Risk Factors Comparison 2024-03-13 to 2023-03-31 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

An investment in our Company involves a high degree of risk. Each of the following risk factors in evaluating our business and prospects as well as an investment in our Company should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks occur, our business and financial results could be harmed and the trading price of our common shares could decline. Risks Related to ~~our~~ **Our** Business Our total revenue is substantially dependent on the prices of digital assets and volume of transactions conducted on our platform. If such price or volume declines, our business, operating results, and financial condition would be adversely affected. We generate the majority of our total revenue from digital mining. As such, any declines in the volume of digital asset transactions, the price of digital assets, or market liquidity for digital assets generally may result in lower total revenue. The price of digital assets and associated demand for buying, selling, and trading digital assets have historically been subject to significant volatility ~~. For instance, in 2022, the value of certain digital assets, including Bitcoin, experienced steep decreases in value~~ . The price and trading volume of any digital asset is subject to significant uncertainty and volatility, depending on a number of factors, including: • market conditions of, and overall sentiment towards, digital assets; • changes in liquidity, market- making volume, and trading activities; • trading activities on other digital platforms worldwide, many of which may be unregulated, and may include manipulative activities; • investment and trading activities of highly active retail and institutional users, speculators, miners, and investors; • the speed and rate at which digital assets are able to gain adoption as a medium of exchange, utility, store of value, consumptive asset, security instrument, or other financial assets worldwide, if at all; • decreased ~~user and~~ investor confidence in digital assets and digital platforms; • negative **media** publicity and events relating to the digital economy; • unpredictable social media coverage or " trending " of, or other rumors and market speculation regarding digital assets; • the ability for digital assets to meet user and investor demands; • the functionality and utility of digital assets and their associated ecosystems and networks, including digital assets designed for use in various applications; • increased competition from other payment services or other digital assets that exhibit better speed, security, scalability, or other characteristics; • regulatory or legislative changes and updates affecting the digital economy; • the maintenance, troubleshooting, and development of the blockchain networks underlying digital assets, including by miners, validators, and developers worldwide; • the ability for digital networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently; • ongoing technological viability and security of digital assets and their associated smart contracts, applications and networks, including vulnerabilities against hacks and scalability; • fees and speed associated with processing digital asset transactions, including on the underlying blockchain networks and on digital platforms; • financial strength of market participants; • the availability and cost of funding and capital; • the liquidity of digital platforms; • interruptions in service from or failures of major digital platforms; • availability of an active derivatives market for various digital assets; • availability of banking and payment services to support digital- related projects; ~~and~~ • level of interest rates and inflation **; and • environmental, social, and governance (ESG) concerns about power and water consumption** . There is no assurance that any supported digital asset will maintain its value or that there will be meaningful levels of trading activities. In the event that the price of digital assets or the demand for trading digital assets decline, our business, operating results, and financial condition would be adversely affected. Our operating results have and will significantly fluctuate due to the highly volatile nature of digital assets. Our operating results are dependent on **Bitcoin** ~~digital assets~~ and the broader ~~cryptoeconomy~~ **crypto economy** . Due to the highly volatile nature of the ~~cryptoeconomy~~ **crypto economy** and the prices of **Bitcoin** ~~digital assets~~ , our operating results have, and will continue to, fluctuate significantly from quarter to quarter in accordance with market sentiments and movements in the broader ~~cryptoeconomy~~ **crypto economy** . Our operating results will continue to fluctuate significantly as a result of a variety of factors, many of which are unpredictable and in certain instances are outside of our control, including: • our dependence on offerings that are dependent on crypto asset trading activity, including trading volume and the prevailing trading prices for crypto assets, whose trading prices and volume can be highly volatile; • adding crypto assets to, or removing from, our platform; • market conditions of, and overall sentiment towards, the ~~cryptoeconomy~~ **crypto economy** ; • system failure, outages, or interruptions, including with respect to our crypto platform and third- party crypto networks; and • inaccessibility of our platform due to our or third- party actions. As a result of these factors, it is ~~difficult~~ **challenging** for us to forecast growth trends accurately and our business and future prospects are difficult to evaluate, particularly in the short term. **Further, any decrease in the price of bitcoin creates a risk of increased losses or impairments.** In view of the rapidly evolving nature of our business and the ~~cryptoeconomy~~ **crypto economy** , period- to- period comparisons of our operating results may not be meaningful, and you should not rely upon them as an indication of future performance. Quarterly and annual expenses reflected in our financial statements may be significantly different from historical or projected rates. Our operating results in one or more future quarters may fall below the expectations of securities analysts and investors. As a result, the trading price of our common ~~stock~~ **shares** may increase or decrease significantly **. The recent disruption in the crypto asset markets may harm our reputation. Due to the recent disruption in the crypto asset markets, our customers, suppliers and other business partners may deem our business to be risky and lose confidence to enter into business transactions with us on terms that we deem acceptable. For example, our suppliers may require higher deposits or advance payments from us. In addition, new regulations may subject us to investigation, administrative or regulatory proceedings, and civil or criminal litigation, all of which could harm our reputation and negatively affect our business operation and the value of our common shares. As of the date of this annual report, we do**

not believe that our operations or financial conditions associated have been materially impacted by any reputational harm that we may face in light of the recent disruption in the crypto asset markets. However, there is no guarantee that such disruption or any reputational harm resulting therefrom will not have a material adverse effect on our business, financial condition and results of operations in the future . The future development and growth of crypto is subject to a variety of factors that are difficult to predict and evaluate. If digital assets do not grow as we expect, our business, operating results, and financial condition could be adversely affected. Digital assets built on blockchain technology were only introduced in 2008. Digital assets are designed for different purposes. Bitcoin, for instance, was designed to serve as a peer- to- peer electronic cash system, while Ethereum was designed to be a smart contract and decentralized application platform. Many other crypto networks, ranging from cloud computing to tokenized securities networks, have only recently been established. The further growth and development of any crypto assets and their underlying networks and other cryptographic and algorithmic protocols governing the creation, transfer, and usage of crypto assets represent a new and evolving paradigm that is subject to a variety of factors that are difficult to evaluate, including: • many crypto networks have limited operating histories, have not been validated in production, and are still in the process of developing and making significant decisions that will affect the design, supply, issuance, functionality, and governance of their respective crypto assets and underlying blockchain networks, any of which could adversely affect their respective crypto assets; • many crypto networks are in the process of implementing software upgrades and other changes to their protocols, which could introduce bugs, security risks, or adversely affect the respective crypto networks; • ~~several large networks, including Ethereum, are developing new features to address fundamental speed, scalability, and energy usage issues. If these issues are not successfully addressed, or are unable to receive widespread adoption, it could adversely affect the underlying digital assets; •~~ security issues, bugs, and software errors have been identified with many digital assets and their underlying blockchain networks, some of which have been exploited by malicious actors. There are also inherent security weaknesses in some digital assets, such as when creators of certain crypto networks use procedures that could allow hackers to counterfeit tokens. Any weaknesses identified with a digital asset could adversely affect its price, security, liquidity, and adoption. 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 compute or staking power on a crypto network, as has happened in the past, it may be able to manipulate transactions, which could cause financial losses to holders, damage the network' s reputation and security, and adversely affect its value ~~; • the development of new technologies for mining, such as improved application- specific integrated circuits (commonly referred to as ASICs), or changes in industry patterns, such as the consolidation of mining power in a small number of large mining farms, could reduce the security of blockchain networks, lead to increased liquid supply of digital assets, and reduce a digital asset' s price and attractiveness~~ ; • if rewards and transaction fees for miners or validators on any particular crypto network are not sufficiently high to attract and retain miners, a crypto network' s security and speed may be adversely affected, increasing the likelihood of a malicious attack; • ~~many digital assets have concentrated ownership or an " admin key, " allowing a small group of holders to have significant unilateral control and influence over key decisions related to their crypto networks, such as governance decisions and protocol changes, as well as the market price of such digital assets; • the governance of many decentralized blockchain networks is by voluntary consensus and open competition, and many developers are not directly compensated for their contributions. As a result, there may be a lack of consensus or clarity on the governance of any particular crypto network, a lack of incentives for developers to maintain or develop the network, and other unforeseen issues, any of which could result in unexpected or undesirable errors, bugs, or changes, or stymie such network' s utility and ability to respond to challenges and grow; •~~ algonomic units to U. S. dollar may fail causing devaluation in specific cryptocurrencies which may impact the market perception of safer currencies; and • many crypto networks are in the early stages of developing partnerships and collaborations, all of which may not succeed and adversely affect the usability and adoption of the respective crypto assets. Various other technical issues have also been uncovered from time to time that resulted in disabled functionalities, exposure of certain users' personal information, theft of users' assets, and other negative consequences, and which required resolution with the attention and efforts of their global miner, user, and development communities. If any such risks or other risks materialize, and in particular if they are not resolved, the development and growth of crypto may be significantly affected and, as a result, our business, operating results, and financial condition could be adversely affected. Cryptocurrency mining activities are energy- intensive, which may restrict the geographic locations of mining machines ~~and have a negative environmental impact~~ . Government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations, such as ours. Mining cryptocurrency requires ~~massive~~ **large** amounts of electrical power, and electricity costs are expected to account for a significant portion of our overall costs. The availability and cost of electricity will restrict the geographic locations of our mining activities. Any shortage of electricity supply or increase in electricity costs in any location where we plan to operate may negatively impact the viability and the expected economic return for cryptocurrency mining activities in that location. Further, our business model can only be successful and our mining operations can only be profitable if the costs, including electrical power costs, associated with cryptocurrency mining are lower than the price of the cryptocurrency itself. As a result, any equipment we deploy can only be successful if we can obtain access to sufficient electrical power on a cost- effective basis through hosting arrangements with mining data centers. Our deployment of new mining equipment requires us to find sites where that is the case. Even if our electrical power costs do not increase, significant fluctuations in, and any prolonged periods of, low cryptocurrency prices may also cause our electrical supply to no longer be cost- effective. Furthermore, if cryptocurrency mining becomes more widespread, government scrutiny related to restrictions on cryptocurrency mining facilities and their energy consumption may significantly increase. The ~~considerable~~ consumption of electricity ~~by mining operators may also have a negative environmental impact, including contribution to climate change, which~~ could ~~set the public opinion against allowing~~ **lead to governmental measures restricting or prohibiting** the use of electricity for cryptocurrency mining activities. ~~This, in turn, could lead to governmental measures restricting or prohibiting the use of electricity for cryptocurrency mining activities.