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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 001-41163

TERAWULF INC.
(Exact name of registrant as specified in its charter)

DE		**87-1909475**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
9 Federal Street **Easton**	**MD**	**21601**
(Address of principal executive offices)	(State)	(Zip Code)

(410) 770-9500
(Registrant's telephone number, including area code)

Securities registered pursuant to 12(b) of the Exchange Act:

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes☐ No ☒

The registrant was not a public company as of September 30, 2021, the last business day of its most recently completed second fiscal quarter and therefore, cannot calculate the aggregate market value of its common stock held by non-affiliates as of such date.

There were 100,700,099 shares of common stock outstanding as of March 28, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required for Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference to the registrant's definitive proxy statement for the 2022 annual meeting of stockholders.

TERAWULF INC.

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PART I

ITEM 1. Business

Overview

TeraWulf, Inc. ("TeraWulf" or the "Company") is a digital asset technology company with a core business of sustainable bitcoin mining. TeraWulf develops, owns and operates bitcoin mining facility sites in the United States and expects to consume over 90% zero-carbon energy, with a target of 100% zero-carbon energy by 2028.

TeraWulf is actively developing, consistent with its sustainable energy mandate, two bitcoin mining facility sites in the states of New York and Pennsylvania, the Lake Mariner Facility and the Nautilus Cryptomine Facility, respectively, and has secured competitive equipment supply agreements for each. These two industrial-scale projects are expected to reach an aggregate 800 MW of net bitcoin mining capacity and over 23 exahash per second ("EH/s") of computational power by 2025.

TeraWulf expects to generate revenues primarily by sustainably mining bitcoin at its mining facility sites. Incremental revenues or liquidity may be generated through the sale of mined bitcoin and the commercial optimization of TeraWulf's power supply, including offering flexible baseload energy demand that can quickly ramp up or down to balance the energy needs of the grid.

Corporate History and Structure

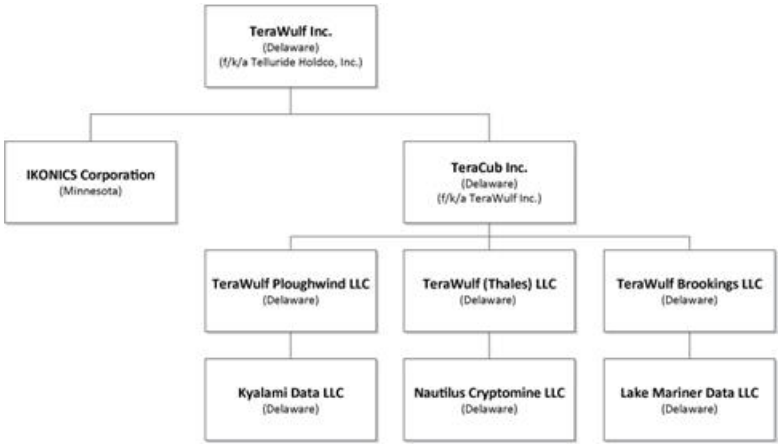
Paul Prager, Chief Executive Officer ("CEO") and chairman of the board of directors of TeraWulf, co-founded TeraWulf with Nazar Khan, Chief Operating Officer and Chief Technology Officer, in 2021. Together with Kerri Langlais, Chief Strategy Officer, the TeraWulf management team has worked together for over 15 years.

Below is a summary outline of key developments:

- ***February 2021***
  - Founded TeraWulf Inc.
  - Executed equipment supply agreement for the Lake Mariner Facility
- ***March 2021***
  - Completed private placement of TeraWulf common stock generating gross proceeds of $30 million
  - Executed equipment supply agreement with Minerva Semiconductor Corp. ("Minerva") for 30,000 miners (approximately 100 MW / 3.0 EH/s in the aggregate)
- ***May 2021***
  - Partnered with Talen Energy Corporation ("Talen") to develop, construct and operate up to 300 MW of zero-carbon bitcoin mining in Pennsylvania, 150 MW of which will be attributable to TeraWulf once complete
- ***June 2021***
  - Announced strategic business combination with IKONICS Corporation ("IKONICS"), a Minnesota imaging technology business
  - Completed private placement of TeraWulf's Series A Preferred Stock generating gross proceeds of $50 million
  - Executed two equipment supply agreements with Bitmain for 30,000 S19j Pro miners (approximately 90 MW / 3.0 EH/s in the aggregate)

- ***July 2021***
  - Joined the Bitcoin Mining council, an open forum of bitcoin miners committed to promoting transparency, sharing best practices and educating the public on the benefits of bitcoin and bitcoin mining
  - Registration statement on Form S-4 filed with the Securities and Exchange Commission ("SEC")
- ***November 2021***
  - SEC declared the registration statement on Form S-4 effective
- ***December 2021***
  - Raised $123.5 million of term loan debt and completed private placements of TeraWulf common stock generating gross proceeds of approximately $76.5 million
  - Completed business combination with IKONICS
  - Shares of TeraWulf common stock began trading on The Nasdaq Stock Market LLC under the ticker symbol "WULF" on December 14, 2021
  - Series A Preferred Stock converted to TeraWulf common stock simultaneously with the completion of the business combination with IKONICS
- ***January 2022***
  - Announced the launch of The TeraWulf Charitable Foundation, a private, philanthropic organization focused on funding and participating in social health, environmental and sustainability initiatives, with a donation of 2.3% of outstanding TeraWulf common stock
  - Filed a $500 million universal shelf registration statement on Form S-3 with the SEC, which the SEC declared effective on February 4, 2022
- ***February 2022***
  - Launched an at-the-market offering program with the SEC of up to $200 million in equity securities with B. Riley Securities, Inc and D.A. Davidson & Co. acting as placement agents
- ***March 2022***
  - Elected Kerri M. Langlais and Michael C. Bucella to the Board
  - Commenced mining at the Lake Mariner Facility
  - Completed offerings worth approximately $15 million, comprised of a registered direct offering of convertible preferred stock generating gross proceeds of $10 million and a $5 million direct purchase by the Company's CEO

