will halve several times in the future and their value may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.

Halving is a process designed to control the overall supply and reduce the risk of inflation in digital assets using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving." For Bitcoin, the reward was initially set at 50 Bitcoin currency rewards per block and this was cut in half to 25 in November 28, 2012 at block 210,000 and to 12.5 on July 9, 2016 at block 420,000, to 6.25 on May 11, 2020 and to 3.125 on April 19, 2024 This process will recur until the total amount of Bitcoin currency rewards issued reaches 21 million, which is expected around the year 2140. Similarly, Litecoin first halved on August 25, 2015 at block 840,000 from 50 to 25 and the second halving occurred on August 5, 2019 at block 1,680,000 from 25 to 12.5. On August 2, 2023, the next having reduced the reward from 12.5 to 6.25. Many factors influence the price of Bitcoin and Litecoin and potential increases or decreases in prices in advance of or following a future halving is unknown.

Our future success will depend in large part upon the value of Bitcoin; the value of Bitcoin and other digital assets may be subject to pricing risk and has historically been subject to wide swings.

Our operating results will depend in large part upon the value of Bitcoin because it's the primary digital asset we currently mine. Specifically, our revenues from our Bitcoin mining operations are based upon two factors: (1) the number of Bitcoin rewards we successfully mine and (2) the value of Bitcoin. In addition, our operating results are directly impacted by changes in the value of Bitcoin, because under the value measurement model, both realized and unrealized changes will be reflected in our statement of operations (i.e., starting in 2024 we will be marking Bitcoin to fair market value each quarter). This means that our operating results will be subject to swings based upon increases or decreases in the value of Bitcoin and other digital assets.

Bitcoin and other digital asset market prices, which have historically been volatile and are impacted by a variety of factors (including those discussed below), are determined primarily using data from various exchanges, over-the-counter markets and derivative platforms. Furthermore, such prices may be subject to factors such as those that impact commodities, more so than business activities, which could be subjected to additional influence from fraudulent or illegitimate actors, real or perceived scarcity, and political, economic, regulatory or other conditions. Pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of digital assets, or our share price, inflating and making their market prices more volatile or creating "bubble" type risks for both Bitcoin and shares of our common stock.

We may not be able to realize the benefits of forks.

To the extent that a significant majority of users and miners on a digital asset network install software that changes the digital asset network or properties of a digital asset, including the irreversibility of transactions and limitations on the mining of new digital assets, the digital asset network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the digital asset network consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the digital asset running in parallel, yet lacking interchangeability and necessitating exchange-type transaction to convert currencies between the two forks. Additionally, it may be unclear following a fork which fork represents the original asset and which is the new asset. Different metrics adopted by industry participants to determine which is the original asset include: referring to the wishes of the core developers of a digital asset, blockchains with the greatest amount of hashing power contributed by miners or validators; or blockchains with the longest chain. A fork in the network of a particular digital asset could adversely affect an investment in our securities or our ability to operate.

We may not be able to realize the economic benefit of a fork, either immediately or ever, which could adversely affect an investment in our securities. If we hold a digital asset at the time of a hard fork into two digital assets, industry standards would dictate that we would be expected to hold an equivalent amount of the old and new assets following the fork. However, we may not be able, or it may not be practical, to secure or realize the economic benefit of the new asset for various reasons. For instance, we may determine that there is no safe or practical way to custody the new asset, that trying to do so may pose an unacceptable risk to our holdings in the old asset, or that the costs of taking possession and/or maintaining ownership of the new digital asset exceed the benefits of owning the new digital asset. Additionally, laws, regulation or other factors may prevent us from benefiting from the new asset even if there is a safe and practical way to custody and secure the new asset.

There is a possibility of digital asset mining algorithms transitioning to proof of stake validation and other mining related risks, which could make us less competitive and ultimately adversely affect our business and the value of our stock.

Proof of stake is an alternative method in validating digital asset transactions. Should the algorithm shift from a proof of work validation method to a proof of stake method, mining would require less energy and may render any company that maintains advantages in the current climate (for example, from lower priced electricity, processing, real estate, or hosting) less competitive. We, as a result of our efforts to optimize and improve the efficiency of our digital asset mining operations, may be exposed to the risk in the future of losing the benefit of our capital investments and the competitive advantage we hope to gain form this as a result, and may be negatively impacted if a switch to proof of stake validation were to occur. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account**.**

To the extent that the profit margins of Bitcoin mining operations are not high, operators of Bitcoin mining operations are more likely to immediately sell Bitcoin rewards earned by mining in the market, thereby constraining growth of the price of Bitcoin that could adversely impact us, and similar actions could affect other digital assets.

Over the years, Bitcoin mining operations have evolved from individual users mining with computer processors, graphics processing units and first-generation ASIC servers. Currently, new processing power is predominantly added by incorporated and unincorporated "professionalized" mining operations. Professionalized mining operations may use proprietary hardware or sophisticated ASIC machines acquired from ASIC manufacturers. They require the investment of significant capital for the acquisition of this hardware, the leasing of operating space (often in data centers or warehousing facilities), incurring of electricity costs and the employment of technicians to operate the mining farms. As a result, professionalized mining operations are of a greater scale than prior miners and have more defined and regular expenses and liabilities. These regular expenses and liabilities require professionalized mining operations to maintain profit margins on the sale of Bitcoin. To the extent the price of Bitcoin declines and such profit margin is constrained, professionalized miners are incentivized to more immediately sell Bitcoin earned from mining operations, whereas it is believed that individual miners in past years were more likely to hold newly mined Bitcoin for more extended periods. The immediate selling of newly mined Bitcoin greatly increases the trading volume of Bitcoin, creating downward pressure on the market price of Bitcoin rewards.

The extent to which the value of Bitcoin mined by a professionalized mining operation exceeds the allocable capital and operating costs determines the profit margin of such operation. A professionalized mining operation may be more likely to sell a higher percentage of its newly mined Bitcoin rapidly if it is operating at a low profit margin and it may partially or completely cease operations if its profit margin is negative. In a low profit margin environment, a higher percentage could be sold more rapidly, thereby potentially depressing Bitcoin prices.

Lower Bitcoin prices could result in further tightening of profit margins for professionalized mining operations creating a network effect that may further reduce the price of Bitcoin until mining operations with higher operating costs become unprofitable forcing them to reduce mining power or cease mining operations temporarily.

The foregoing risks associated with Bitcoin could be equally applicable to other digital assets, whether existing now or introduced in the future. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of Bitcoin and any other digital assets we mine or otherwise acquire or hold for our own account, and harm investors.

If a malicious actor or botnet obtains control of more than 50% of the processing power on a digital asset network, such actor or botnet could manipulate blockchains to adversely affect us, which would adversely affect an investment in us or our ability to operate.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining a digital asset, it may be able to alter blockchains on which transactions of digital assets reside and rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new units or transactions using such control. The malicious actor could "double-spend" its own digital asset (i.e., spend the same Bitcoin in more than one transaction) and prevent the confirmation of other users' transactions for as long as it maintained control. To the extent that such malicious actor or botnet does not yield its control of the processing power on the network or the digital asset community does not reject the fraudulent blocks as malicious, reversing any changes made to blockchains may not be possible. The foregoing description is not the only means by which the entirety of blockchains or digital assets may be compromised but is only an example.

Although there are no known reports of malicious activity or control of blockchains achieved through controlling over 50% of the processing power on the network, it is believed that certain mining pools may have exceeded the 50% threshold in Bitcoin. The possible crossing of the 50% threshold indicates a greater risk that a single mining pool could exert authority over the validation of Bitcoin transactions. To the extent that the Bitcoin ecosystem, and the administrators of mining pools, do not act to ensure greater decentralization of Bitcoin mining processing power, the feasibility of a malicious actor obtaining control of the processing power will increase because the botnet or malicious actor could compromise more than 50% mining pool and thereby gain control of blockchain, whereas if the blockchain remains decentralized it is inherently more difficult for the botnet of malicious actor to aggregate enough processing power to gain control of the blockchain, may adversely affect an investment in our common stock. Such lack of controls and responses to such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and harm investors.

Digital assets, including those maintained by or for us, may be exposed to cybersecurity threats and hacks.

As with any computer code generally, flaws in digital asset codes may be exposed by malicious actors. Several errors and defects have been found previously, including those that disabled some functionality for users and exposed users' information. Exploitations of flaws in the source code that allow malicious actors to take or create money have previously occurred. Despite our efforts (as well as those of our custodian) and processes to prevent breaches, our devices, as well as our miners, computer systems and those of third parties that we use in our operations, are vulnerable to cyber security risks, including cyber-attacks such as viruses and worms, phishing attacks, denial-of-service attacks, physical or electronic break-ins, employee theft or misuse, and similar disruptions from unauthorized tampering with our miners and computer systems or those of third parties that we use in our operations. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account.

We are subject to risks associated with our need for significant electrical power. Government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations, such as ours.