~~ Any such development in the jurisdictions where we plan to operate could increase our compliance burdens and have a material adverse effect on our business, prospects, financial condition, and operating results **. Concerns about greenhouse gas emissions and global climate change may result in environmental taxes, charges, assessments, penalties or litigation, and could have a material adverse effect on our business, financial condition and results of operations. The effects of human activity on global climate change have attracted considerable public and scientific attention, as well as the attention of the United States and other governments. Efforts are being made to reduce greenhouse gas emissions, particularly those from coal combustion power plants, some of which plants our hosting facility suppliers may rely upon for power. The added cost of any environmental taxes, charges, assessments or penalties levied on such power plants, or the cost of litigation filed against such power plants, could be passed on to us, increasing the cost to provide hosting services to its customers. Any enactment of laws or promulgation of regulations regarding greenhouse gas emissions by the United States, or any domestic or foreign jurisdiction in which we conduct business, could have a material adverse effect on our business, financial condition, or results of operations. In addition, as a result of negative publicity regarding environmental concerns associated with Bitcoin mining, some companies have ceased accepting Bitcoin for certain types of purchases, and additional companies may do so in the future, which may have a material adverse effect on our business, financial condition or results of operations** . We rely on hosting arrangements to conduct our business, and the availability of such hosting arrangements is uncertain and competitive and may be affected by changes in regulation in one or more countries. If we are unable to successfully enter into definitive hosting agreements with mining data centers on favorable terms or those counterparties fail to perform their obligations under such agreements, we may be forced to look for alternative mining data centers to host its mining equipment. ~~In May 2021, China' s State Council issued a statement signaling its intent to restrict cryptocurrency mining and trading activities, resulting in provincial governments taking proactive measurements to prohibit cryptocurrency mining. On September 24, 2021, China' s central bank and its National Development and Reform Commission issued a nation- wide ban on cryptocurrency mining and declaring all financial transactions involving cryptocurrencies illegal. As a result, mining data centers previously operating in China have been forced to shut down and owners of crypto mining equipment located in China have been attempting to relocate the equipment to mining data centers in other jurisdictions, with a particular focus on locations within the United States. Combined with the increase in the price of many cryptocurrencies in 2021, the influx of crypto miners from China has created conditions of great demand for mining data centers and limited supply. Due to these conditions, there is no assurance that we will be able to procure alternative hosting agreements on acceptable terms in a timely manner or at all.~~ Significant competition for suitable mining data centers is expected to continue, and other government regulators, including local permitting officials, may potentially restrict the ability of potential mining data centers to begin or continue operations in certain locations. They can also 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 of electricity to mining operations **. We face risks of downtime at hosting sites due to excessive weather or heat, which could have an adverse effect on the mining of cryptocurrency and impact our revenues. A disruption at hosting sites may affect the mining of cryptocurrency. Generally, cryptocurrency and our business of mining cryptocurrency is dependent upon consistent operations at hosting sites. A significant disruption in a hosting site' s ability to function due to adverse weather could disrupt mining operations until the disruption is resolved and have an adverse effect on our ability to mine cryptocurrencies, impacting our revenues** . We may be affected by price fluctuations in the wholesale and retail power markets. Market prices for power, generation capacity and ancillary services, are unpredictable. Depending upon the effectiveness of any price risk management activity undertaken by us, including but not limited to attempts to secure hosting services contracts at fixed fees, an increase in market prices for power, generation capacity, and ancillary services may adversely affect our business, prospects, financial condition, and operating results. Long- and short- term power prices may fluctuate substantially due to a variety of factors outside of our control, including, but not limited to: • increases and decreases in generation capacity; • changes in power transmission or fuel transportation capacity constraints or inefficiencies; • demand response / mandatory curtailments; • volatile weather conditions, particularly unusually hot or mild summers or unusually cold or warm winters; • technological shifts resulting in changes in the demand for power or in patterns of power usage, including the potential development of demand- side management tools, expansion and technological advancements in power storage capability and the development of new fuels or new technologies for the production or storage of power; • federal and state power, market and environmental regulation and legislation; and • changes in capacity prices and capacity markets. If we are unable to secure consistent power supply at prices or on terms acceptable to it, it would have a material adverse effect on our business, prospects, financial condition, and operating results. As cryptocurrencies may be determined to be investment securities, we may inadvertently violate the Investment Company Act of 1940 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 ourself out as being engaged in those activities. However, under the Investment Company Act of 1940 (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. As a result of 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 cryptocurrency that we own, acquire or mine may be deemed an investment security by the SEC, **and** although we do not believe any of the cryptocurrency we own, acquire or mine are securities **, any determination we make regarding whether crypto assets are securities is a risk- based assessment, not a legal standard binding on a regulatory body or court, and does not preclude legal or regulatory action** . 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 the date of this proxy statement / prospectus, we do not believe we are an inadvertent investment company. We may take actions to cause the investment securities held by us to be less than 40 % of our total assets, which may include acquiring assets with our cash and cryptocurrency on hand or liquidating our investment securities or cryptocurrency or seeking a no- action letter from the SEC if we are unable to acquire sufficient assets or liquidate sufficient investment securities in a timely manner. As the Rule 3a- 2 exception is available to a company no more than once every three years, and assuming no other exclusion were available to us, we would have to keep within the 40 % limit for at least three years after we cease being an inadvertent investment company. This may limit our ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on our earnings. In any event, we do not intend to become an investment company engaged in the business of investing and trading securities. 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 us incurring substantial additional expenses, and the failure to register if required would have a materially adverse impact to conduct our operations. If regulatory changes or interpretations of our activities require its registration as a money services business under the regulations promulgated by The Financial Crimes Enforcement Network under the authority of the U. S. Bank Secrecy Act, we may be required to register and comply with such regulations. If regulatory changes or interpretations of our activities require the licensing or other registration of us as a money transmitter (or equivalent designation) under state law in any state in which we operate, we may be required to seek licensure or otherwise register and comply with such state law. In the event of any such requirement, to the extent we decide to continue, the required registrations, licensure and regulatory compliance steps may result in extraordinary, non- recurring expenses to us. We may also decide to cease its operations. Any termination of certain operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to investors. To the extent that our activities cause us to be deemed a money service business under the regulations promulgated by the Financial Crimes Enforcement Network of the U. S. Treasury Department (" FinCEN ") under the authority of the U. S. Bank Secrecy Act, we may be required to comply with FinCEN regulations, including those that would mandate us to implement anti- money laundering programs, make certain reports to FinCEN and maintain certain records. To the extent that our activities cause us to be deemed a money transmitter or equivalent designation under state law in any state in which we operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations that may include the implementation of anti- money laundering programs, maintenance of certain records and other operational requirements. Currently, the New York Department of Financial Services has finalized its " BitLicense " framework for businesses that conduct " virtual currency business activity. " We will continue to monitor for developments in New York legislation, guidance **,** and regulations. Such additional federal or state regulatory obligations may cause us to incur extraordinary expenses, possibly affecting our business in a material and adverse manner. Furthermore, we and our service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money service businesses and money transmitters. If we are deemed to be subject to and determine not to comply with such additional regulatory and registration requirements, we may act to dissolve and liquidate us. Any such action may adversely affect an investment in us. ~~There is no one unifying principle governing the regulatory status of cryptocurrency nor whether cryptocurrency is a security in each context in which it is viewed.~~ Regulatory changes or actions in one or more countries **or jurisdictions** may alter the nature of an investment in us or restrict the use of digital assets, such as cryptocurrencies, in a manner that adversely affects our business, prospects or operations. As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming cryptocurrencies illegal, and others allowing their use and trade without restriction. In some jurisdictions, such as in the **United States** ~~U. S.