



**Consensus Mining & Seigniorage Corporation**  
**Ticker: CMSG (OTCQX®)**  
**Quarterly Report**  
**Q2 2025**

**Financial Results Summary (unaudited)**

Consensus Mining & Seigniorage Corporation (“CMSG” or “the Company”) announced net income for the quarter ended June 30, 2025 (the “Period”) of \$6.7 million, or \$2.99 per share, as compared to a net loss of \$1.7 million, or \$0.76 per share, for the prior comparable quarter of 2024.

The Company also reported net income of \$4.0 million, or \$1.80 per share, for the six months ended June 30, 2025 as compared to net income of \$5.4 million, or \$2.40 per share, for the prior comparable year-to-date period.

Book value per share increased to \$43.59 at June 30, 2025 as compared to \$41.79 at the end 2024.

The Company generated \$1.1 million in mining revenue for the Period, compared to \$1.4 million for the quarter ended June 30, 2024. The decrease was primarily the result of lower Bitcoin rewards subsequent to the April 2024 halving, which was partially offset by higher script mining revenue resulting from higher average prices of Dogecoin.

The Company has Bitcoin mining operations of 156 petahash and script mining operations for Litecoin/Dogecoin of 5,998 gigahash as of June 30, 2025. The Company acquired 46 Antminer L9 machines used for script mining during the second quarter of 2025 and 82 for the year to date period. These second quarter acquisitions added 736 gigahash to the Company's script mining hashrate. Our cost per megahash for this acquired equipment dropped from \$0.70 per megahash to \$0.58 per megahash.

During Q2 2025, the Company mined 5.8 Bitcoin (BTC) and 665 Litecoin (LTC), all of which were retained. In addition, as a result of the script mining process, the Company mined approximately 2.5 million Dogecoin (DOGE), which were sold for approximately \$0.5 million. A portion of the DOGE mining rewards was used to acquire 0.9 BTC, bringing the total amount of Bitcoin added for the quarter to 6.7 Bitcoin.

The Company's quarter-end cryptocurrency holdings were primarily 334 BTC and 11,474 LTC, which were valued at \$35.8 million and \$1.0 million respectively. The Period-end value of all cryptocurrency holdings was \$36.9 million.

The cost of revenue, a figure that largely consists of hosting costs, was \$0.7 million for the second quarter of 2025, consistent with \$0.7 million for the prior comparable quarter.

Operating expenses—which include depreciation of mining equipment as well as general administrative expenses—declined from \$0.9 million in the second quarter of 2024 to \$0.8 million in the second quarter of 2025. This was primarily due to lower depreciation expenses for certain equipment becoming fully depreciated or disposed of during the second half of 2024.



For the Period, the Company reported an operating loss of \$0.4 million, compared to an operating loss of \$0.2 million for the comparable period of 2024.

Non-operating income for the Period, including changes in the fair value of our cryptocurrency holdings—coupled with interest income—was income of \$8.8 million, as compared to a loss of \$2.0 million in the second quarter of 2024. The increase was primarily a result of higher fair value of our cryptocurrency holdings.

### **Upcoming Shareholder Call**

The Company has also announced an upcoming shareholder call with Chief Strategy Officer, Murray Stahl on August 14, 2025. This call marks the successful conclusion of its application process with OTC and FINRA; its common stock is now quoted on the OTCQX under the ticker CMSG. The Company has 2,250,009 shares outstanding, out of 5,000,000 shares authorized.

**Thursday, August 14, 2025 3pm EST**

Online Webinar: [REGISTER HERE](#)

Phone Access: +1 (562) 247-8422 Access Code: 578-432-742

Only online participants can submit questions during the webinar.

Formally founded in 2021, CMSG is a dedicated cryptocurrency mining company, formed from the merger of two predecessor mining entities—Horizon Kinetics Cryptocurrency Mining LLC I and II. Across eight years of combined operating history, the firm that is now CMSG has delivered positive operating cash flows even throughout prolonged “crypto winters.”

The Company’s long-term mission is to steadily accumulate Bitcoin and other fixed-supply cryptocurrencies via self-sustaining, cash-flow positive cryptocurrency mining operations. Mirroring its measured capital deployment strategy, CMSG operates under a conservative capital structure with ample liquidity. It likewise maintains minimal overhead and a lean cost structure to enhance profitability and sustainable return on equity.

This press release shall constitute neither an offer to sell—nor the solicitation of an offer to buy—any securities. Nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.