The operation of a Bitcoin or other digital asset mine can require massive amounts of electrical power. Further, our mining operations can only be successful and ultimately profitable if the costs, including electrical power costs, associated with mining a Bitcoin are lower than the price of a Bitcoin. As a result, any hosting facilities in which we operate can only be successful if we are able to obtain sufficient electrical power for that mine on a cost-effective basis, and our establishment of new mines requires us to find locations where that is the case. There may be significant competition for suitable mine locations, and government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision or electricity to mining operations. Additionally, our mines could be materially adversely affected by a power outage. Given the power requirement, it would not be feasible to run miners on back-up power generators in the event of a government restriction on electricity or a power outage. If we are unable to receive adequate power supply and are forced to reduce our operations due to the availability or cost of electrical power, our business would experience materially negative impacts.

If the digital asset rewards are not sufficiently high, we may not have an adequate incentive to continue mining and may cease mining operations, which will likely lead to our failure to achieve profitability.

As the number of digital asset rewards awarded for solving a block in a blockchain decreases, our ability to achieve profitability worsens. Decreased use and demand for Bitcoin rewards may adversely affect our incentive to expend processing power to solve blocks. If the award of Bitcoin rewards for solving blocks and transaction fees are not sufficiently high, we may not have an adequate incentive to continue mining and may cease our mining operations. For instance, the fixed reward for solving a new block on the Bitcoin blockchain was reduced to 3.125 in April 2024. This reduction may result in a reduction in the aggregate hash rate of the Bitcoin network as the incentive for miners decreased. Miners ceasing operations would reduce the collective processing power on the network, which would adversely affect the confirmation process for transactions (i.e., temporarily decreasing the speed at which blocks are added to a blockchain until the next scheduled adjustment in difficulty for block solutions) and make digital asset networks more vulnerable to a malicious actor or botnet obtaining control in excess of 50 percent of the processing power active on a blockchain, potentially permitting such actor or botnet to manipulate a blockchain in a manner that adversely affects our activities. A reduction in confidence in the confirmation process or processing power of the network could result and be irreversible. Such events could have a material adverse effect on our ability to continue to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account.

We may not adequately respond to price fluctuations and rapidly changing technology, which may negatively affect our business.

Competitive conditions within the digital asset industry require that we use sophisticated technology in the operation of our business. The industry for blockchain technology is characterized by rapid technological changes, new product introductions, enhancements and evolving industry standards. New technologies, techniques or products could emerge that might offer better performance than the software and other technologies we currently utilize, and we may have to manage transitions to these new technologies to remain competitive. We may not be successful, generally or relative to our competitors in the digital asset industry, in timely implementing new technology into our systems, or doing so in a cost-effective manner. During the course of implementing any such new technology into our operations, we may experience system interruptions and failures during such implementation. Furthermore, there can be no assurances that we will recognize, in a timely manner or at all, the benefits that we may expect as a result of our implementing new technology into our operations. As a result, our business and operations may suffer, and there may be adverse effects on the price of our common stock.

Risks Related to Intellectual Property

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.

We plan to rely upon trademarks, copyright and trade secret protection (and possibly also patents in the future), as well as non-disclosure agreements and invention assignment agreements with employees, consultants and third parties, to protect all confidential and proprietary information. Significant elements of our intended products and services are based on unpatented trade secrets and know-how that are not publicly disclosed. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. The security measures may not prevent an employee or consultant from misappropriating our tradcappe secrets and providing them to a competitor, and the recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We may infringe the intellectual property rights of others.

We do not intend to infringe on the patents and other intellectual property rights of third parties however, due to the open-source and constantly evolving nature of our business, we may not always be able to determine that we are using or accessing protected information or software. Because patents can take many years to issue, there may be currently pending applications of which we are unaware that may later result in issued patents that our products infringe.

Accordingly, we could expend significant resources defending against patent infringement and other intellectual property right claims; which could require us to divert resources away from operations. Any damages we are required to pay or injunctions against our continued use of such intellectual property in resolution of such claims may cause a material adverse effect to our business and operations, which could adversely affect the trading price of our securities and harm our investors.

Risks Related to Ownership of Our Common Stock

The trading price of our common stock may be volatile; you might not be able to sell your shares at or above the price that you paid for them and we may not be able to stop the decline of our stock price.

The trading price of our common stock may be volatile, and may be influenced by numerous factors, some of which are beyond our control; you might not be able to sell your shares at or above the price that you paid for them. In addition, the trading prices of Bitcoin have been highly unpredictable. Specifically, we may experience adverse effects on our stock price when the value of Bitcoin falls. If the market for Bitcoin company stocks or the stock market in general experiences a loss of investor confidence, the trading price of our stock could decline for reasons unrelated to our business, operating results or financial condition. That is, the trading price of our common stock is subject to arbitrary pricing factors that are not necessarily associated with traditional factors that influence stock prices or the value of non-digital assets such as revenue, cash flows, profitability, growth prospects or business activity levels since the value and price, as determined by the investing public, may be influenced by future anticipated adoption or appreciation in value of digital assets or blockchains generally, factors over which we have little or no influence or control.

Other factors which could cause volatility in the market price of our common stock include, but are not limited to the commercial success and acceptance of blockchain and Bitcoin and other digital assets, actions taken by us, prevailing economic conditions, actions taken (or refrain from being taken) by our executives, including Horizon, disruptions cause by natural disasters, legal proceedings involving the Company, the level of any short interest in our stock, and other risks and uncertainties described in this document.

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of the issuer. These broad market fluctuations may negatively impact the price or liquidity of our common stock. When the price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer.

We may be unable to comply with the applicable continued listing requirements.

Our common stock is intended to be listed and traded over-the-counter. There is often limited liquidity and different reporting standards to list over the counter as compared to a major exchange such as Nasdaq. Securities that trade OTC can be more difficult to dispose of and to obtain accurate price quotations. If this were to occur for our common stock, the price of our common stock could decline. Nonetheless, if we do not meet the listing requirements, our stock may be deemed ineligible for trading or delisted entirely.

Our Bylaws contain a forum selection clause requiring stockholder suits against us to be brought in Delaware and our stockholders may be prejudiced by this clause.

In general, Delaware has traditionally been a favorable jurisdiction for companies in stockholder disputes. Our Bylaws require our stockholders to bring their derivative suits against us in Delaware. Accordingly, our stockholders may incur increased expense in bringing their own claims and may be prejudiced in such claims by judicial deference shown to corporate defendants in our chosen forum, Delaware.

Delaware law contains provisions that could discourage, delay or prevent a change in control of our company, prevent attempts to replace or remove current management and reduce the market price of our stock.

Provisions in Delaware corporate law may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, Delaware corporate law contains strong “anti-takeover” provisions, which prohibit us from entering into a business combination with an “interested stockholder” or their affiliates for a period of two years after they become an “interested stockholder” unless certain provisions are met. As a result, a proposed merger favored by our stockholders could be blocked by operation of Delaware law.

If securities or industry analysts publish unfavorable commentary about our business, our stock price and trading volume could decline.

The trading market for our common stock could be influenced by whether industry or securities analysts publish research and reports about us, our business, our market or our competitors and, if any analysts do publish such reports, what they publish in those reports. We may not obtain or maintain analyst coverage in the future. Any analysts that do cover us may make adverse recommendations regarding our stock, adversely change their recommendations from time to time and/or provide more favorable relative recommendations about our competitors. If analysts who may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, or if analysts fail to cover us or publish reports about us at all, we could lose (or never gain) visibility in the financial markets, which in turn could cause the stock price of our common stock or trading volume to decline. Moreover, if our operating results do not meet the expectations of the investor community, one or more of the analysts who cover our company may change their recommendations regarding our company and our stock price could decline.

The Company may issue warrants that are exercisable for shares of our common stock, which, upon exercise, will dilute the Company's current stockholders' equity value.

We could issue warrants to third parties, including to those who operate the Company, which would be exercisable into common shares of the Company. To the extent such warrants are issued and exercised, additional shares of common stock will be issued, which will result in dilution to the holders of common stock. Sales of substantial numbers of such shares in the public trading market could adversely affect the market trading price of the Company's common stock and would dilute our existing stockholders.

Because we do not intend to pay any cash dividends on our common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

Item 9 The nature of products or services offered.

A. Principal products or services, and their markets: The Company participates in digital asset mining activities, principally of Bitcoin, with operations in North Carolina and Nebraska.

B. Distribution methods of the products or services: Not applicable

C. Status of any publicly announced new product or service: Not applicable

D. Competitive business conditions, the issuer's competitive position in the industry, methods of competition:

In digital asset mining, companies, individuals and groups generate units of digital assets through mining. Miners can range from individual enthusiasts to professional mining operations with dedicated data centers. Miners may organize themselves in mining pools. The Company competes or may in the future compete with other companies that focus all or a portion of their activities on owning or operating digital asset exchanges,developing programming for the blockchain, and mining activities. At present, the information concerning the activities of these enterprises is not readily available as the vast majority of the participants in this sector do not publish information publicly or the information may be unreliable. Published sources of information include “Bitcoin.org” and“blockchain.info”; however, the reliability of that information and its continued availability cannot be assured.