~~ , digital assets, like cryptocurrencies, are subject to extensive ~~, and in some cases overlapping, unclear and evolving~~ regulatory requirements ~~. Cryptocurrencies have been the source of much regulatory consternation, resulting in differing definitional outcomes without a single unifying statement~~ . Cryptocurrency is viewed differently by different regulatory and standards setting organizations globally as well as in the United States on the federal and state levels. For example, the Financial Action Task Force (" FATF ") and the Internal Revenue Service (" IRS ") consider a cryptocurrency as currency or an asset or property. Further, the IRS applies general tax principles that apply to property transactions to transactions involving virtual currency. If regulatory changes or interpretations require the regulation of cryptocurrency under the securities laws of the United States or elsewhere, including the Securities Act of 1933, the Exchange Act and the 1940 Act or similar laws of other jurisdictions and interpretations by the SEC, the CFTC, the IRS, Department of Treasury or other agencies or authorities, we may be required to register and comply with such regulations, including at a state or local level. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expense or burdens to us. We may also decide to cease certain operations and change our business model. Any disruption of our operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to us. Current and future legislation and SEC rule making and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which cryptocurrencies are viewed or treated for classification and clearing purposes. In particular, cryptocurrencies may not be excluded from the definition of " security ” by SEC rule making or interpretation requiring registration of all transactions unless another exemption is available, including transacting in cryptocurrency among owners and require registration of trading platforms as “ exchanges ” **. Due to concerns around resource consumption and associated environmental concerns, particularly as such concerns relate to public utilities companies, various countries, states and cities have implemented, or are considering implementing, moratoriums on Bitcoin mining in their jurisdictions. Such moratoriums would impede Bitcoin mining and / or Bitcoin use more broadly. For example, in November 2022, New York imposed a two- year moratorium on new proof- of- work mining permits at fossil fuel plants in the state. It is possible that other states may likewise create laws that could have a material adverse effect on our business, financial condition and results of operations** . We cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrencies under the law. If we fail to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations or be subjected to fines, penalties and other governmental action. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue its business model at all, which could have a material adverse effect on its business, prospects or operations and potentially the value of any cryptocurrencies we plan to hold or expect to acquire for our own account. Our business is dependent on a small number of digital asset mining equipment suppliers. Our business is dependent upon digital asset mining equipment suppliers providing an adequate supply of new generation digital asset mining machines at economical prices to customers intending to purchase our hosting and other solutions. The growth in our business is directly related to increased demand for hosting services and cryptocurrency which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable digital asset mining, as well as the trading price of cryptocurrency. The market price and availability of new mining machines fluctuates with the price of cryptocurrencies and can be volatile. In addition, as more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. There are no assurances that cryptocurrency mining equipment suppliers will be able to keep pace with any surge in demand for mining equipment. Further, manufacturing mining machine purchase contracts are not favorable to purchasers and we may have little or no recourse in the event a mining machine manufacturer defaults on its mining machine delivery commitments. If we and our customers are not able to obtain a sufficient number of digital asset mining machines at favorable prices, our growth expectations, liquidity, financial condition and results of operations will be negatively impacted. ~~Changes in tariffs or import restrictions could have a material adverse effect on our business, financial condition and results of operations. Equipment necessary for digital asset mining is almost entirely manufactured outside of the United States. There is currently significant uncertainty about the future relationship between the United States and various other countries, including China, the European Union, Canada, and Mexico, with respect to trade policies, treaties, tariffs and customs duties, and taxes. For example, since 2019, the U. S. government has implemented significant changes to U. S. trade policy with respect to China. These tariffs have subjected certain digital asset mining equipment manufactured overseas to additional import duties of up to 25 %. The amount of the additional tariffs and the products subject to them has changed numerous times based on action by the U. S. government. These tariffs have increased costs of digital asset mining equipment, and new or additional tariffs or other restrictions on the import of equipment necessary for digital asset mining could have a material adverse effect on our business, financial condition and results of operations.~~ Mining machines rely on components and raw materials that may be subject to price fluctuations or shortages, including ASIC chips that have been subject to a significant shortage. In order to build and sustain our self- mining operations we will depend on third parties to provide us with ASIC chips and other critical components for our mining equipment, which may be subject to price fluctuations or shortages. For example, the ASIC chip is the key component of a mining machine as it determines the efficiency of the device. The production of ASIC chips typically requires highly sophisticated silicon wafers, which currently only a small number of fabrication facilities, or wafer foundries, in the world are capable of producing. We believe that the previous microchip shortage that the entire industry experienced lead to price fluctuations and disruption in the supply of key miner components. Specifically, the ASIC chips have recently been subject to a significant price increases and shortages. There is also a risk that a manufacturer or seller of ASIC chips or other necessary mining equipment may adjust the prices according cryptocurrency prices or otherwise, so the cost of new machines could become unpredictable and extremely high. As a result, at times, we may be forced to obtain mining machines and other hardware at premium prices, to the extent they are even available. Such events could have a material adverse effect on our business, prospects, financial condition, and operating results. ~~The further development and acceptance of digital asset networks and other digital assets, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of digital asset systems may adversely affect an investment in us. The use of cryptocurrencies to, among other things, buy and sell goods and services and complete transactions, is part of a new and rapidly evolving industry that employs cryptocurrency assets, based upon a computer- generated mathematical and / or cryptographic protocol. Large- scale acceptance of cryptocurrency as a means of payment has not, and may never, occur. The growth of this industry is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may occur unpredictably. The factors include, but are not limited to: • continued worldwide growth in the adoption and use of cryptocurrencies as a medium to exchange; • governmental and quasi- governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems; • changes in consumer demographies and public tastes and preferences; • the maintenance and development of the open- source software protocol of the network; • the increased consolidation of contributors to the blockchain through mining pools; • the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; • the use of the networks supporting cryptocurrencies for developing smart contracts and distributed applications; • general economic conditions and the regulatory environment relating to cryptocurrencies; and • negative market sentiment and perception of cryptocurrencies. The outcome of these factors could have negative effects on our ability to continue as a going concern or to pursue our business strategy at all, which could have a~~

~~material adverse effect on our business, prospects or operations as well as potentially negative effect on the value of any cryptocurrency that we mine or otherwise acquire or hold for our own account, which would harm investors.~~ Banks and financial institutions may not provide banking services, or may cut off services, to businesses that engage in cryptocurrency-related activities or that accept cryptocurrency as payment, including financial institutions of investors in our common shares. A number of companies that engage in cryptocurrency- 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 cryptocurrencies 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 cryptocurrencies 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 cryptocurrency-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 cryptocurrency as a payment system and harming public perception of cryptocurrency, and could decrease their usefulness and harm their public perception in the future. ~~We face risks of Internet disruptions, which could have an adverse effect on the price of cryptocurrencies. A disruption of the Internet may affect the use of cryptocurrencies. Generally, cryptocurrency and our business of mining cryptocurrency 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 cryptocurrencies and our ability to mine cryptocurrencies.~~ The impact of geopolitical and economic events on the supply and demand for cryptocurrency is uncertain. Geopolitical crises may motivate large- scale purchases of cryptocurrencies, which could increase the price of cryptocurrencies 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 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 downturns may discourage investment in cryptocurrency 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, cryptocurrency, which is relatively new, is 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. Political or economic crises may motivate large- scale acquisitions or sales of cryptocurrency 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 cryptocurrency that we mine or otherwise acquire or hold for our own account. We may not be able to compete with other companies, some of whom have greater resources and experience. We may not be able to compete successfully against present or future competitors. We do not have the resources to compete with larger providers of similar services at this time. The cryptocurrency industry has attracted various high- profile and well- established operators, some of which have substantially greater liquidity and financial resources than we do. With the limited resources we have available, we may experience great difficulties in expanding and improving our network of computers to remain competitive. Competition from existing and future competitors, particularly those that have access to competitively-priced energy, could result in our inability to secure acquisitions and partnerships that we may need to expand our business in the future. This competition from other entities with greater resources, experience and reputations may result in our failure to maintain or expand our business, as we may never be able to successfully execute our business plan. If we are unable to expand and remain competitive, our business could be negatively affected. The mining data centers at which we maintain our mining equipment may experience damages, including damages that are not covered by insurance. The mining data centers at which we maintain our mining equipment are, and any future mining data centers at which we maintain our mining equipment will be, subject to a variety of risks relating to physical condition and operation, including: • the presence of construction or repair defects or other structural or building damage; • any non- compliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements; • any damage resulting from natural disasters, such as hurricanes, earthquakes, fires, floods and windstorms; and • claims by employees and others for injuries sustained at our properties. For example, the mining data centers at which we maintain our mining equipment could be rendered inoperable, temporarily or permanently, as a result of a fire or other natural disaster or by a terrorist or other attack on the facilities where our mining equipment is located. Although we have multiple sites in an effort to mitigate this risk, these and other measures we take to protect against these risks may not be sufficient. Any property insurance we obtain in the future may not be adequate to cover any 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 mining data centers at which we maintain our mining equipment, such mining data centers 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 our equipment located at such mining data centers. ~~Acceptance and / or widespread use of cryptocurrency is uncertain. Currently, there is a relatively limited use of any cryptocurrency in the retail and commercial marketplace. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, cryptocurrency- related companies or service providers, or maintain accounts for persons or entities transacting in cryptocurrency. Conversely, a significant portion of cryptocurrency 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 cryptocurrency' s role as a medium of exchange, as retailers are much less likely to accept it as a form of payment.~~ The **dynamic** ~~relative lack of acceptance of cryptocurrency 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 strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of cryptocurrency we mine or~~