**Consensus Mining & Seigniorage Corporation**  
**Balance Sheets**

	June 30, 2025 (unaudited)	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 60,792,160	\$ 61,251,236
Federal tax receivable	171,715	223,100
Prepaid expenses	185,042	567,851
Other receivables	80,268	163,736
Total current assets	61,229,185	62,205,923
Non-current assets		
Property and equipment, net	4,201,357	4,201,154
Digital assets, net	36,890,729	30,942,301
Loans receivable - related party	352,008	335,045
Total non-current assets	41,444,094	35,478,500
<b>Total Assets</b>	<b>\$ 102,673,279</b>	<b>\$ 97,684,423</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accrued taxes	\$ 5,201	\$ 35,314
Accrued accounting fees	70,640	115,012
Other accrued expenses	43,281	11,439
Total current liabilities	119,122	161,765
Non-current liabilities		
Deferred tax liabilities, net	4,471,926	3,488,926
<b>Total Liabilities</b>	<b>4,591,048</b>	<b>3,650,691</b>
Commitments and contingencies (Note 5)		
<b>Stockholders' Equity</b>		
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
Accumulated deficit	11,772,918	7,724,419
Total Stockholders' Equity	98,082,231	94,033,732
Total Liabilities and Stockholders' Equity	<b>\$ 102,673,279</b>	<b>\$ 97,684,423</b>



**Consensus Mining & Seigniorage Corporation**  
**Statements of Operations**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)			
Revenue:				
Digital asset mining	\$ 1,091,075	\$ 1,400,494	\$ 2,441,390	\$ 2,948,239
Total revenue	1,091,075	1,400,494	2,441,390	2,948,239
Cost of revenues				
Hosting fees	692,417	716,517	1,362,963	1,381,456
Total cost of revenues	692,417	716,517	1,362,963	1,381,456
Operating expenses:				
Depreciation expense	567,354	810,791	1,169,996	1,558,131
Loss on disposal of property and equipment	61,256	-	110,467	-
General and administrative expenses	179,695	113,636	306,642	235,849
Total operating expenses	808,305	924,427	1,587,105	1,793,980
Operating loss	(409,647)	(240,450)	(508,678)	(227,197)
Non-operating income (expense):				
Net change in unrealized appreciation on digital assets	8,186,510	(2,769,808)	4,399,851	5,522,831
Interest income	616,948	783,451	1,231,629	1,574,232
Realized gain (loss) on sale of digital assets	(1,837)	(15,975)	(9,773)	10,926
Other income	-	935	-	935
Total non-operating income	8,801,621	(2,001,397)	5,621,707	7,108,924
Income (loss) before income taxes	8,391,974	(2,241,847)	5,113,029	6,881,727
Provision for income taxes	1,660,030	(527,016)	1,064,530	1,476,609
Net income (loss)	\$ 6,731,944	\$ (1,714,831)	\$ 4,048,499	\$ 5,405,118
Basic and diluted net income (loss) per share				
	\$ 2.99	\$ (0.76)	\$ 1.80	\$ 2.40
Weighted average shares (basic and diluted)				
	2,250,009	2,250,009	2,250,009	2,250,009



## **About CMSG**

Consensus Mining & Seigniorage Corporation (OTCQX: CMSG) is a cryptocurrency mining company created with strategic partnerships in hosting, repair, and management. This enables CMSG to operate with minimal overhead and enhanced profitability, and with a conservative capital structure that allows for flexible and patient capital allocation. For more information, please visit [www.consensusmining.com](http://www.consensusmining.com).

Investor Relations Contact:

[IR@consensusmining.com](mailto:IR@consensusmining.com)

**Consensus Mining & Seigniorage Corporation**

**Financial Statements**

**For the three and six months ended June 30, 2025 (unaudited)**

**Consensus Mining & Seigniorage Corporation**  
**Financial Statements**  
**For the three and six months ended June 30, 2025 (unaudited)**

Index

<a href="#"><u>Balance Sheets</u></a>	<a href="#"><u>3</u></a>
<a href="#"><u>Statements of Operations</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>Statements of Changes in Stockholders' Equity</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>Statements of Cash Flows</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Notes to Financial Statements</u></a>	<a href="#"><u>7-12</u></a>