Several public (traded in the U.S. and Internationally) and private companies compete with us for the mining of digital assets. Some of these entities have substantially more financial resources and management resources experienced in the mining of mining digital assets.

The digital asset industry is a highly competitive and evolving industry and new competitors and/or emerging technologies could enter the market and affect our competitiveness in the future.For more information regarding those risk factors known to us, see the section entitled “RiskFactors” herein**.**

E. Sources and availability of raw materials and the names of principal suppliers:

Currently, the Company engages the services of three different digital asset miner hosting companies. The Company has contracted with HM Tech LLC, Blockstream ULC and Tidal DataSystems, LLC to host the Company’s mining equipment. These service providers provide the Company with technical assistance and facilitate the supply of electric power to the mining assets. Additionally the company utilizes the services of Foundry USA Pool and litecoinpool.org as its mining pool operators.

F. Dependence on one or a few major customers: Not applicable

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration: The Company maintains a trademark over its name and associated logo.

H. The need for any government approval of principal products or services and the status of any requested government approvals: Not applicable

Item 10 The nature and extent of the issuer’s facilities.

The Company does not own real estate. The Company leases rack space with third party hosting facilities who are generally responsible for installing and monitoring miner rigs at each location.

As of December 31, 2025, CMSG owned and operated 830 miners for Bitcoin and 555 miners for Litecoin and Dogecoin. The Company’s Bitcoin hashrate was approximately 143 PetaHash (PH). The Company’s Litecoin hashrate was approximately 6,890 GH.

Property and Equipment

Property and equipment are recorded at cost less depreciation. Depreciation is computed using a straight-line method based on the estimated useful lives of the assets. The useful life of new digital asset miners is estimated by the Company to be 3 years. The useful life of used digital asset miners is estimated by the Company to be 1.5 years. Mining rigs that are no longer functional are written down and generally disposed of. The Company recognized losses of $164,615 and 336,478 for the disposal of equipment during the years ended December 31, 2025 and 2024, respectively.

Property and equipment consisted of the following:

	2025	2024
Computer equipment (digital asset miners)	$ 7,745,666	$ 7,490,894
Less accumulated depreciation	(4,349,708)	(3,289,740)
Total	$ 3,395,958	$ 4,201,154

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

A. Officers and Directors

The Company has seven executive officers listed below and is operated under a Services Agreement between the Company and Horizon Kinetics LLC, an affiliate of HKAM ("Horizon"), under which Horizon is paid a monthly management services fee. This fee was $1,000 per month for the first 11 months of the year. The Company updated the management services agreement recently to be calculated as an annual fee of 1% paid quarterly in arrears, based on the quarter-end value of the cryptocurrency assets, which includes the depreciated value of cryptocurrency equipment and digital assets as reflected in the financial statements. However, Horizon has agreed to waive fees due under this arrangement that exceed $2,500 per month from December 1, 2025 through May 31, 2026. The executive officers, who also have executive roles with Horizon, are not compensated by the Company. The services provided by Horizon include, among other things, financial accounting, the strategic deployment of capital, the selection of service providers, daily reconciliation of digital asset payouts and balances, performing hash rate and monitoring of mining equipment, coordinating maintenance and repairs of mining equipment, tracking the profitability of each digital asset being mined and each mining pool being utilized, etc. Without the Services Agreement with Horizon, the Company would be required to pay salaries to its executive officers or other third parties, the sum of which would be significantly greater than the amount paid under the Services Agreement.

Murray Stahl, Chief Strategy Officer: 470 Park Avenue South, New York, NY 10016. Mr. Stahl is not compensated by the Issuer. Mr. Stahl directly holds 704 shares of common stock of the Issuer. Mr. Stahl also has an indirect interest of 69,805 shares through FRMO Corp (17,417), Horizon Kinetics (37,054), Horizon Common Inc. (10,134) and Horizon Kinetics Hard Assets LLC (5,200). Mr. Stahl has discretion over all sahres and disclaims beneficial ownership over the indirect accounts except to the extent of his pecuniary interest.

Mr. Murray Stahl, is Chairman of the Board, Chief Executive Officer and Chief Investment Officer of Horizon Kinetics Holding Corporation, and one of its co-founders. He has more than thirty years of investing experience and is responsible for overseeing Horizon's proprietary research. Mr. Stahl chairs Horizon's Investment Committee, which is responsible for portfolio management decisions. He is also the Co-Portfolio Manager for a number of registered investment companies, private funds, and institutional separate accounts. He serves as director and Chief Investment Officer of Kinetics Mutual Funds, Inc., a series of nine mutual funds with combined assets under management of approximately $ billion as of September 30, 2024. Additionally, Mr. Stahl is the Chairman and Chief Executive Officer of FRMO Corp.(OTC Pink: FRMO) and serves as director and Portfolio Manager of the RENN Fund, Inc. (NYSE: RCG),a closed-end fund with assets under management of approximately $14.0 million as of December 31, 2023. He is also a member of the Board of Directors of Texas Pacific Land Corporation (NYSE: TPL), the Miami International Holdings (NYSE: MIAX), the Bermuda Stock Exchange and MSRH, LLC, an investment advisory company. Prior to co-founding Horizon Kinetics Holding Corporation, Mr. Stahl spent 16 years at Bankers Trust Company (1978-1994) as a senior portfolio manager and research analyst. He received a Bachelor of Arts in 1976 and a Master of Arts in 1980 from Brooklyn College, and an MBA from Pace University in 1985.

Alun Williams, President and a Director of the Issuer: 470 Park Avenue South, New York, NY10016. Mr. Williams is not compensated by the Issuer. Mr. Williams holds 652 common stock shares of the Issuer.

Mr. Williams joined Horizon Kinetics Holding Corporation in 2009 and, after 12 years as the firm's Director of Trading and Operations, took over the role of Chief Operating Officer in 2021. As Chief Operating Officer, Mr.Williams is responsible for overseeing daily operations and administrative functions for Horizon. Prior to 2009, Mr. Williams was at Goldman Sachs where he was the head of GSAM Operations Salt Lake City. He joined Goldman Sachs in 1996 and in his time there held a number of operational and control positions within the equity, private wealth and asset management divisions. He is also a member of the Board of Directors and the President of CMSG

(Consensus Mining & Seigniorage Corp.) and a member of the Board of Directors of the Horizon Kinetics ICAV, a regulated UCITS fund. Mr. Williams received a BSc in Business Administration from Bath University, England.

Kevin McRae, Chief Technology Officer and a Director of the Issuer: 470 Park Avenue South, NewYork, NY 10016. Mr. McRae is not compensated by the Issuer. Mr. McRae holds 652 common stock shares of the Issuer.

Mr. McRae is the Chief Technology Officer and Director of CMSG and oversees all technological aspects of the mining operations. Mr. McRae joined Horizon Kinetics Holding Corporation in 2010 as the Director of Technology and Chief Information Security Officer of Horizon, responsible for the oversight of technology and information security. Previously, Mr. McRae spent 10 years at Goldman Sachs as a Vice President in the Technology Division supporting the Asset Management (GSAM) and Investment Banking Divisions. Mr. McRae received an MBA in Finance from New York University and a BS in Computer Science from Hobart College. Kevin is CISSP (Certified Information Systems Security Professional) certified.

Mark Herndon, Chief Financial Officer: 470 Park Avenue South, New York, NY 10016. Mr. Herndon is not compensated by the Issuer. Mr. Herndon does not hold any common stock shares of the Issuer. Mr. Herndon is the Chief Financial Officer of Horizon Kinetics Holding Corporation. Mr. Herndon joined the Firm in 2024 and currently serves as Chief Financial Officer. He is responsible for overseeing all financial reporting functions of Horizon. Previously, Mr. Herndon was Senior Vice President and Chief Financial Officer at Safeguard Scientifics, Inc. (NASDAQ: SFE) from 2018 to 2023, a company that provided capital and relevant expertise to a portfolio of private entities. Prior to 2018, Mr. Herndon spent 27 years at PricewaterhouseCoopers serving in a variety of client service and national office roles, including as Assurance Partner from 2006 through 2018. Mr. Herndon earned a BBA in Accounting from Georgia Southern University and an MBA from Emory University's Goizueta Business School.

Michael Feeley, Chief Operating Officer: 470 Park Avenue South, New York, NY 10016. Mr. Feeley is not compensated by the Issuer. Mr. Feeley does not hold any common stock shares of the Issuer.Mr. Feeley is responsible for the day-to-day operations of the mining business. Mr. Feeley joined Horizon Kinetics Holding Corporatoin in 2005 and serves as Director of Trading and Operation for Horizon where he is responsible for operations and trading functions that support the daily portfolio management activities of Horizon. He received an MBA with a concentration in Finance and a BBA in Accounting from Hofstra University.