~~otherwise acquire or hold for our own account. The decentralized~~ nature ~~of cryptocurrency systems may lead to slow or inadequate responses to crises, which may negatively affect our business. The decentralized nature of the governance of cryptocurrency systems may lead to ineffective decision making that slows development or prevents a network from overcoming emergent obstacles. Governance of many cryptocurrency 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 the blockchain leads to ineffective decision making that slows development and growth of cryptocurrency network protocols, our business may be adversely affected. The lack of regulation~~ of digital asset exchanges which Bitcoin, and other cryptocurrencies, are traded on **may cause disruptions in the crypto asset markets** , **which** may expose us to the effects of negative publicity resulting from fraudulent actors in the cryptocurrency space, and can adversely affect an investment in us. The digital asset exchanges on which Bitcoin is traded are relatively new ~~and largely unregulated~~ . Many digital asset exchanges do not provide the public with significant information regarding their ownership structure, management teams, corporate practices, or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, such digital asset exchanges, including prominent exchanges handling a significant portion of the volume of digital asset trading. ~~During 2022~~ **In the recent past** , a number of companies in the crypto industry declared ~~bankruptcy, including Celsius Network LLC (“ Celsius ”), Voyager Digital Ltd., BlockFi Lending LLC, and FTX Trading Ltd. (“ FTX ”). In June 2022, Celsius began pausing all withdrawals and transfers between accounts on its platform, and in July 2022, it filed for Chapter 11 bankruptcy protection. Further, in November 2022, FTX, one of the major cryptocurrency exchanges, also filed for Chapter 11~~ bankruptcy. Such bankruptcies have contributed, at least in part, to further price volatility in most crypto assets, a loss of confidence in the participants of the digital asset ecosystem and negative publicity surrounding digital assets more broadly, and other participants and entities in the digital asset industry have been, and may continue to be, negatively affected. These events have also negatively impacted the ~~liquidity of~~ **demand for** the digital assets markets ~~as certain entities affiliated with FTX engaged in significant trading activity~~ . As a result of these events, many digital asset markets, including the market for Bitcoin, have experienced increased price volatility. The Bitcoin ecosystem may continue to be negatively impacted and experience long term volatility if public confidence decreases. Further, we have been directly and ~~indrectly~~ **indirectly** impacted by **certain of** the ~~above~~ recent bankruptcies in the crypto asset space, and may in the future be directly or indirectly impacted by any future ~~bankrupcties~~ - **bankruptcies** in the ~~cyrpto~~ - **crypto** asset space. These events are continuing to develop and it is not possible to predict, at this time, every risk that they may pose to us, our service providers, or the digital asset industry as a whole. A perceived lack of stability in the digital asset exchange market and the closure or temporary shutdown of digital asset exchanges due to business failure, hackers or malware, government-mandated regulation, or fraud, may reduce confidence in digital asset networks and result in greater volatility in cryptocurrency values. These potential consequences of a digital asset exchange’ s failure could adversely affect an investment in us. It may be illegal now, or in the future, to acquire, own, hold, sell **,** or use cryptocurrencies, participate in blockchains or utilize similar cryptocurrency assets in one or more countries, the ruling of which would adversely affect us. As cryptocurrency has grown in both popularity and market size, governments around the world have reacted differently to cryptocurrency; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the ~~U~~ **United** . **States** ~~S.~~ , subject to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. Until recently, little **,** or no regulatory attention has been directed toward cryptocurrency by U. S. federal and state governments, foreign governments and self- regulatory agencies. As cryptocurrency has grown in popularity and in market size, the Federal Reserve Board, U. S. Congress **,** and certain U. S. agencies have begun to examine cryptocurrency in more detail. One or more countries, including but not limited to China and Russia, which have taken harsh regulatory action in the past, may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell **,** or use these cryptocurrency assets or to exchange for fiat currency. In many nations, particularly in China and Russia, it is illegal to accept payment in cryptocurrencies for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrency. Such restrictions may adversely affect us as the large- scale use of cryptocurrency 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 strategy at all, which could have a material adverse effect on our business, prospects **,** or operations and potentially the value of any cryptocurrency that we mine or otherwise acquire or hold for our own account, and harm investors. Investors may not have the same protections that exist for traditional stock exchanges. Traditional 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. Depending on a ledger- based platform’ s controls and the other policies of the ledger- based platform on which a given cryptocurrency trades, such cryptocurrency may not benefit from the protections afforded to traditional stock exchanges. For ledger- based platforms that do not provide sufficient protections, there is a risk of fraud and manipulation. These factors may decrease liquidity or volume of a given ledger- based platform or of the cryptocurrency industry in general or may otherwise increase volatility of investment securities or other assets trading on a ledger- based system. Such potential decreased liquidity or volume, or increase in volatility may adversely affect us, and could have a material adverse effect on our business, prospects **,** or operations and potentially the value of any cryptocurrency that 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 cryptocurrency. We compete with other users and / or companies that are mining cryptocurrency and other potential financial vehicles, including securities backed by or linked to cryptocurrency 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 cryptocurrency directly. 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 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 strategy at all, which could have a material adverse effect on our business, prospects **,** or operations and potentially the value of any cryptocurrency that we mine or otherwise acquire or hold for our own account, and harm investors. Cryptocurrency may be subject to loss, theft **,** or restriction on access. There is a risk that some or all of any cryptocurrency that we own could be lost or stolen. Cryptocurrencies are stored in cryptocurrency sites commonly referred to as “ wallets ” by holders of cryptocurrencies which may be accessed to exchange a holder’ s cryptocurrency assets. Access to our cryptocurrency assets could also be restricted by cybercrime (such as a denial of service attack) against a service at which we maintain a hosted hot wallet. A hot wallet refers to any cryptocurrency wallet that is connected to the Internet. Generally, hot wallets are easier to set up and access than wallets in cold storage, but they are also more susceptible to hackers and other technical vulnerabilities. Cold storage refers to any cryptocurrency 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 cryptocurrency assets. We expect to hold all ~~of~~ our cryptocurrency in a combination of insured institutional custody services and **multi** ~~multisignature~~ ----- **signature** cold storage wallets, and maintain secure backups to reduce the risk of malfeasance, but the risk of loss of our cryptocurrency assets cannot be wholly eliminated. Any restrictions on access to our hot wallet accounts due to cybercrime or other reasons could limit our ability to convert cryptocurrency to cash, potentially resulting in liquidity issues. Hackers or malicious actors may launch attacks to steal, compromise or secure cryptocurrency. As we increase in size, we 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 cryptocurrency holdings or the holdings of others held in those compromised wallets. Our loss of access to our private keys or a data loss relating to our digital wallets could adversely affect our investments and assets. Cryptocurrencies 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 such private keys are lost, destroyed **,** or otherwise compromised, we will be unable to access our cryptocurrency 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 cryptocurrency 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 cryptocurrency that we mine or otherwise acquire or hold for our own account. Incorrect or fraudulent cryptocurrency transactions may be irreversible. Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. As a result, any incorrectly executed or fraudulent cryptocurrency transactions could adversely affect our investments and assets. Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the cryptocurrencies from the transaction. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of a cryptocurrency 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 cryptocurrency rewards could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Further, at this time, there is no specifically enumerated U. S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrency. In the event of a loss, we would be reliant on existing private investigative entities to investigate any such loss of our cryptocurrency assets. To the extent that we are unable to recover our losses from such action, error or theft, 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 of and potentially the value of any cryptocurrency that we mine or otherwise acquire or hold for our own account. Our interactions with a blockchain may expose us to specially designated nationals or blocked persons or cause us to violate provisions of law that did not contemplate distributed ledger technology. The Office of Financial Assets Control of the U. S. Department of Treasury (“ OFAC ”) requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals 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 specially designated nationals list. Our policy prohibits any transactions with such specially designated national individuals, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact with respect to selling cryptocurrency assets. Moreover, federal law prohibits any U. S. person from knowingly or unknowingly possessing any visual depiction commonly known as child pornography. Recent media reports have suggested that persons have embedded 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 monetary fines and penalties, which could harm our reputation. ~~Cryptocurrencies face significant obstacles that can lead to high fees or slow transaction settlement times. Cryptocurrencies 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 cryptocurrencies is essential to the widespread acceptance of cryptocurrencies as a means of payment, which widespread acceptance is necessary to the continued growth and development of our business. Many cryptocurrency networks face significant scaling challenges. For example, cryptocurrencies are limited with respect to how many transactions can occur per second. Participants in the cryptocurrency 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 cryptocurrency transactions will be effective, or how long they will take to become effective, which could adversely affect our business.