**Consensus Mining & Seigniorage Corporation**  
**Balance Sheets**

	June 30, 2025 (unaudited)	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 60,792,160	\$ 61,251,236
Federal tax receivable	171,715	223,100
Prepaid expenses	185,042	567,851
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Property and equipment, net	4,201,357	4,201,154
Digital assets, net	36,890,729	30,942,301
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Total non-current assets	41,444,094	35,478,500
<b>Total Assets</b>	<b>\$ 102,673,279</b>	<b>\$ 97,684,423</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accrued taxes	\$ 5,201	\$ 35,314
Accrued accounting fees	70,640	115,012
Other accrued expenses	43,281	11,439
Total current liabilities	119,122	161,765
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Deferred tax liabilities, net	4,471,926	3,488,926
<b>Total Liabilities</b>	<b>4,591,048</b>	<b>3,650,691</b>
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
Accumulated deficit	11,772,918	7,724,419
Total Stockholders' Equity	98,082,231	94,033,732
Total Liabilities and Stockholders' Equity	<b>\$ 102,673,279</b>	<b>\$ 97,684,423</b>



**Consensus Mining & Seigniorage Corporation**  
**Statements of Operations**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)			
Revenue:				
Digital asset mining	\$ 1,091,075	\$ 1,400,494	\$ 2,441,390	\$ 2,948,239
Total revenue	<u>1,091,075</u>	<u>1,400,494</u>	<u>2,441,390</u>	<u>2,948,239</u>
Cost of revenues				
Hosting fees	692,417	716,517	1,362,963	1,381,456
Total cost of revenues	<u>692,417</u>	<u>716,517</u>	<u>1,362,963</u>	<u>1,381,456</u>
Operating expenses:				
Depreciation expense	567,354	810,791	1,169,996	1,558,131
Loss on disposal of property and equipment	61,256	-	110,467	-
General and administrative expenses	179,695	113,636	306,642	235,849
Total operating expenses	<u>808,305</u>	<u>924,427</u>	<u>1,587,105</u>	<u>1,793,980</u>
Operating loss	(409,647)	(240,450)	(508,678)	(227,197)
Non-operating income (expense):				
Net change in unrealized appreciation on digital assets	8,186,510	(2,769,808)	4,399,851	5,522,831
Interest income	616,948	783,451	1,231,629	1,574,232
Realized gain (loss) on sale of digital assets	(1,837)	(15,975)	(9,773)	10,926
Other income	-	935	-	935
Total non-operating income	<u>8,801,621</u>	<u>(2,001,397)</u>	<u>5,621,707</u>	<u>7,108,924</u>
Income (loss) before income taxes	8,391,974	(2,241,847)	5,113,029	6,881,727
Provision for income taxes	1,660,030	(527,016)	1,064,530	1,476,609
Net income (loss)	<u>\$ 6,731,944</u>	<u>\$ (1,714,831)</u>	<u>\$ 4,048,499</u>	<u>\$ 5,405,118</u>
Basic and diluted net income (loss) per share	\$ 2.99	\$ (0.76)	\$ 1.80	\$ 2.40
Weighted average shares (basic and diluted)	<u>2,250,009</u>	<u>2,250,009</u>	<u>2,250,009</u>	<u>2,250,009</u>

**Consensus Mining & Seigniorage Corporation**  
**Statements of Changes in Equity**

**Six Months Ended June 30, 2025**

	Common Stock			Retained Earnings	Total Stockholders' Equity
	Shares	Par Value	Additional Paid in Capital (unaudited)		
Balance at December 31, 2024	2,250,009	\$ 22,500	\$86,286,813	\$ 7,724,419	\$94,033,732
Net income (loss)	-	-	-	(2,683,445)	(2,683,445)
Balance at March 31, 2025	2,250,009	22,500	\$86,286,813	\$ 5,040,974	\$91,350,287
Net income (loss)	-	-	-	6,731,944	6,731,944
Balance at June 30, 2025	<u>2,250,009</u>	<u>\$ 22,500</u>	<u>\$86,286,813</u>	<u>\$ 11,772,918</u>	<u>\$98,082,231</u>

**Six Months Ended June 30, 2024**

	Common Stock			Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Par Value	Additional Paid in Capital (unaudited)		
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	-	-	-	6,011,337	6,011,337
Net income (loss)	-	-	-	7,119,949	7,119,949
Balance at March 31, 2024	2,250,009	\$ 22,500	\$86,286,813	\$ 1,826,927	\$88,136,240
Net income (loss)	-	-	-	(1,714,831)	(1,714,831)
Balance at June 30, 2024	<u>2,250,009</u>	<u>\$ 22,500</u>	<u>\$86,286,813</u>	<u>\$ 112,096</u>	<u>\$86,421,409</u>