Jay Kesslen, General Counsel: 470 Park Avenue South, New York, NY 10016. Mr. Kesslen is not compensated by the Issuer. Mr. Kesslen holds 1,663 common stock shares of the Issuer.Mr. Kesslen, joined Horizon Kinetics Holding Corporation in 1999 and currently serves as General Counsel, Managing Director, and a member of its Board. He oversees all aspects of Horizon's legal affairs, advises on all material compliance matters, and is responsible for the firm's corporate governance. Mr.Kesslen is Horizon's Anti-Money Laundering Officer and also serves as a director for several private funds managed by subsidiaries of Horizon. He is also Vice President and Assistant Secretary for Kinetics Mutual Funds, Inc., and Vice President and Chief Compliance Offer for Renn Fund, Inc., a closed-end fund. Mr. Kesslen also serves as the General Counsel of FRMO Corp. (OTC Pink: FRMO). Mr. Kesslen holds a BA in Economics from the State University of New York at Plattsburgh (cum laude) and a JD from Albany Law School.

Russell Grimaldi, Secretary: 470 Park Avenue South, New York, NY 10016. Mr. Grimaldi is not compensated by the Issuer. Mr. Grimaldi does not hold any common stock shares of the Issuer.

Mr. Grimaldi joined Horizon Kinetics Holding Corporation in 2005 and currently serves as the Chief Compliance Officer and Associate General Counsel. He oversees Horizon's compliance program and supports all legal and regulatory functions. He also serves as Secretary for Renn Fund, Inc., a closed-end fund. Mr. Grimaldi holds a BA in Legal Studies from Quinnipiac University (cum laude) and a JD from Albany Law School.

Christopher W. Capps, Director. Mr. Capps receives a fee of $2,500 per meeting for his role as a Director. Mr. Capps holds 52,138 shares directly and has an indirect beneficial interest in the Issuer via his position with KGC

Capital Holdings, which holds 583,295 shares.

Mr. Capps is the Co-Founder and Chief Executive Officer of KGC Capital Holdings, where he oversees all the investments and operational activities of the Kiphart Family Office and Kiphart Family Foundation.

Andrew Webber, Director: 470 Park Avenue South, New York, NY 10016. Mr. Webber receives a fee of $2,500 per meeting for his role as a Director. He is not otherwise compensated by the Issuer and directly holds 200 shares of the Issuer.

Mr. Webber is the founder and Chief Executive Officer of Digital Power Optimization, Inc. ("DPO"), a company created to help power companies better manage the output of their assets and maximize both operational efficiency as well as overall profitability. Prior to forming DPO, Mr. Webber served as the Chief Financial Officer of searCH4power LLC, a cryptocurrency mining operation focused around the use of flared gas as an energy source. He has 12 years of hedge fund and investment banking experience in multiple roles at Goldman Sachs, Surveyor Capital and Steadfast Financial and Fortress Investment Group. Prior to his career on Wall Street, Mr. Webber spent four years as an enlisted active-duty U.S. Marine including several years at the Pentagon with classified security clearance.

Lisa Price, Director: 470 Park Avenue South, New York, NY 10016. Ms. Price receives a fee of $2,500 per meeting for her role as a Director. She is not otherwise compensated by the Issuer and holds 1,000 shares of the Issuer.

Ms. Price serves as the General Manager for KFT Partners, LP, a family office and previously was Chief Financial Officer at Cache Creek Financial, an independent financial, investment and business consultancy. Ms. Price has also held a number of roles of operational finances success in a variety of industries and has been involved in digital asset mining for several years. Ms. Price received a Bachelor of Science in Economics and a Master of Science in Business both from the University of Wisconsin (Madison).

All members of the management team are provided through a management services contract with Horizon Kinetics LLC, an affiliate of HKAM. See Item C, Related party transactions, for further information.

B. Other Control Persons. In responding to this item, please provide the following information for all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities as of the date of this information statement. Do not include Officers or Directors previously listed.

KGC Capital Holdings holds 583,295, or 25.9% of shares outstanding.

Legal/Disciplinary History.

None

C. Disclosure of Family Relationships. None

D. Disclosure of Related Party Transactions.

Horizon holds 36,969 common shares, or 1.6% of the Issuer's shares outstanding. The Issuer entered into a mining operations services agreement with Horizon to provide oversight supervision on December 1, 2021. The Company incurred a monthly management fee in the amount of $1,000 for the resources utilized in operating under this agreement. The agreement was able to be terminated by either party at any time, for any reason upon 10 days' prior written notice. During 2025, the Company updated the management services agreement to be calculated as an annual fee of 1% paid quarterly in arrears, based on the quarter-end value of the cryptocurrency assets, which includes the depreciated value of cryptocurrency equipment and digital assets as reflected in the financial statements. However, Horizon has agreed to waive fees due under this arrangement that exceed $2,500 per month from December 1, 2025 through May 31, 2026.

Foundry Digital LLC holds 62,558 common shares, or 2.8% of the Issuer's shares outstanding. Foundry Digital LLC operates the Foundry USA Pool, to which the Issuer contributes all of its Bitcoin processing hashrate in exchange for a portion of the Pool's rewards, typically Bitcoin. A substantial portion of the Issuer's Digital asset mining revenues result from the rewards received from the Foundry USA Pool.

The Issuer holds a Loan receivable from HM Tech LLC ("HMT") in the amount $370,130 as of December 31, 2025. HMT is also a related party of Horizon Kinetics Holding Corporation due to its ownership interest in HMT. For the years ended December 31, 2025 and 2024, the Issuer incurred hosting fees from HMT of $1,106,203 and $1,013,149, respectively.

E. Disclosure of Conflicts of Interest. None.

Item 12 Financial information for the issuer's most recent fiscal period.

The Company's audited financial statements as of and for the years ended December 31, 2025 and 2024 are attached as Exhibit 1 to this Disclosure Statement. The historical results presented herein are not necessarily indicative of financial results to be achieved in future periods. The Company's audited financial statements attached as exhibits to this Disclosure Statement are incorporated herein by reference and are considered as part of this Disclosure Statement.

Item 13 Similar financial information for such part of the preceding two fiscal years as the issuer or its predecessor has been in existence.

Not applicable.

Item 14 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker: None
2. Promoter: None
3. Securities Counsel:
4. Independent Registered Public Accounting Firm:

   Withum Smith + Brown, PC
   Engagement Leader: Mark Eckerle
   Email: meckerle@withum.com
   Phone: (215) 694-1055
   200 Jefferson Park Suite #400, Whippany, NJ 07981

5. Public Relations Consultant: None

6. Investor Relations Consultant: None

Item 15 Management’s discussion and analysis or plan of operation.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (this ”MD&A”) should be read in conjunction with our Condensed Financial Statements and the related notes (the ”Notes”) and other financial information included elsewhere in this Disclosure Statement and with our audited financial statements for the fiscal years ended December 31, 2025 and 2024.

This MD&A contains statements of management’s beliefs, expectations and assumptions regarding our future business, and any statements other than statements of historical fact are ”forward-looking statements” within the meaning of the Private Securities Litigation Reform Act (“PSLRA”), which are made in reliance of the safe harbor provisions of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the PSLRA. Such statements express management’s beliefs, opinions, projections and expectations regarding future events and circumstances, based on information available to management as of the date of this Disclosure Statement, and are subject to risks and uncertainties, and our actual results could differ materially from those discussed in these forward-looking statements. Further, these forward-looking statements should not be construed either as assurances of performance or as promises of a given course of action. You should review the sections of this Disclosure Statement entitled ”Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” for a discussion of factors that could cause actual results to differ materially – and potentially adversely – from the results described in or implied by the forward-looking statements contained in the following this MD&A and elsewhere in this Disclosure Statement.

<u>Business Overview</u>

Consensus Mining and Seigniorage Corporation (“CMSG” or the “Company”) is a digital asset mining company with strategic partnerships in hosting, repair and management that enable it to operate with minimal overhead expenses and a conservative capital structure that allows for flexible and patient capital allocation. The Company earns all of its operating revenue from the mining of digital assets.

We operate in an environment which is constantly evolving based on the proliferation of Bitcoin and digital assets in general. A significant component of our strategy is to effectively and efficiently allocate capital between opportunities that generate the highest return on investment.

Year ended December 31, 2025 as compared to the year ended December 31, 2024

The Company’s revenues from digital asset mining were $4.5 million and $5.5 million for the years ended December 31, 2025 and 2024, respectively. This decrease of approximately $1.0 million, or 18.5%, was due primarily to less Bitcoin mined in 2025 (22) as compared to 2024 (57). This decrease in Bitcoin rewards was primarily the result of the April 2024 halving event, but the Company has also experienced a decrease in its share of the overall Bitcoin network hashrate during 2025. These decreases were partially offset by higher average Bitcoin values for the first eleven months of the 2025 as compared to 2024.

The Company also engages in certain scrypt mining, which results in receiving rewards of both Litecoin and Dogecoin from the Company's third party mining pool operator. The revenue decline in 2025 from Bitcoin mined was also partially offset by higher mining rewards from this scrypt mining activity. The Company's equipment additions in 2024 and 2025 have been primarily for scrypt mining, which has resulted in a higher volume of rewards .