~~ The price of cryptocurrency may be affected by the sale of cryptocurrency by other vehicles investing in cryptocurrency or tracking cryptocurrency markets. The mathematical protocols under which many cryptocurrencies 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 cryptocurrency or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for a cryptocurrency, large redemptions of the securities of those vehicles and the subsequent sale of such cryptocurrency by such vehicles could negatively affect the price and value of the cryptocurrency 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 cryptocurrency that we mine or otherwise acquire or hold for our own account **. Bitcoin is subject to halving, and our Bitcoin mining operations may generate less revenue as a result. At mathematically predetermined intervals, the number of new Bitcoin awarded for solving a block is cut in half, which is referred to as " halving ". The next halving for the Bitcoin blockchain is currently anticipated to occur in April 2024, at which time the block rewards for Bitcoin will halve from 6. 25 to 3. 125. While Bitcoin prices have historically increased around these halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the price of Bitcoin does not follow the upcoming or future halving events, the revenue we earn from our Bitcoin mining operations would see a decrease, which could have a material adverse effect on our results of operations and financial condition** . There are risks related to technological obsolescence, the vulnerability of the global supply chain to cryptocurrency 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 of mining cryptocurrency, including hardware and electricity costs, associated with mining cryptocurrency are lower than the price of cryptocurrency. As our mining facility operates, 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 physical 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. Also, because we expect to depreciate all new miners, our reported operating results will be negatively affected. Further, the global supply chain for cryptocurrency miners is presently heavily dependent on China. Should disruptions to the China- based global supply chain for cryptocurrency hardware occur, we may not be able to obtain adequate replacement parts for existing miners or to obtain additional miners from the manufacturer on a timely basis. Such events could have a material adverse effect on our ability to pursue our new strategy, which could have a material adverse effect on our business. We may not adequately respond to price fluctuations and rapidly changing technology, which may negatively affect our business. Competitive conditions within the cryptocurrency 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 cryptocurrency industry, in timely implementing new technology into our systems, or doing so in a cost- effective manner. As a result, our business and operations may suffer. The reward for mining cryptocurrency in the future may decrease, and the value of cryptocurrency may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts. There is no guarantee that price fluctuations of cryptocurrencies will compensate for the reduction in mining reward. If a corresponding and proportionate increase in the trading price of a cryptocurrency or a proportionate decrease in mining difficulty does not follow the decrease in rewards, the revenue we earn from our cryptocurrency mining operations could see a corresponding decrease, which would have a material adverse effect on our business and operations. The value of cryptocurrency may be subject to pricing risk and has historically been subject to wide swings. Cryptocurrency 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 cryptocurrencies, inflating and making its market prices more volatile or creating " bubble " type risks for cryptocurrencies. We may not be able to realize the benefits of forks. Forks in a digital asset network may occur in the future which may affect the value of cryptocurrency held by us. To the extent that a significant majority of users and miners on a cryptocurrency network install software that changes the cryptocurrency network or properties of a cryptocurrency, including the irreversibility of transactions and limitations on the mining of new cryptocurrency, the cryptocurrency network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the cryptocurrency 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 cryptocurrency running in parallel, yet lacking interchangeability and necessitating exchange- type transactions to convert currencies between the two forks. A fork in a cryptocurrency could adversely affect our business. We may not be able to realize the economic benefit of a fork, either immediately or ever, which could adversely affect our business. If we hold a cryptocurrency at the time of a hard fork into two cryptocurrencies, 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. Additionally, laws, regulations or other factors may prevent us from benefiting from the new asset. If a malicious actor or botnet obtains control in excess of 50 % of the processing power active on any cryptocurrency network, it is possible that such actor or botnet could manipulate the blockchain in a manner that adversely affects an investment in us. 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 on any digital asset network it may be able to alter the blockchain by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the blockchain can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude **,** or modify the ordering of transactions, though it could not generate new digital assets or transactions using such control. Using alternate blocks, the malicious actor could " double- spend " its own digital assets (i. e., spend the same digital assets in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power or the digital asset community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in us. The approach towards and possible crossing of the 50 % threshold indicate a greater risk that a single mining pool could exert authority over the validation of digital asset transactions. To the extent that the digital assets ecosystems do not act to ensure greater decentralization of digital asset mining processing power, the feasibility of a malicious actor obtaining **more than** ~~in excess of~~ 50 % of the processing power on any digital asset network (e. g., through control of a large mining pool or through hacking such a mining pool) will increase, which may adversely impact an investment in us. Cryptocurrencies, including those maintained by or for us, may be exposed to cybersecurity threats and hacks. As with any computer code generally, flaws in cryptocurrency 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. Exploitation of flaws in the source code that allow malicious actors to take or create money have previously occurred. Despite our efforts 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 cybersecurity risks, including cyberattacks 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 our business, prospects **,** or operations and potentially the value of any Bitcoin that we mine or otherwise acquire or hold for our own account. **Malicious cyber- attacks, attempted cybersecurity breaches, and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses and cause losses. Despite defensive measures we have taken to protect, detect, respond and recover from cyber threats, we experience cybersecurity threats and incidents from time to time, and it is possible that such defensive measures will be unsuccessful in mitigating a cybersecurity event. These events may arise from external factors such as governments, organized crime, hackers, and other third parties such as infrastructure- support providers and application developers, or may originate internally from an employee or service provider to whom we have granted access to our computer systems. If our security measures are breached, our business would suffer and we could incur material liability. Because techniques used to obtain unauthorized access or to sabotage computer systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. We also face the risk of operational disruption, failure or capacity constraints of any of the third- party service providers that facilitate our business activities. In addition, the increased flexibility for our employees to work remotely post- Pandemic has amplified certain risks related to, among other things, the increased demand on our information technology resources and systems, the increased risk of phishing and other cybersecurity attacks, and the increased number of points of possible attack, such as laptops and mobile devices (both of which are now being used in increased numbers), to be secured.** Our ~~sponsorship of~~ **remediation costs and lost revenues could be significant if we fall victim to a cyber- attack. If** ~~and -~~ **an actual, threatened** ~~investments in a special purpose acquisition company (" SPAC ") may expose us and our -~~ **or** ~~funds to increased risks and liabilities~~ **perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed** . We ~~sponsor~~ **may be required to expend significant resources to repair system damage** , **pay** ~~or facilitate the acquisition of~~ a ~~company~~ **ransom, protect against the threat of future security breaches or to alleviate problems caused** by ~~a SPAC~~ **any breaches** . ~~A SPAC~~ **Our cash and other sources of liquidity may not be sufficient to fund our operations and there** is ~~a special purpose vehicle formed for the purpose of raising capital to eventually acquire or merge with an existing business, which results in the existing business becoming the operating business of a public company in an alternative to the traditional initial public offering process. There are a number of risks associated with sponsoring a SPAC, including: • since a SPAC is raised without a specifically identified acquisition target, it may never, or only after an extended period of time, be able to find and execute a suitable business combination, during which period the sponsor capital invested in or committed to the SPAC will not be available for other uses; • our investments in a SPAC as its sponsor may be entirely lost if the SPAC does not execute a business combination during the finite permitted time period; • a SPAC incurs~~ substantial **doubt about** ~~fees, costs and expenses related to their --~~ **the Company** ~~initial public offerings, being public companies and pursuing business combinations (in some cases, regardless of whether, or when, the SPAC ultimately consummates a transaction); • the use of a SPAC as an investment tool has recently become more widespread, and there remains substantial uncertainty regarding the viability of SPAC investing on a large scale, the supply of desirable transactions relative to the pace at which SPACs are currently being formed, potential litigation risks associated with transactions executed by a SPAC and whether regulatory, tax or other authorities will~~

~~implement additional or adverse policies relating to, or initiate enforcement actions targeting, a SPAC and SPAC investing; and • we expect regulatory scrutiny of and enforcement activities directed toward SPACs and other blank check companies to increase. Any losses relating to these developments could have a material adverse effect on our results of operations, financial condition and cash flow, as well as our reputation. If the SPAC that we sponsor does not complete an initial business combination, our entire investment may be lost (other than with respect to public shares we may acquire in the SPAC). As part of our sponsorship of a SPAC, we purchased certain private placement warrants and founder shares of such SPAC at the closing of the SPAC~~ ' s **ability** ~~initial public offering. The private placement warrants and the founder shares, and any additional securities we purchase in the SPAC, will be worthless if the SPAC does not complete an initial business combination. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. In addition, we have made working capital and extension loans directly~~ to **continue** ~~the SPAC, which are unlikely to be repaid if the SPAC does not complete an initial business combination. While our SPAC has identified a target and has entered into definitive agreements~~ as **a going concern within** ~~such, there is no guarantee that it will close. Our cash and other sources of liquidity may not be sufficient to fund our operations beyond the next~~ 12 months ~~. We~~ **from the date of issuance of the financial statements and we** may not be successful in raising additional capital necessary to meet expected increases in working capital needs ~~. If~~ **and if** we raise additional funding through sales of equity or equity- based securities, your shares will be diluted. ~~If we need additional funding for operations and we are unable to raise it, we may be forced to liquidate assets and / or curtail or cease operations or seek bankruptcy protection or be subject to an involuntary bankruptcy petition.~~ Management has projected that ~~cash on hand may not be sufficient to allow us to continue operations beyond the next 12 months~~ based on our hashing rate at December 31, ~~2022~~ **2023** , **cash on hand may not be sufficient to allow the Company to continue operations and there is substantial doubt about the Company' s ability to continue as a going concern within 12 months from the date of issuance of the financial statements** if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our then current business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. ~~No assurance can be given that we will be successful in raising the required capital at a reasonable cost and at the required times, or at all.