**Consensus Mining & Seigniorage Corporation**  
**Statements of Cash Flows**

	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	(unaudited)	
Operating activities:		
Net cash (used in) provided by operating activities	\$ (61,450)	\$ (424,622)
Investing activities:		
Purchases of property and equipment	(1,280,667)	(2,030,271)
Proceeds from sales of digital assets	1,108,324	599,751
Purchases of digital assets	(225,283)	-
Net cash used in investing activities	(397,626)	(1,430,520)
Net decrease in cash and cash equivalents	(459,076)	(1,855,142)
Cash and cash equivalents, beginning of year	61,251,236	63,779,788
Cash and cash equivalents, end of year	<u>\$ 60,792,160</u>	<u>\$ 61,924,646</u>
Supplemental disclosures of cash flow information		
Income taxes paid	<u>\$ 24,500</u>	<u>\$ 166,405</u>

***Note 1 – Organization and nature of business***

The accompanying unaudited interim Condensed Financial Statements of Consensus Mining & Seigniorage Corporation (the “Company”) were prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, these statements include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the Condensed Financial Statements. The interim operating results are not necessarily indicative of the results for a full year or for any interim period. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations relating to interim financial statements. The Condensed Financial Statements included herein should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and with the Company’s annual Financial Statements and Notes as of and for the year ended December 31, 2024.

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 LLC (“HK”) through a service agreement.

Revenues result principally from the mining of digital assets; see Revenue Recognition under *Note 2 – Summary of Significant Accounting Policies*. 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 June 30, 2025, the Company engages the services of several different digital asset miner hosting companies.

**Related Party Transactions**

HM Tech LLC is a related party of HK. Several of the Company’s mining rigs are hosted by HM Tech LLC. The hosting fees incurred from HM Tech LLC for the three months ended June 30, 2025 and 2024 were \$298,108 and \$250,100, respectively. During the six months ended June 30, 2025 and 2024, the Company incurred hosting fees from HM Tech LLC of \$582,231 and \$478,205. The Company has loans receivable with accrued interest from HM Tech LLC. The total value of the loans receivable, including accrued interest, is \$352,008 and \$335,045 as of June 30, 2025 and December 31, 2024, respectively. The interest accrued is \$59,849 and \$42,887 as of June 30, 2025 and December 31, 2024, respectively. Additionally, the Company records a monthly management fee in the amount of \$1,000, payable to HK, for the resources utilized in running its daily operations. This is a contractual agreement with a related party and not necessarily indicative of the value being received.

***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 and calculates impairment using prices from Coinbase.

**Recent Accounting Pronouncements**

**Consensus Mining & Seigniorage Corporation**  
**Notes to Financial Statements**  
**June 30, 2025 (unaudited)**

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. This standard is effective for fiscal years beginning after December 15, 2024, and requires prospective application with the option to apply it retrospectively. We intend to adopt this standard in our Annual Report for the year ending December 31, 2025. We are currently evaluating the potential impact of adopting this standard on our disclosures.

**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 \$60,792,160 in cash equivalents as of June 30, 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 three and six months ended June 30, 2025 and 2024.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)			
HM Tech LLC (related party)	\$ 298,107	\$ 250,100	\$ 582,232	\$ 478,205
Blockstream ULC		142,102	(1,190)	330,746
Tidal Data Systems, LLC	255,855	324,315	552,383	572,505
Other providers	138,455	-	229,538	-
Total	\$ 692,417	\$ 716,517	\$ 1,362,963	\$ 1,381,456

**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 on or before July 15, 2024. The loan has since been extended to July 15, 2026. Interest is accrued monthly. The borrower used the proceeds to finance the construction of structures for the purpose of providing space for hosting digital asset mining equipment and related activities.

**Prepaid Expenses**

The Company's prepaid expenses are summarized in the following table:

**Consensus Mining & Seigniorage Corporation**  
**Notes to Financial Statements**  
**June 30, 2025 (unaudited)**

	<u>June 30, 2025</u> (unaudited)	<u>December 31, 2024</u>
Prepaid property and equipment	\$ -	\$ 420,300
Hosting - Tidal Data Systems, LLC	84,900	101,625
Hosting - HM Tech	93,755	-
Prepaid insurance	6,387	45,926
Total	<u>\$ 185,042</u>	<u>\$ 567,851</u>

## **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 June 30, 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. For the three months ended June 30, 2025 and 2024, depreciation related to property and equipment amounted to \$567,354 and \$810,791, respectively. For the six months ended June 30, 2025 and 2024, depreciation related to property and equipment amounted to \$1,169,996 and \$1,558,131, respectively.