The Company’s hosting fees were approximately $2.7 million and $2.8 million for the years ended December 31, 2025 and 2024, respectively. This decrease of approximately $0.1 million, or 3.4%, was related to the volume of power consumed in the markets where we have mining operations.

The Company’s depreciation expense was approximately $2.3 million and $3.7 million for the years ended December 31, 2025 and 2024, respectively. This decrease of $1.4 million, or 37.2%, was due to the shorter expected useful life of the Company’s initial mining equipment contributed at its inception. As the Company has added additional, newer equipment a greater proportion of our equipment is being depreciated over 3 years instead of 1.5 years.

The Company’s general and administrative expenses were approximately $0.7 million and $0.6 million for the years ended December 31, 2025 and 2024, respectively. This increase of $0.1 million, 24.1%, is primarily the result of higher professional fees and certain franchise taxes during 2025.

The Company recorded a decrease in the fair value of digital assets of approximately $2.5 million during 2025 as a result of the change in fair value of its digital assets, primarily Bitcoin, during the year. During the year ended December 31, 2024, the Company recorded an increase in the fair value of digital assets of approximately $15.5 million, also due to the changes in fair value of digital assets, primarily Bitcoin. The Company adopted ASU 2023-08 as of January 1, 2024. As a result of adoption, the Company records digital assets based on fair value each period and the Company recorded a cumulative effect adjustment of approximately $6.0 million as an increase to the 2024 retained earnings balance.

Interest income was approximately $2.4 million and $3.0 million for the years ended December 31, 2025 and 2024, respectively. The decrease of $0.6 million in interest income during 2025 was primarily the result of lower investment balances.

The Company recorded a benefit of $0.3 million and a provision of $3.6 million for income taxes during the years ended December 31, 2025 and 2024, respectively. The Company's income tax provision relates primarily to the deferred taxes associated with the unrealized gains, or losses, of digital assets during the period.

Liquidity and Capital Resources

As of December 31, 2025, the Company had approximately $60.5 million of cash and cash equivalents.

The Company has also accumulated digital assets with a fair value of approximately $31.3 million primarily from digital asset mining activities. While these digital assets are primarily intended to be held as non-current investments, the Company has from time sold them for cash to pay for operating expenses.

The Company believes that its cash and cash equivalents at December 31, 2025 will be sufficient to fund operations past one year from the issuance of these financial statements.

A. Off-Balance Sheet Arrangements.

None.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

None

Part F Exhibits

- Exhibit 1 (attached): Audited Financial Statements for the years ended December 31, 2025 and 2024

Item 17 Material Contracts.

Exhibit 2 (attached): Digital Assets Mining Operations Services Agreement with Horizon Kinetics Holding Corporation

Item 18 Articles of Incorporation and Bylaws.

None.

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item 20 Issuer's Certifications.

I, Alun Williams, certify that:

1. I have reviewed this Annual disclosure statement of Consensus Mining & Seigniorage Corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: February 11, 2026

/s/ Alun Williams

President

I, Mark A. Herndon, certify that:

1. I have reviewed this Annual disclosure statement of Consensus Mining & Seigniorage Corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: February 11, 2026

/s/ Mark A. Herndon

Chief Financial Officer

Consensus Mining & Seigniorage Corporation

Financial Statements
With Report of Independent Registered Public Accounting Firm
December 31, 2025 and 2024

Consensus Mining & Seigniorage Corporation
Financial Statements
December 31, 2025 and 2024

Index

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Consensus Mining & Seigniorage Corporation:

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Consensus Mining and Seigniorage Corporation (the "Company") as of December 31, 2025 and 2024, and the related statements of operations, changes in the stockholders' equity and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the periods ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter – Uncertainties and Accounting Matters Related to Digital Assets

As disclosed in the financial statements, the Company held digital assets with a fair value of approximately $31.3 million and $30.9 million at December 31, 2025 and 2024. Significant information and risks related to such digital assets include, but is not necessarily limited to the following:

Risks Related to Ownership
Digital assets are held in wallets that have public keys (e.g., account numbers) and private keys that reside on distributed networks and can be viewed publicly, the ownership of the wallets may not be registered and therefore may be anonymous. Ownership in the currencies residing in any wallet are evidenced only by demonstrating knowledge of both the public key of the virtual wallet holding the currencies and the underlying private key of the cryptocurrencies residing within the virtual wallet. Knowledge of both of these keys is required in order to demonstrate possession of these assets and therefore, ownership, unless these assets are held by a third-party custodian. Accordingly, prior to investing, investors who are directly or indirectly invested in such currencies should carefully evaluate and understand all controls put in place by companies holding such assets on their behalf to understand how their investments are being protected and how inappropriate transfers of such assets are prevented.

Risks Related to Key Security
Digital asset transactions are authorized through the use of encrypted private keys. The Company does not maintain custody of these private keys; rather, its digital assets are held with a custodian that is responsible for safeguarding the cryptographic credentials necessary to access and transact the assets. If an unauthorized party were to obtain access to the Company's account at the custodian, that party could assert control over the digital assets and execute unauthorized transfers or inappropriately utilize the digital assets as collateral for unauthorized financing.

Risks Related to Market Acceptance
Digital assets may experience significant market volatility, which can significantly vary in a short period of time and can potentially vary between various pricing sources. Digital assets are highly speculative in nature, and have potentially significant risks of ownership, which include, but are not necessarily limited to risks identified herein.

Risks Associated with Majority Control
Since digital assets are virtual and transactions in such currencies reside on distributed networks, governance of the underlying distributed network could be adversely altered should any individual or group obtain 51% control of the distributed network. Such control could have a significant adverse effect on either the ownership or value of the digital asset.

As discussed herein, holdings in digital assets are subject to current, emerging and potentially significant risks, including, but not necessarily limited to legal, regulatory, market valuation and proof of ownership risks. Risks are also described in Note 2 to the financial statements. Users of financial statements for entities that are associated with or hold cryptocurrency assets should carefully understand, consider and evaluate these and other risks related to cryptocurrency assets, when making investing decisions in such entities.

WithumSmith+Brown, PC

We have served as the Company's auditor since 2023.

Whippany, New Jersey
February 11, 2026
PCAOB Number 100

Consensus Mining & Seigniorage Corporation
Balance Sheets

		December 31, 2025		December 31, 2024
Assets				
Current assets				
Cash and cash equivalents	$	60,533,066	$	61,251,236
Federal tax receivable		344,777		223,100
Prepaid expenses		198,441		567,851
Other receivables		80,498		163,736
Loans receivable - related party		370,130		-
Total current assets		61,526,912		62,205,923
Non-current assets				
Property and equipment, net		3,395,958		4,201,154
Digital assets, net		31,332,392		30,942,301
Loans receivable - related party		-		335,045
Total non-current assets		34,728,350		35,478,500
Total Assets	$	96,255,262	$	97,684,423
Liabilities and Stockholders' Equity				
Current liabilities				
Accrued taxes	$	18,577	$	35,314
Accrued accounting fees		83,647		115,012
Accrued hosting fees		9,809		-
Other accrued expenses		43,803		11,439
Total current liabilities		155,836		161,765
Non-current liabilities				
Deferred tax liabilities, net		3,210,612		3,488,926
Total Liabilities		3,366,448		3,650,691
Commitments and contingencies (Note 5)				
Stockholders' Equity				
Common stock ($0.01 par value, 5,000,000 shares authorized, 2,250,009 issued and outstanding)		22,500		22,500
Additional paid-in capital		86,286,813		86,286,813
Retained Earnings		6,579,501		7,724,419
Total Stockholders' Equity		92,888,814		94,033,732
Total Liabilities and Stockholders' Equity	$	96,255,262	$	97,684,423

The accompanying notes are an integral part of these financial statements.

Consensus Mining & Seigniorage Corporation
Statements of Operations

	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Digital asset mining revenues	$ 4,503,808	$ 5,528,219
Cost of revenues - hosting fees	2,700,534	2,796,363
Operating expenses:		
Depreciation expense	2,318,732	3,689,862
Losses on disposals, net	164,615	336,478
General and administrative expenses	694,054	559,076
Total operating expenses	3,177,401	4,585,416
Operating loss	(1,374,127)	(1,853,560)
Non-operating income (expense):		
Net change in unrealized appreciation (depreciation) on digital assets	(2,493,464)	15,450,503
Interest income	2,422,715	3,033,390
Realized gain (loss) on sale of digital assets	(8,965)	24,989
Other income (expense)	(14)	1,824
Total non-operating income	(79,728)	18,510,706
Income (loss) before income taxes	(1,453,855)	16,657,146
Provision for (benefit from) income taxes	(308,937)	3,639,705
Net income (loss)	$ (1,144,918)	$ 13,017,441
Basic and diluted net income (loss) per share	$ (0.51)	$ 5.79
Weighted average shares (basic and diluted)	2,250,009	2,250,009

The accompanying notes are an integral part of these financial statements.