~~ Further equity financings may have a dilutive effect on shareholders and any debt financing, if available, may require restrictions to be placed on our future financing and operating activities. If we require additional capital and are unsuccessful in raising that capital **at a reasonable cost and at the required times, or at all** , we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected ~~sales~~ **mining earning** levels; (ii) ~~fluctuations~~ **increases** in **operating costs** ~~the value of cryptocurrency~~ ; (iii) **fluctuations** ~~unexpected increases~~ in ~~product costs~~ **the value of cryptocurrency** ; **and** (iv ~~) increases in operating costs; and (v~~) inability to maintain compliance with the requirements of the NASDAQ Capital Market and / or inability to maintain listing with the NASDAQ Capital Market could have a material adverse impact on our ability to access the level of funding necessary to continue our operations at current levels. If any of these events occurs or we are unable to generate sufficient cash from operations or financing sources, we may be forced to liquidate assets where possible and / or curtail, suspend or cease planned programs or operations generally or seek bankruptcy protection or be subject to an involuntary bankruptcy petition, any of, which would have a material adverse effect on our business, results of operations, financial position and liquidity. These factors, among others, ~~raise~~ **indicate there is** substantial doubt **about our ability** ~~that we will be able~~ to continue as a going concern **within 12 months from the date of issuance of the financial statements** . The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty. ~~We urge you~~ **If our business ceases** to ~~review the additional information about~~ **continue as a going concern due to lack of available capital** ~~our~~ **or otherwise, it could have a material adverse effect on our business, results of operations, financial position, and** liquidity **. See "** ~~and capital resources in~~ Item 7. ~~"~~ Management' s discussion and Analysis of Financial Condition and Results of Operations " ~~section of this report. If our business ceases to continue as a going concern due to lack of available capital or otherwise, it could have a material adverse effect on our business, results of operations, financial position, and liquidity. A cybersecurity breach into our products could adversely affect our ability to conduct our business, harm our reputation, expose us to significant liability or otherwise damage our financial results. We have in the past, and expect in the future to be, subject to attempted cybersecurity attacks. A cybersecurity breach could negatively affect our reputation as a trusted provider of storage, and data protection products by adversely impacting the market' s perception of the security of our products and services. Many of our customers and partners store sensitive data on our products, and a cybersecurity breach related to our products could harm our reputation and potentially expose us to significant liability. We also maintain sensitive data related to our employees, partners and customers, including intellectual property, proprietary business information and personally identifiable information on our own systems. We employ sophisticated security measures; however, we may face threats across our infrastructure including unauthorized access, security breaches and other system disruptions. It is critical to our business that our employees', partners' and customers' sensitive information remains secure, and that our customers perceive that this information is secure. A cybersecurity breach could result in unauthorized access to, loss of, or unauthorized disclosure of such information. A cybersecurity breach could expose us to litigation, indemnity obligations, government investigations and other possible liabilities. Additionally, a cyber- attack, whether actual or perceived, could result in negative publicity which could harm our reputation and reduce our customers' confidence in the effectiveness of our~~

~~solutions, which could materially and adversely affect our business and results of operations. A breach of our security systems could also expose us to increased costs including remediation costs, disruption of operations or increased cybersecurity protection costs that may have a material adverse effect on our business. Although we maintain technology errors and omissions liability insurance, our insurance may not cover potential claims of these types or may not be adequate to indemnify us for liability that may be imposed. Any imposition of liability or litigation costs that are not covered by insurance or that are in excess of our insurance coverage could harm our business~~. We have a history of net losses. We may not achieve or maintain profitability. We have limited non- recurring revenues derived from operations. We have a history of net losses, and we expect to continue to incur net losses and we may not achieve or maintain profitability. We may see continued losses during ~~2023~~ **2024** and as a result of these and other factors, we may not be able to achieve, sustain or increase profitability in the near future. We are subject to many risks common to early- stage enterprises, including under- capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, technology, and market acceptance issues. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered considering our stage of operations. ~~Our plans for growth of our service and product segment will place demands upon our resources. If we are unsuccessful in achieving our plan for growth, our business could be harmed. We are pursuing a plan to grow our market for our services and products domestically. The plan will place demands upon managerial, financial, and human resources. Our ability to manage future growth will depend in large part upon several factors, including our ability to rapidly: • maintain a sales team to keep end- users and channel partners informed regarding the technical features, issues and key selling points of our services and products; • attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs; • maintain support capacity for end- users as sales increase, so that we can provide post- sales support without diverting resources from product development efforts; and • expand our internal management and financial controls significantly, so that we can maintain control over our operations and provide support to other functional areas as the number of personnel and size increases. Our inability to achieve any of these objectives could harm our business, financial condition and results of operations. Our market is competitive and dynamic. New competing products and services could be introduced at any time that could result in reduced profit margins and loss of market share. The technology industry is very dynamic, with new technology and services being introduced by a range of players, from larger established companies to start- ups, on a frequent basis. Our competitors may announce new products, services, or enhancements that better meet the needs of end- users or changing industry standards. Further, new competitors or alliances among competitors could emerge. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on our business, financial condition and results of operations. Our success depends on our ability to anticipate technological changes and develop new and enhanced products. The markets for our products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can negatively impact the marketability of our existing products and can exert price pressures on existing products. It is critical to our success that we are able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop, introduce, manufacture and achieve market acceptance of new, enhanced and competitive products on a timely basis and cost- effective basis. We invest resources towards continued innovation; however, there can be no assurance that we will successfully develop new products or enhance and improve our existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not negatively impact us. Our inability to develop products that are competitive in technology and price and that meet end- user needs could have a material adverse effect on our business, financial condition or results of operations. Development schedules for technology products are inherently uncertain. We may not meet our product development schedules, and development costs could exceed budgeted amounts. Our business, results of operations, financial position and liquidity may be materially and adversely affected if the products or product enhancements that we develop are delayed or not delivered due to developmental problems, quality issues or component shortage problems, or if our products or product enhancements do not achieve market acceptance or are unreliable. We or our competitors will continue to introduce products embodying new technologies, such as new sequential or random- access mass storage devices. In addition, new industry standards may emerge. Such events could render our existing products obsolete or not marketable, which would have a material adverse effect on our business, results of operations, financial position and liquidity.~~ The failure to attract, hire, retain and motivate key personnel could have a significant adverse impact on our operations. Our success depends on the retention and maintenance of key personnel, including members of senior management ~~and our technical, sales and marketing teams~~. Achieving this objective may be difficult due to many factors, including competition for such highly skilled personnel; fluctuations in global economic and industry conditions; changes in our management or leadership; competitors' hiring practices; and the effectiveness of our compensation programs. The loss of any of these key persons could have a material adverse effect on our business, financial condition or results of operations. Our success is also dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified management ~~, technical, sales, marketing~~ and finance personnel. Any such new hire may require a significant transition period prior to making a meaningful contribution. Competition for qualified employees is particularly intense in the technology industry, and we have in the past experienced difficulty recruiting qualified employees. Our failure to attract and to retain the necessary qualified personnel could seriously harm our operating results and financial condition. Competition for such personnel can be intense, and no assurance can be provided that we will be able to attract or retain highly qualified technical and managerial personnel in the future, which may have a material adverse effect on our future growth and profitability. We do not have key person insurance. Our financial results may fluctuate substantially for many reasons, and past results should not be relied on as indications of future performance. Our revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors ~~, including, but not limited to: • competitive conditions~~