	<u>June 30, 2025</u> (unaudited)	<u>December 31, 2024</u>
Computer equipment (digital asset miners)	\$ 7,744,142	\$ 7,490,894
Less: accumulated depreciation	(3,542,785)	(3,289,740)
Total	<u>\$ 4,201,357</u>	<u>\$ 4,201,154</u>

## Digital Assets

The following tables present additional information about the Company's digital assets as of June 30, 2025 and December 31, 2024, respectively:

	June 30, 2025			December 31, 2024		
	Units Held	Cost Basis	Fair Value	Units Held	Cost Basis	Fair Value
Bitcoin	334	\$ 15,766,485	\$ 35,846,806	320	\$ 14,571,281	\$ 29,842,075
Litecoin	11,474	1,108,766	987,077	10,168	980,778.00	1,048,055.00
Dogecoin	25,168	4,158	4,158	15,000	4,730.00	4,730.00
All others		58,561	52,688		57,888.00	47,441.00
		<u>\$ 16,937,970</u>	<u>\$ 36,890,729</u>		<u>\$ 15,614,677</u>	<u>\$ 30,942,301</u>

	Bitcoin	
	Units	Amount
<b>Balance at December 31, 2024</b>	320	\$ 29,842,075
Revenue recognized	7	625,661
Purchases	1	133,181
Change in fair value	-	(3,550,543)
<b>Balance at March 31, 2025</b>	328	\$ 27,050,374
Revenue recognized	6	569,545
Proceeds from sale	-	-
Purchases	1	92,102
Change in fair value	-	8,134,785
<b>Balance at June 30, 2025</b>	<u>335</u>	<u>\$ 35,846,806</u>

	Litecoin		Dogecoin		Other Coins
	Units	Amount	Units	Amount	Amount
<b>Balance at December 31, 2024</b>	10,168	\$ 1,048,055	15,000	\$ 4,730	\$ 47,441
Revenue recognized	641	69,964	2,433,579	654,018	672
Proceeds from sale	-	-	(2,430,579)	(647,814)	-
Realized gain (loss)	-	-	-	(7,935)	-
Change in fair value	-	(221,489)	-	-	(14,626)
<b>Balance at March 31, 2025</b>	10,809	\$ 896,530	18,000	\$ 2,999	\$ 33,487
Revenue recognized	665	58,023	2,499,564	463,506	-
Proceeds from sale	-	-	(2,492,396)	(460,510)	-
Realized gain (loss)	-	-	-	(1,837)	-
Change in fair value	-	32,524	-	-	19,201
<b>Balance at June 30, 2025</b>	<u>11,474</u>	<u>\$ 987,077</u>	<u>25,168</u>	<u>\$ 4,158</u>	<u>\$ 52,688</u>

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's aggregated revenue earned from the mining of digital assets by type are as follows for the three and six months ended June 30, 2025 and 2024, respectively:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(unaudited)			
Bitcoin	\$ 569,546	\$ 939,826	\$ 1,195,205	\$ 2,161,809
Dogecoin	463,506	386,069	1,117,524	586,086
Litecoin	58,023	57,461	127,988	176,569
Other	-	17,138	673	23,775
<b>Total</b>	<b>\$ 1,091,075</b>	<b>\$ 1,400,494</b>	<b>\$ 2,441,390</b>	<b>\$ 2,948,239</b>

The Company's aggregated revenue earned from the mining of digital assets by location are as follows for the three and six months ended June 30, 2025 and 2024, respectively:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(unaudited)			
North Carolina	\$ 874,234	\$ 1,059,761	\$ 2,111,378	\$ 2,093,662
Quebec, Canada	-	-	-	16,020
Texas	-	340,733	-	838,557
Nebraska	216,841	-	330,012	-
<b>Total</b>	<b>\$ 1,091,075</b>	<b>\$ 1,400,494</b>	<b>\$ 2,441,390</b>	<b>\$ 2,948,239</b>

### **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 three and six months ended June 30, 2025 and 2024, respectively.

### **Note 3 – Income Taxes**

The Company recorded an (expense) benefit from income taxes of \$1,660,030 and \$1,064,530 for the three and six months ended June 30, 2025, respectively, primarily related to the deferred tax liability associated with unrealized appreciation or depreciation in certain digital assets. There are no unrecognized benefits for uncertain tax matters.



***Note 4 – 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.