Consensus Mining & Seigniorage Corporation
Statements of Changes in Stockholders' Equity

	Common Stock								
	Shares		**Par Value**		**Additional Paid in Capital**		**Retained Earnings (Accumulated Deficit)**		**Total Stockholders' Equity**
Balance at December 31, 2023	2,250,009	$	22,500	$	86,286,813	$	(11,304,359)	$	75,004,954
Cumulative effect of the adoption of an accounting standard (see Footnote 2)							6,011,337		6,011,337
Net income							13,017,441		13,017,441
Balance at December 31, 2024	2,250,009		22,500		86,286,813		7,724,419		94,033,732
Net loss							(1,144,918)		(1,144,918)
Balance at December 31, 2025	$ 2,250,009	$	22,500	$	86,286,813	$	6,579,501	$	92,888,814

The accompanying notes are an integral part of these financial statements.

Consensus Mining & Seigniorage Corporation
Statements of Cash Flows

		For the Year Ended		
		December 31, 2025		**December 31, 2024**
Operating activities:				
Net income (loss)	$	(1,144,918)	$	13,017,441
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Net change in unrealized (appreciation)/depreciation on digital assets		2,493,464		(15,450,503)
Depreciation expense		2,318,732		3,689,862
Losses on disposals, net		164,615		336,478
Digital asset mining		(4,503,807)		(5,528,219)
Realized (gain) loss on sale of digital assets		8,965		(24,989)
Deferred income tax provision		(278,313)		3,488,926
Changes in operating assets and liabilities:				
Federal tax receivable		(121,677)		15,169
Prepaid expenses		369,410		(171,167)
Other receivables		48,153		(191,375)
Accrued taxes		(16,737)		(109,657)
Accrued accounting fees		(31,365)		(3,483)
Accrued hosting fees		9,809		(99,208)
Other accrued expenses		32,364		6,897
Net cash used in operating activities		(651,305)		(1,023,828)
Investing activities:				
Purchases of property and equipment		(1,683,927)		(3,210,423)
Proceeds from sales of digital assets		2,018,642		1,671,258
Purchases of digital assets		(407,356)		(49,524)
Proceeds from sale of property and equipment		5,776		83,965
Net cash used in investing activities		(66,865)		(1,504,724)
Net decrease in cash and cash equivalents		(718,170)		(2,528,552)
Cash and cash equivalents, beginning of year		61,251,236		63,779,788
Cash and cash equivalents, end of year	$	60,533,066	$	61,251,236
Supplemental disclosures of cash flow information				
Income taxes paid	$	103,716	$	213,305

The accompanying notes are an integral part of these financial statements.

Note 1 – Organization and nature of business

The Company was formed through the merging of HK Cryptocurrency Mining, LLC and HK Cryptocurrency Mining II, LLC on November 30, 2021. The Company was originally incorporated in Delaware on October 21, 2021. It is principally engaged in the mining of digital assets. The Company is managed by Horizon Kinetics Holding Corporation ("Horizon") through a service agreement.

Revenues result principally from the mining of digital assets; see Note 2 – Revenue Recognition. Digital assets are currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank. Mining is the process of utilizing computer hardware to perform mathematical calculations for a digital asset network in order to confirm transactions on the network. As compensation for their services, digital asset miners receive newly created coins/tokens, known as block rewards, along with small transaction fees for the transactions they confirm.

Hosting Facilities / Material Contracts

As of December 31, 2025, the Company engages the services of a limited number of digital asset miner hosting companies.

Related Party Transactions

HM Tech LLC is a related party of Horizon. A portion of the Company's mining rigs are hosted by HM Tech LLC. During the years ended December 31, 2025 and 2024, the Company incurred hosting fees from HM Tech LLC of $1,106,203 and $1,013,149, respectively. The Company has loans receivable with accrued interest from HM Tech LLC. The total value of the loans receivable, including accrued interest, is $370,130 and $335,045 as of December 31, 2025 and December 31, 2024, respectively. The interest accrued is $77,971 and $42,887 as of December 31, 2025 and December 31, 2024, respectively.

The Company has a management services agreement with Horizon. The Company recorded an expense of $13,500 and $12,000 for the years ended December 31, 2025 and 2024, respectively, pursuant to our agreements with Horizon. This is a contractual agreement is not necessarily indicative of the fair value being received. If the Company were to receive these services from non-related third parties or individual employees, the financial results of the Company could be changed as a result.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Company estimates the useful life of new and used mining rigs at 36 months and 18 months, respectively. The Company prices its digital assets using prices from Coinbase as its principle market.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Topic 350-60). ASU No. 2023-08 requires that an entity present crypto assets measured at fair value separately from other intangible assets on the balance sheet and changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement. The Company adopted ASU 2023-08 as of January 1, 2024. As a result, the Company recorded a cumulative effect adjustment of $6.0 million to increase the 2024 retained earnings balance.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU No. 2023-09 establishes incremental disaggregation of income tax disclosures pertaining to the effective tax rate reconciliation and income taxes paid. The Company adopted ASU 2023-09 as of January 1, 2025.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short - term, highly liquid Investments, those purchased with an original maturity of three months or less, held at banks or other financial institutions. The Company holds its cash at one financial institution through a money market fund, which is insured by the Securities Investor Protection Corporation (“SIPC”) up to $500,000. In addition to the SIPC protection, the financial institution provides its brokerage customers with additional coverage in excess of SIPC. The total aggregate excess of SIPC coverage available through the financial institution’s policy is up to $1 billion. The Company has $60,533,066 in cash equivalents as of December 31, 2025 and $61,251,236 in cash equivalents as of December 31, 2024.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. Exposure to credit risk is reduced by placing such deposits or other temporary investments in high credit quality financial institutions. There is no history of losses with respect to these balances. The Company provides all of its computing power to a single digital asset mining pool.

Below are the hosting expenses by provider for the years ended December 31, 2025 and 2024.

	2025	2024
HM Tech LLC (related party)	$ 1,106,203	$ 1,013,149
Provider A	-	576,869
Provider B	1,017,213	1,206,345
Provider C	577,118	-
Total	$ 2,700,534	$ 2,796,363

Loans Receivable – Related Party

The Company has loaned $350,000 to HM Tech LLC, a related party, at an interest rate of 10% over an original term of 30 months with all payments due and paid on or before July 15, 2024. The loan has since been extended to July 15, 2026. Interest is accrued monthly. The borrower is to use the proceeds to finance the construction of one or more structures for the purpose of providing space for hosting digital asset mining equipment and related activities. As of December 31, 2025, there was a loans receivable balance of $370,130 which includes accrued interest of $77,971. As of December 31, 2024, there was a loans receivable balance of $335,045 which includes accrued interest of $42,887. HM Tech LLC did not make any repayments in 2025 or 2024.

Prepaid Expenses

Prepaid expenses consist of the following as of December 31:

	2025	2024
Prepaid property and equipment	$ -	$ 420,300
Prepaid hosting	87,375	101,625
Prepaid insurance	79,561	-
Other prepaids	31,505	45,926
Total	$ 198,441	$ 567,851

Risks and Uncertainties

The below are some risks and uncertainties that may cause future results to differ from historical results.

- The success of the Company is directly correlated with the success of digital assets, primarily Bitcoin.
- Our digital asset mining operations require significant and cost effective electricity, the pricing and availability of which may be subject to local laws.
- Our mining operations require a reliable high speed and secure internet connection which can be at risk to cybersecurity breach.
- Our mining operations are also focused in discrete locations that may be subject to severe weather and natural disasters.
- Public perception of energy consumption for purposes of mining digital assets may result in new laws or regulation resulting in a negative impact to the Company's operations.

Bitcoin Halving Risk to Revenues

New Bitcoin are paid to Bitcoin miners once they have completed a block on the blockchain, plus transaction fees. The new Bitcoin rewards are fixed Bitcoin payments. At the inception of Bitcoin, the block reward was 50 Bitcoin. However, built into the blockchain protocol is an event called a halving. After 210,000 blocks have been verified, the block rewards are cut in half. As of December 31, 2025, the block reward was 3.125 Bitcoin.

Property and equipment

Property and equipment are recorded at cost less depreciation. Depreciation is computed using a straight-line method based on the estimated useful lives of the assets. The useful life of new digital asset miners is estimated to be 3 years. The useful life of used digital asset miners is estimated to be 1.5 years.

	2025	2024
Computer equipment (digital asset miners)	$ 7,745,666	$ 7,490,894
Less accumulated depreciation	(4,349,708)	(3,289,740)
Total	$ 3,395,958	$ 4,201,154

Mining rigs are periodically evaluated and, if they no longer functional or economically viable, the rig will be disposed of.

Digital Assets

Digital assets are presented at fair value and changes from the remeasurement of crypto assets is presented as unrealized appreciation (depreciation) on digital assets in the income statement. The Company generally uses a specific identification method to determine the cost basis of digital assets. The Company typically sells Dogecoin in the normal course to minimize holding gains or losses. The Company has a general expectation to hold Bitcoin and Litecoin, and accordingly has not made any sales of those digital assets.