~~in the industry, including strategic initiatives by us or our competitors, new products or services, product or service announcements and changes in pricing policy by us or our competitors; • varying size, timing and contractual terms of orders for our products, which may delay the recognition of revenue; • our ability to maintain existing relationships and to create new relationships with channel partners; • the discretionary nature of purchase and budget cycles of our customers and end- users; • the length and variability of the sales cycles for our products; • general weakening of the economy resulting in a decrease in the overall demand for our products and services or otherwise affecting the capital investment levels of businesses with respect to our products or services; • increases in the cost of, or limitations on, the availability of materials; and • changes in product mix. Further, the markets that we serve are subject to market shifts that we may be unable to anticipate. A slowdown in the demand for workstations, mid- range computer systems, networks and servers could have a significant adverse effect on the demand for our products in any given period. In the past, we have experienced delays in the receipt of purchase orders and, on occasion, anticipated purchase orders have been rescheduled or have not materialized due to changes in customer requirements. Our customers may cancel or delay purchase orders for a variety of reasons, including, but not limited to, the rescheduling of new product introductions, changes in our customers' inventory practices or forecasted demand, general economic conditions affecting our customers' markets, changes in our pricing or the pricing of our competitors, new product announcements by us or others, quality or reliability problems related to our products, or selection of competitive products as alternate sources of supply~~. Thus, there can be no assurance that we will be able to reach profitability on a quarterly or annual basis. We believe that our revenue and operating results will continue to fluctuate, and that period- to- period comparisons are not necessarily indications of future performance. Our revenue and operating results may fail to meet the expectations of public market analysts or investors, which could have a material adverse effect on the price of our common shares. In addition, portions of our expenses are fixed and difficult to reduce if our revenues do not meet our expectations. These fixed expenses magnify the adverse effect of any revenue shortfall. Our plans for implementing our business strategy and achieving profitability are based upon the experience, judgment and assumptions of our key management personnel, and available information concerning the communications and technology industries. If management' s assumptions prove to be incorrect, it could have a material adverse effect on our business, financial condition **,** or results of operations ~~. We rely on indirect sales channels to market and sell our branded products. Therefore, the loss of, or deterioration in, our relationship with one or more of our distributors or resellers could negatively affect our operating results. We have relationships with third party resellers, system integrators and enterprise application providers that facilitate our ability to sell and implement our products. These business relationships are important to extend the geographic reach and customer penetration of our sales force and ensure that our products are compatible with customer network infrastructures and with third party products. We believe that our success depends, in part, on our ability to develop and maintain strategic relationships with resellers, independent software vendors, system integrators, and enterprise application providers. Should any of these third parties go out of business, or choose not to work with us, we may be forced to increase the development of those capabilities internally, incurring significant expense and adversely affecting operating margins. Any of these third parties may develop relationships with other companies, including those that develop and sell products that compete with ours. We could lose sales opportunities if we fail to work effectively with these parties or they choose not to work with us. Most of our distributors and resellers also carry competing product lines that they may promote over our products. A distributor or reseller might not continue to purchase our products or market them effectively, and each determines the type and amount of our products that it will purchase from us and the pricing of the products that it sells to end user customers. Further, the long- term success of any of our distributors or resellers is difficult to predict, and we have no purchase commitments or long- term orders from any of them to assure us of any baseline sales through these channels. Therefore, the loss of, or deterioration in, our relationship with one or more of our distributors or resellers could negatively affect our operating results. Our operating results could also be adversely affected by a number of factors, including, but not limited to: • a change in competitive strategy that adversely affects a distributor' s or reseller' s willingness or ability to stock and distribute our products; • the reduction, delay or cancellation of orders or the return of a significant amount of our products; • the loss of one or more of our distributors or resellers; and • any financial difficulties of our distributors or resellers that result in their inability to pay amounts owed to us. We are subject to laws, regulations and similar requirements, changes to which may adversely affect our business and operations. We are subject to laws, regulations and similar requirements that affect our business and operations, including, but not limited to, the areas of commerce, intellectual property, income and other taxes, labor, environmental, health and safety, and our compliance in these areas may be costly. While we have implemented policies and procedures to comply with laws and regulations, there can be no assurance that our employees, contractors, suppliers or agents will not violate such laws and regulations or our policies. Any such violation or alleged violation could materially and adversely affect our business. Any changes or potential changes to laws, regulations or similar requirements, or our ability to respond to these changes, may significantly increase our costs to maintain compliance or result in our decision to limit our business or products, which could materially harm our business, results of operations and future prospects~~. We have made a number of acquisitions in the past and we may make acquisitions in the future. Our ability to identify complementary assets, products or businesses for acquisition and successfully integrate them could affect our business, financial condition and operating results. In the future, we may continue to pursue acquisitions of assets, products **,** or businesses that we believe are complementary to our existing business and / or to enhance our market position or expand our product portfolio. There is a risk that we will not be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisition, or successfully integrate any acquired product or business into our operations. We are likely to face competition for acquisition candidates from other parties including those that have substantially greater available resources. Acquisitions may involve a number of other risks, including: • diversion of management' s attention; • disruption to our ongoing business; • failure to retain key acquired personnel; • **failure to obtain required regulatory approvals; •** difficulties in integrating acquired operations, technologies, products **,** or personnel; • unanticipated expenses, events **,** or circumstances; • assumption of disclosed and undisclosed liabilities; and • inappropriate valuation of the acquired in- process research and development, or the entire acquired business. If we do not successfully address these risks or any other problems encountered in connection with an acquisition, the acquisition could have a material adverse effect on our business, results of operations and financial condition. Further, our success will depend, in part, on the extent to which we are able to integrate acquired companies (and any additional businesses with which we may combine in the future) into a cohesive, efficient enterprise. This integration process may entail significant costs and delays. Our failure to integrate the operations of companies successfully could adversely affect our business, financial condition, results of operations and prospects. To the extent that any acquisition results in additional goodwill, it will reduce our tangible net worth, which might adversely affect our business, financial condition, results of operations and prospects, as well as our credit capacity and if we proceed with an acquisition, our available cash may be used to complete the transaction, diminishing our liquidity and capital resources, or shares may be issued which could cause significant dilution to existing shareholders. We have implemented cost reduction efforts; however, these efforts may need to be modified, and if we need to implement additional cost reduction efforts it could materially harm our business. We have implemented certain cost reduction efforts. There can be no assurance that these cost reduction efforts will be successful. As a result, we may need to implement further cost reduction efforts across our operations, such as further reductions in the cost of our workforce and / or suspending or curtailing planned programs, either of which could materially harm our business, results of operations and future prospects. Risks Related to ~~Intellectual Property Our ability to compete depends in part on our ability to protect our intellectual property rights. Our success depends in part on our ability to protect our rights in our intellectual property. We rely on various intellectual property protections, including copyright, trade- mark and trade secret laws and contractual provisions, to preserve our intellectual property rights. We have filed a number of patent applications and have historically protected our intellectual property through trade secrets and copyrights. As our technology is evolving and rapidly changing, current intellectual property rights may not adequately protect us. Intellectual property rights may not prevent competitors from developing products that are substantially equivalent or superior to our products. Competitors may independently develop similar products, duplicate our products or, if patents are issued to us, design around these patents. To the extent that we have or obtain patents, such patents may not afford meaningful protection for our technology and products. Others may challenge our patents and, as a result, our patents could be narrowed, invalidated or declared unenforceable. The patents that are material to our business began expiring in November 2015. In addition, our current or future patent applications may not result in the issuance of patents in the U. S. or foreign countries. Although we believe we have a proprietary platform for our technologies and products, we may in the future become subject to claims for infringement of intellectual property rights owned by others. Further, to protect our own intellectual property rights, we may in the future bring claims for infringement against others. Our commercial success depends, in part, upon not infringing intellectual property rights owned by others. Although we believe that we have a proprietary platform for our technologies and products, we cannot determine with certainty whether any existing third party patents or the issuance of any third party patents would require us to alter our technology, obtain licenses or cease certain activities. We may become subject to claims by third parties that our technology infringes their intellectual property rights. While we provide our customers with a qualified indemnity against the infringement of third party intellectual property rights, we may become subject to these claims either directly or through indemnities against these claims that we routinely provide to our end- users and channel partners. Further, our customers may use our products in ways that may infringe the intellectual property rights of third parties and / or require a license from third parties. Although our customers are contractually obligated to use our products only in a manner that does not infringe third party intellectual property rights, we cannot guarantee that such third parties will not seek remedies against us for providing products that may enable our customers to infringe the intellectual property rights of others. In addition, we may receive in the future, claims from third parties asserting infringement, claims based on indemnities provided by us, and other related claims. Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary or other rights, or to establish our proprietary or other rights. Furthermore, despite precautions, it may be possible for third parties to obtain and use our intellectual property without our authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of Canada or the U. S. To protect our intellectual property, we may become involved in litigation. In addition, other companies may initiate similar proceedings against us. The patent position of information technology firms is highly uncertain, involves complex legal and factual questions, and continues to be the subject of much litigation. No consistent policy has emerged from the U. S. Patent and Trademark Office or the courts regarding the breadth of claims allowed or the degree of protection afforded under information technology patents. Risks Related to~~ Our Public Company Status and Our Common Shares Sales of common shares issuable upon exercise of outstanding warrants, the conversion of outstanding preferred shares, or the effectiveness of our registration statement may cause the market price of our common shares to decline. Currently outstanding preferred shares could adversely affect the rights of the holders of common shares. On October 1,2021,we filed articles of amendment to create a series of preferred shares,being,an unlimited number of Series H Preferred Shares and to provide for the rights,privileges,restrictions **,** and conditions attaching thereto.Pursuant to the articles of amendment governing the rights and preferences of outstanding shares of Series H Preferred Shares,each holder of the Series H Preferred Shares,may,subject to prior shareholder approval,convert all or any part of the Series H Preferred Shares provided that after such conversion the common shares issuable,together with all the common shares held by the shareholder in the aggregate would not exceed 9.99 % of the total number of our outstanding common shares. ~~Each~~ **The** Series H Preferred ~~Share~~ **Shares are non-voting** ~~has a stated value of $ 1,000~~ and ~~is~~ **do not accrue dividends.** As of December 31, ~~2022~~ **2023** , we had in the aggregate ~~60~~ **43** , ~~000~~ **515** Series H Preferred Shares outstanding. The conversion of the outstanding Preferred Shares will result in substantial dilution to our common shareholders. Pursuant to our articles of amalgamation, our Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred stock. The Modified Hertford Agreement also provides for certain resale restrictions applicable to the common shares that are issuable upon the conversion of the remaining Series H Preferred Shares during the two- year period ending on December 31, 2024, which are different from the restrictions contained in the Hertford Agreement, as well, commencing January 1, 2023 and terminating on December 31, 2023, holders of Series H Preferred Shares are permitted to (a) convert Series H Preferred Shares in an aggregate amount up to or equal to 3. 0 % of the aggregate number of Series H Preferred Shares outstanding on the first day of each such month and (b) sell the resulting number (and no greater number) of such converted common shares within such month. Commencing January 1, 2024 and terminating on December 31, 2024, holders of Series H Preferred Shares are permitted to (a) convert Series H Preferred Shares in an aggregate amount up to or equal to 10. 0 % of the aggregate number of Series H Preferred Shares outstanding on the first day of each such month and (b) sell the resulting number (and no greater number) of such converted common shares within such month. On October 1, 2021, we...... voting and do not accrue dividends. Additionally, as of December 31, ~~2022~~ **2023** we had warrants outstanding for the purchase of up to ~~19~~ **5** , ~~783~~ **842** , ~~538~~ **354** common shares having a weighted- average exercise price of $ ~~8~~ **28** . ~~03~~ **50** per share. The sale of our common shares upon exercise of our outstanding warrants, the conversion of the Preferred Shares into common shares, or the sale of a significant amount of the common shares issued or issuable upon exercise of the warrants in the open market, or the perception that these sales may occur, could cause the market price of our common shares to decline or become highly volatile. We may issue additional shares or other equity securities without your approval, which would dilute your ownership interest in us and may depress the market price of our common shares. We may issue additional shares or other equity securities in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants without shareholder approval in a number of circumstances. The issuance of additional shares or other equity securities could have one or more of the following effects: • our existing shareholders' proportionate ownership interest will decrease; • the amount of cash available per share, including for payment of dividends in the future, may decrease; • the relative voting strength of each previously outstanding share may be diminished; and • the market price of our common shares may decline. The market price of our common shares is volatile and **it** may ~~become worthless~~ **decline significantly** . The market price for **our** common shares **is** ~~may be~~ volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following: • price and volume fluctuations in the overall stock market **, the crypto asset market,** and of ~~bitcoin~~ **Bitcoin** mining stocks from time to time; • future capital raising activities; • sales of common shares by holders thereof or by us; • changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors; • the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections; • ~~market acceptance of our products and technologies; •~~ rumors and market speculation involving us or other companies in our industry; • actual or anticipated changes in our operating results or fluctuations in our operating results; • actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally; • litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors; • developments or disputes concerning our intellectual property or other proprietary rights; • announced or completed acquisitions of businesses or technologies by us or our competitors; • new laws or regulations or new interpretations of existing laws or regulations applicable to us and our business; • any significant change in our executive officers and other key personnel or Board of Directors; • release of transfer restrictions on certain outstanding common shares; and • fluctuating or anticipated changes in power markets. Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if our operating results, underlying asset values or prospects have not changed. As well, certain institutional investors may base their investment decisions on consideration of our governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in our common shares by those institutions, which could adversely affect the trading price of our common shares. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management' s attention from day- to- day operations and consume resources, such as cash. In addition, the resolution of those matters may require us to issue additional common shares, which could potentially result in dilution to our existing shareholders. Expenses incurred in connection with these matters (which include fees of lawyers and other professional advisors and potential obligations to indemnify officers and directors who may be parties to such actions) could adversely affect our cash position. If our performance does not meet market expectations, the price of our common shares may decline. If our performance does not meet market expectations, the price of our common shares may decline. The market value of our common shares may vary significantly from the price of our common shares on the date of this Annual Report. In addition, fluctuations in the price of our common shares could contribute to the loss of all or part of your investment. Any of the factors listed below could have a material adverse effect on your investment in our common shares and our common shares may trade at prices significantly below the price you paid for them. Factors affecting the trading price of our common shares may include: • actual or anticipated fluctuations in our financial results or the financial results of companies perceived to be similar to it; • changes in the market' s expectations about our operating results; • success of competitors; • our operating results failing to meet market expectations in a particular period; • changes in financial estimates and recommendations by securities analysts concerning us; • operating and share price performance of other companies that investors deem comparable to us ~~; • our ability to market new and enhanced products on a timely basis~~ ; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation involving us; • changes in our capital structure, such as future issuances of securities or the incurrence of debt; • the volume of our shares available for public sale; • any significant change in our board or management; • sales of substantial amounts of shares by our directors, executive officers or significant shareholders or the perception that such sales could occur; and • general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism. Broad market and industry factors may depress the market price of our common shares irrespective of our operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for technology, ~~bitcoin~~ **Bitcoin** mining or sustainability- related stocks or the stocks of other companies that investors perceive to be similar to us could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our common shares also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. We may be subject to securities litigation, which is expensive and could divert management attention. Our share price may be volatile and, in the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management' s attention and resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities. We will continue to incur substantial costs and obligations as a result of being a public company. As a publicly- traded company, we will continue to incur significant legal, accounting **,** and other expenses. In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure for public companies, including the Dodd- Frank Wall Street Reform and Consumer Protection Act, the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act "), regulations related thereto and the rules and regulations of the United States Securities and Exchange Commission (" SEC ") and Nasdaq, have increased the costs and the time that must be devoted to compliance matters. We expect these rules and regulations will increase our legal and financial costs and lead to a diversion of management time and attention from revenue- generating activities. We must comply with the financial reporting requirements of a public company, as well as other requirements associated with being listed on ~~NASDAQ~~ **Nasdaq** . We are subject to reporting and other obligations under applicable Canadian securities laws, SEC rules and the rules of the NASDAQ Capital Market. These reporting and other obligations, including National Instrument 52- 102- Continuous Disclosure Obligations and National Instrument 52- 109- Certification of Disclosure in Issuers' Annual and Interim Filings, place significant demands on our management, administrative, operational **,** and accounting resources. Moreover, any failure to maintain effective internal controls could cause us to fail to meet our reporting obligations or result in material misstatements in our consolidated financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially harmed, which could also cause investors to lose confidence in our reported financial information, which could result in a lower trading price of our common shares. Management does not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost- effective control system, misstatements due to error, or fraud may occur and not be detected. We may be treated as a Passive Foreign Investment Company. There is also an ongoing risk that we may be treated as a Passive Foreign Investment Company (" PFIC "), for U. S. federal income tax purposes. A non- U. S. corporation generally will be considered to be a PFIC for any taxable year in which 75 % or more of its gross income is passive income, or 50 % or more of the average value of its assets are considered " passive assets " (generally, assets that generate passive income). This determination is highly factual, and will depend upon, among other things, our market valuation and future financial performance. Based on current business plans and financial expectations, we ~~expect that~~ **do not believe** we **were** ~~will not be~~ a PFIC for our tax ~~years~~ - **year** ended December 31, ~~2022~~ **2023** ~~and 2021~~ , and based on current business plans and financial expectations, we expect that we will not be a PFIC for our current tax year ending December 31, ~~2023~~ **2024** or for the foreseeable future. If we were to be classified as a PFIC for any future taxable year, holders of our common shares who are U. S. taxpayers would be subject to adverse U. S. federal income tax consequences. Certain of our directors, officers and management could be in a position of conflict of interest. Certain of our directors, officers and members of management may also serve as directors and / or officers of other companies. We may contract with such directors, officers, members of management and such other companies or with affiliated parties or other companies in which such directors, officers **,** or members of management own or control. These persons may obtain compensation and other benefits in transactions relating to us. Consequently, there exists the possibility for such directors, officers **,** and members of management to be in a position of conflict. Future sales of common shares by directors, officers and other shareholders could adversely affect the prevailing market price for common shares. Subject to compliance with applicable securities laws, officers, directors and other shareholders and their respective affiliates may sell some or all of their common shares in the future. No prediction can be made as to the effect, if any, such future sales will have on the market price of the common shares prevailing from time to time. However, the future sale of a substantial number of common shares by our officers, directors and other shareholders and their respective affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the common shares. We may issue an unlimited number of common shares. Future sales of common shares will dilute your shares. Our articles permit the issuance of an unlimited number of common shares, and shareholders will have no preemptive rights in connection with such further issuances. Our directors have the discretion to determine the price and the terms of issue of further issuances of common shares in accordance with applicable laws.