The following tables present additional information about the Company's digital assets as of December 31, 2025 and December 31, 2024, respectively:

	December 31, 2025			December 31, 2024		
	Units Held	Cost Basis	Fair Value	Units Held	Cost Basis	Fair Value
Bitcoin	346	$ 16,838,809	$ 30,249,275	320	$ 14,571,281	$ 29,842,075
Litecoin	12,730	1,235,107	976,736	10,168	980,778	1,048,055
Dogecoin	27,591	3,235	3,235	15,000	4,730	4,730
Other coins		58,562	103,146		57,889	47,441
Total		$ 18,135,712	$ 31,332,392		$ 15,614,677	$ 30,942,301

	Bitcoin	
	Units	Amount
Balance at December 31, 2023	262	$ 5,199,040
Cumulative effect of the adoption of ASC 350-60		5,883,655
Revenue recognized	57	3,558,762
Proceeds from sale	-	-
Purchases	1	49,524
Change in fair value	-	15,151,094
Balance at December 31, 2024	320	$ 29,842,075
Revenue recognized	22	2,222,695
Proceeds from sale	-	-
Purchases	4	407,355
Change in fair value	-	(2,222,850)
Balance at December 31, 2025	346	$ 30,249,275

	Litecoin		Dogecoin		Other Coins
	Units	Amount	Units	Amount	Amount
Balance at December 31, 2023	6,330	$ 335,465	-	$ -	$ 14,483
Cumulative effect of the adoption of ASC 350-60		125,447			2,235
Revenue recognized	3,838	292,669	9,494,795	1,650,999	25,789
Proceeds from sale	-	-	(9,479,795)	(1,671,258)	-
Realized gain	-	-	-	24,989	-
Change in fair value	-	294,474	-	-	4,934
Balance at December 31, 2024	10,168	$ 1,048,055	15,000	$ 4,730	$ 47,441
Revenue recognized	2,562	254,328	9,560,114	2,026,113	672
Proceeds from sale	-	-	(9,547,523)	(2,018,642)	-
Realized gain	-	-	-	(8,965)	-
Change in fair value	-	(325,647)	-	(1)	55,033
Balance at December 31, 2025	12,730	$ 976,736	27,591	$ 3,235	$ 103,146

The Company measures mining rewards based on the quoted price of the Company's principal market.

Revenue Recognition

In accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606), we determine revenue recognition through the following steps:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the performance obligations are satisfied

We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

To identify the performance obligations in the contract, the Company must assess the goods or services to be rendered as distinct. Per ASC 606, a good or service is distinct if the following criteria are satisfied: 1) the customer can benefit from the good or service on its own or in conjunction with other readily available resources and 2) the provider's promise to transfer the good or service is separately identifiable in the contract.

The transaction price is the consideration the provider is expecting to receive in exchange for the good or services rendered to the customer. The transaction price can include non - cash compensation and should factor in any discounts or other pricing customizations. The Company recognizes revenue when the single performance obligation is satisfied at a point in time.

Our contracts generally contain a single performance obligation in the form of services where the Company provides computing power to a single digital asset mining pool. In exchange for providing computing power, the Company is allocated a fractional share of the digital asset reward the mining pool operator receives for validating a new block on the blockchain. The Company and pool operator can terminate the contracts at any time and at no cost to either party. There are no significant financing components in these transactions as the performance obligations and settlement of the transactions occurs daily.

The Company earns its revenue from the mining of digital assets. The Company's aggregated revenue earned from the mining of digital assets by coin for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Bitcoin	$ 2,222,695	$ 3,558,762
Dogecoin	2,026,113	1,651,000
Litecoin	254,328	292,669
Other	672	25,788
Digital asset mining revenues	$ 4,503,808	$ 5,528,219

The Company's aggregated revenue earned from the mining of digital assets by location for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
North Carolina	$ 3,623,991	$ 4,306,652
Quebec, Canada	-	16,020
Texas	-	1,205,547
Nebraska	879,817	-
Digital asset mining revenues	$ 4,503,808	$ 5,528,219

Hosting Fees

Cost of revenue are comprised of hosting fees. Hosting fees are paid to the miner hosting companies on a monthly basis. These fees are incurred to cover a number of fixed and variable costs associated with mining including electricity consumed by rigs, housing/shelf space rent, monitoring and maintenance of the rigs and overhead for the mining facility. The hosting fees are driven by the electricity consumed at each provider's location and the rates established with each provider.

Net Income (Loss) Per Share

The Company computes net income (loss) per share using the weighted average number of common shares outstanding during each year. There were no potentially dilutive securities outstanding during the years ended December 31, 2025 and 2024, respectively.

Note 3 - Income Taxes

The Company accounts for income taxes under the asset and liability method, through which deferred tax assets and liabilities are recognized for future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income for the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. A valuation allowance is required to the extent any deferred tax assets may not be realizable.

ASC Topic 740, Income Taxes (ASC 740), clarifies the accounting for uncertainty in income taxes recognized in a business' financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in material changes to its financial position.

The provisions for income taxes for 2025 and 2024 are comprised of:

	2025		2024	
Current income taxes:				
Federal	$	(84,068)	$	126,369
State		53,445		24,410
Deferred income taxes:				
Federal		(243,553)		3,140,033
State		(34,761)		348,893
Total provision for (benefit from) income taxes	$	(308,937)	$	3,639,705

The reconciliations between the effective tax rate on income/(loss) before income taxes and the U.S. federal statutory rate, as of December 31, 2025 and 2024 are comprised of:

	2025			2024		
	%		$	%		$
Statutory U.S. income tax rate	21.0%	$	(305,310)	21.0%	$	3,498,001
Increase (decrease) in taxes resulting from:						
State taxes, net of federal benefit	2.4%		(35,003)	1.5%		249,857
Change in valuation allowance	-			-0.6%		(99,943)
Other deferred adjustments	-2.2%		31,376	0.0%		(8,210)
Total provision for (benefit from) income taxes	21.2%	$	(308,937)	21.9%	$	3,639,705

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized at the enacted rates for the future tax consequences attributable to differences between the carrying amounts of existing tax assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities due to a change in the tax rate is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities, as of December 31, 2025 and 2024.

	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 249,766	$ -
Property and equipment, net	-	42,595
Deferred tax assets	249,766	42,595
Deferred tax liabilities		
Digital assets	3,003,926	3,531,521
Property and equipment, net	456,452	-
Total deferred tax liabilities	3,460,378	3,531,521
Deferred income tax liabilities, net	$ (3,210,612)	$ (3,488,926)

The Company has the following tax carryforward attributes:

	Gross Amount	Expiring
Federal net operating loss carryforwards	$ 1,189,363	Indefinite

There are no unrecognized benefits for uncertain tax matters.

The Company remains subject to examination by the IRS and various state taxing authorities for all tax years subsequent to the Company's inception in 2021. The Company is not currently under examination by any jurisdiction.

The following table presents income taxes paid by jurisdiction for the year ended December 31, 2025 and 2024, including U.S. Federal and state income taxes. The States presented make up the majority of the effects of state taxes included in the provision for income taxes.

	2025	2024
US Federal	$ 25,000	$ 111,200
North Carolina	46,416	102,105
Nebraska	32,300	-
Total	$ 103,716	$ 213,305

Note 4 - Stockholders' Equity

In accordance with the Stock Purchase Agreement dated November 14, 2021, initial investors received ownership shared in the Company equal to each investor's pro rata interest in the Company as of November 30, 2021. Investors of HK Cryptocurrency Mining, LLC and HK Cryptocurrency Mining II, LLC received common stock in the Company based on value of the investors' interests of HK Cryptocurrency Mining, LLC and HK Cryptocurrency Mining II, LLC relative to the net assets of the Company as of November 30, 2021. The Company shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote. Except as provided in the Certificate of Incorporation, every stockholder having the right to vote shall have one vote for each share of stock having voting power registered in such stockholder's name on the books of the Company. Such votes may be cast in person or by proxy.

Note 5 – Commitments and Contingencies

The Company has agreed to indemnify, hold harmless and defend certain service providers from and against any loss, liability or expense, including reasonable attorneys’ fees, except to the extent that the loss, liability or expense arose from the service provider’s intentional misconduct or gross negligence. The Company has not had any prior claims or losses pursuant to such indemnification obligations to date and cannot predict the extent of a potential claim.

Note 6 - Subsequent Events

Management has evaluated subsequent events through February 11, 2026, the date the financial statements were issued, for inclusion or disclosure in the financial statements.

CRYPTOCURRENCY MINING OPERATIONS SERVICES AGREEMENT

THIS CRYPTOCURRENCY MINING OPERATIONS SERVICES AGREEMENT ("Agreement") is made and entered into on this 1st day of December 2025, by and between Horizon Kinetics LLC ("Horizon"), with offices at 470 Park Avenue South, New York, NY 10016 and Consensus Mining & Seigniorage Corporation ("Client"), with offices at 1 North Lexington Avenue, Suite 12C, White Plains, NY 10601.

WHEREAS, Client will, in consultation with Horizon, select one or more hosting facilities (each a "Hosting Facility" and collectively "Hosting Facilities") to house Client's cryptocurrency mining hardware (including any necessary power supplies or other equipment that may be required) and provide Client with physical space, power and internet connectivity necessary to operate Client's equipment; and

WHEREAS, Client desires to retain Horizon to engage each Hosting Facility on its behalf and support its cryptocurrency mining operations by performing certain services from time to time and as further described herein, subject to the terms of this Agreement, and,

WHEREAS, Horizon, a Delaware limited liability company, desires to be retained by Client upon the terms and conditions hereinafter set forth,

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. Services.

Client will provide Horizon with such approvals and authorizations as are necessary to permit Horizon to act on Client's behalf and provide certain cryptocurrency mining operations services as set forth in more detail at Appendix A attached hereto and as agreed to between the parties from time to time. Client understands and agrees that Horizon shall have no liability for any acts or omissions of any Hosting Facility.

2. Fees.

Client shall pay Horizon the fee as set forth in Appendix B. Such fee shall be payable in arrears, as of the last business day of each quarter. The fee for any partial period shall be calculated as of the start date or termination date of this Agreement, as applicable. In addition, Client shall be solely responsible for all costs relating to its equipment, including any upgrades or repairs, and any and all fees charged by a Hosting Facility for Client's hardware, including charges related to electricity, and shall promptly remit payment directly to such Hosting Facility for such fees upon the presentation of any Hosting Facility invoices by Horizon. To the extent any Hosting Facility fees (or other expenses attributable to Client) are paid by Horizon on behalf of Client, Client shall promptly reimburse Horizon upon the presentation of such fees and evidence of payment.

3. Term and Termination.

This Agreement shall be effective on the date first written above and shall continue unless terminated by either party. Either party may terminate this Agreement at any time, for any reason upon 10 days' prior written notice.

4. Independent Contractor; Non-exclusivity.

Horizon shall be deemed to be an independent contractor for purposes of this Agreement. Client's engagement of Horizon is not an exclusive arrangement. Client may engage other individuals or entities to furnish it with similar services to those contemplated herein, and Horizon may provide other individuals or entities with similar services to those contemplated herein.

5. Indemnification/Limitation of Liability.

The Client acknowledges that Horizon has not made and is not making any guarantee concerning the profitability of Client's activities described herein. To the greatest extent permitted by law, Horizon, its affiliates, officers, directors, employees and agents shall be indemnified against all expenses (including attorneys' fees, costs/expenses, judgments, penalties, fines and amounts paid in settlement) actually and reasonably incurred by it, or on its behalf, in connection with any claim, issue or matter therein, so long as Horizon (or its affiliates, officers, directors, employees and agents) acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and had no reasonable cause to believe the Indemnitee's conduct was unlawful.

Client agrees to promptly reimburse Horizon all expenses (including legal fees) incurred by Horizon in defending against any proceeding, inquiry or investigation; provided, that Horizon shall repay such amounts if it is determined that they are not entitled to indemnity under this Section. IN NO EVENT SHALL HORIZON BE LIABLE FOR ANY LOST PROFITS OR CONSEQUENTIAL OR PUNITIVE DAMAGES EVEN IF HORIZON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, HORIZON'S TOTAL LIABILITY TO THE CLIENT IN THE AGGREGATE FOR THE ENTIRE TERM OF THIS AGREEMENT WILL NOT EXCEED AN AMOUNT EQUAL TO TWO (2) MONTHLY FEES AS DESCRIBED IN SECTION 2 ABOVE.

6. Confidential Information.

Documentation and information (including orally or visually disclosed information) is "Confidential Information" for purposes of this Agreement if (i) the information is not publicly available and is reasonable to assume such information is confidential in nature (ii) is designated as confidential or proprietary, by letter, stamp or legend; or (ii) the disclosing party, at the time of disclosure, verbally indicates that such disclosure is confidential. Confidential Information shall not include information defined as Confidential Information about which the receiving party can conclusively establish: (A) was in the possession of the receiving party at the time of disclosure; (B) prior to or after the time of disclosure becomes public knowledge without the act or omission of the party to whom it was disclosed; (C) is disclosed to the receiving party by a third party under no legal obligations to maintain the confidentiality of such information; or (D) was independently developed by the receiving party without reference to the Confidential Information of the disclosing party. All such Confidential Information shall be treated as confidential by the receiving party and its employees and shall not be disclosed by the receiving party without the disclosing party's prior written consent. However, the receiving party may disclose Confidential Information of the disclosing party as required by law, regulation, subpoena or court order.

Neither party shall duplicate or distribute any part of the other party's Confidential Information, except that Horizon may utilize the Client's Confidential Information in accordance with the terms and conditions of this Agreement. Each party agrees to protect the other party's Confidential Information with the same standard of care and procedures which it uses to protect its own trade secrets and confidential or proprietary information of like importance and, in any event, shall adopt or maintain procedures reasonably calculated to protect such Confidential Information. In no event shall such a standard be less than a reasonable degree of care.

7. Miscellaneous.

(A) *Entire Agreement*. This Agreement is solely and exclusively between the parties hereto, and represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties.

(B) *Amendments*. The provisions of this Agreement may not be amended, supplemented, waived, or changed orally, but only by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement.

(C) *Assignments*. This Agreement may not be assigned by either party to any other person or entity without the other party's prior written consent, except that no such consent shall be required with respect to any assignment by either party to its parent, subsidiary or affiliate.

(D) *Binding Effect*. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and permitted assigns.

(E) *Costs and Expenses*. Each party shall be solely responsible for all of the costs and expenses incurred in connection with the performance of its respective obligations under this Agreement.

(F) *Notices*. All notices, requests, consents, and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) delivered by courier service, telecommunicated, or mailed by registered or certified mail (postage prepaid), return receipt requested, addressed to:

<u>If to HORIZON</u>:
Horizon Kinetics LLC
470 Park Avenue South, 8th Floor
New York, NY 10016
Attn: General Counsel

<u>If to CLIENT</u>:
Consensus Mining & Seigniorage Corporation
1 North Lexington Avenue, Suite 12C
White Plains, NY 10601
Attn: General Counsel

or, to such other address as either party may designate by notice complying with the terms of this Section.

(G) *Headings*. The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

(H) *Severability*. If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by, or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

(I) *Governing Law; Consent to Jurisdiction; Arbitration*. This Agreement will be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws. The parties agree that any dispute or controversy arising out of or relating to this Agreement shall be determined by binding arbitration conducted in New York, New York, in accordance with the rules, then in effect of the American Arbitration Association, and by arbitrator(s) experienced in the matters at issue; provided, however, that the power of the arbitrator(s) shall be limited to construing and enforcing this Agreement as written and the arbitrator(s) shall state the reasons for his or her award and the factual conclusions in a written opinion and may not award punitive damages. Judgment upon any award made by the arbitrator(s) or a majority of them shall be final and may be confirmed and entered in any court of competent jurisdiction located in New York, New York. The parties waive their right to seek remedies in court, including the right to a jury trial.

(J) *Remedies Cumulative*. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy hereunder shall preclude any other or further exercise thereof.

(K) *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(L) *Force Majeure*. Either party shall be excused from delays in performing or from its failure to perform hereunder to the extent that such delays or failures result from causes beyond the reasonable control of such party; provided, however, in order to be excused from delay or failure to perform, such party must act diligently to remedy the cause of such delay or failure, and shall give the other party prompt written notice of any such delays or failures.

IN WITNESS WHEREOF, Horizon and Client have caused this Agreement to be signed and delivered by their duly authorized officers.

HORIZON KINETICS LLC	**CONSENSUS MINING & SEIGNIORAGE CORPORATION**
By: Jay Kesslen	By: Alun Williams
Name: Jay Kesslen	Name: Alun Williams
Title: General Counsel	Title: President
Date: 12/1/25	Date: 12/1/25

Appendix A

Cryptocurrency Mining Operations Services

- Reconcile balances and payouts in Client cryptocurrency pool account with balances and payouts in Client hardware wallet or online wallet and with relevant blockchain and provide Client reporting regarding the same.

- Perform health status checks of Client cryptocurrency mining equipment no less than once per weekday.

- Interact with and provide oversight of hosting facility on behalf of Client as needed (for example in the context of health status and hash rate checks).

- Perform hardware wallet maintenance as necessary (for example, if using hardware wallet, updating wallet firmware from time to time as recommended by manufacturer).

- Perform due diligence on alternative hosting facilities and make appropriate recommendations as requested.

- Make recommendations on new/existing equipment and mining strategy.

- Provide general corporate services such as board reporting, book keeping, financial reporting, including making filings related to any company stock listing, etc.

Appendix B

Client shall pay Horizon an annual fee of 1%, paid quarterly in arrears, based on the quarter-end value of the Client’s cryptocurrency assets, which shall include the depreciated value of all its cryptocurrency equipment as reflected in Client’s financial statements that is in use.