TeraWulf's business operations are conducted through several operating subsidiaries with its core operational and business activities directed through TeraWulf. The chart below sets forth TeraWulf's corporate structure as of the date of this Annual Report. All entities on the chart have been incorporated in the State of Delaware as either corporations or limited liability companies, as the case may be, as indicated on the chart.



IKONICS Corporation

TeraWulf completed its business combination with IKONICS on December 13, 2021 (the "Closing Date") pursuant to the agreement and plan of merger, dated as of June 24, 2021 (as amended, the "Merger Agreement"). IKONICS served as an international leader in the development of imaging technologies for over 65 years and introduced products and process solutions for a diverse array of imaging markets. For the period January 1, 2021 through December 13, 2021, IKONICS had net sales of approximately $15.8 million and a net loss of approximately $5.5 million.

Under the terms of the Merger Agreement, each share of IKONICS common stock issued and outstanding immediately prior to the Closing Date was automatically converted into and exchanged for (i) one validly issued, fully paid and nonassessable share of common stock of TeraWulf, (ii) one contractual contingent value right (each, a "CVR") pursuant to the Contingent Value Rights Agreement between TeraWulf and IKONICS (the "CVR Agreement") and (iii) the right to receive $5.00 in cash, without interest. The holders of the CVRs are entitled to receive 95% of the Net Proceeds (as defined in the CVR Agreement), if any, from the sale, transfer, disposition, spin-off, or license of all or any part of the pre-merger business of IKONICS completed within 18 months following the date of the merger, subject to a reserve of up to 10% of the Gross Proceeds (as defined in the CVR Agreement) from such transaction. The CVRs do not confer to their holders any voting or equity or ownership interest in IKONICS or TeraWulf and are not to be transferable, except in limited circumstances such as by will or intestacy, and are not listed on any quotation system or traded on any securities exchange.

The common stock issued and outstanding of TeraWulf prior to its merger with IKONICS (in such capacity, "TeraCub") was automatically converted, immediately prior to the Closing Date of the merger, into the right to receive a number of validly issued, fully paid and nonassessable shares of TeraWulf such that the TeraCub common stockholders prior to conversion would effectively control 98% of the total outstanding shares of TeraWulf immediately subsequent to the Closing Date.

The TeraWulf Advantage: Vertically integrated, ESG-Focused Bitcoin Miner

Infrastructure First. TeraWulf is witness to an oversupply of application-specific integrated circuit ("ASIC") miners relative to the infrastructure available to host ASICs throughout the bitcoin mining industry. The Company's infrastructure capacity outpaces our contracted ASIC deliveries, providing several strategic benefits. Less capital is allocated to long-term ASIC contracts, which allows TeraWulf to obtain newer, more efficient ASIC units from reputable semiconductor manufacturers as they come to market, as compared to TeraWulf's competitors, who must wait for their current-generation ASIC supply contracts to be fulfilled. Having infrastructure in place allows for more capital efficient ASIC procurement through purchase structures that would be unfeasible without existing infrastructure. The Company's infrastructure-first strategy also enables opportunistic acquisitions of ASICs with reduced prepayment timelines, enabling a more rapid return on invested capital.

Scale Rapidly with Active Pipeline. TeraWulf's ability to achieve scale in its mining operations is driven by its access to state-of-the-art miners, ability to structure competitive power supply arrangements, and deep energy infrastructure and operational expertise. TeraWulf has strong relationships with leading mining equipment manufacturers, Bitmain and Minerva. These strategic relationships support preferred access and advantaged cost structures for global ASIC miners. To power its fleet of advanced miners, TeraWulf has structured and secured competitive equipment supply agreements with three key characteristics: sustainability, low-cost and high reliability. TeraWulf leverages its expertise in energy development and management to develop, operate, and maintain its bitcoin mining facility sites safely and efficiently.

Optimize Energy Supply. TeraWulf's Lake Mariner Facility and the Nautilus Cryptomine Facility are located at structurally congested points in their respective markets and may increase power optimization opportunities and the ability to provide ancillary services to the electrical distribution grid. TeraWulf expects to have one of the lowest electricity costs among its publicly traded bitcoin mining peers at approximately $0.025 per kilowatt-hour (or total average cost of $0.028 per kilowatt-hour without the impact of Talen's $29.3 million in-kind contribution to Nautilus Cryptomine LLC ("Nautilus")), augmenting TeraWulf's competitive position in varying bitcoin price environments.

Vertical Integration. TeraWulf owns 100% of the Lake Mariner Facility and 50% of the Nautilus Cryptomine Facility. TeraWulf believes its ownership of its bitcoin mining facility sites is vital to its success. Energy infrastructure assets are complex and require specialized equipment, numerous commercial relationships, and diverse stakeholder groups. Ownership of its mining sites allows TeraWulf to take a wholistic approach to ensure projects are completed safely, timely, and reliably. In addition, vertical integration allows TeraWulf to be good stewards of the environment and the communities in which it operates. Furthermore, ownership enhances the ability to actively manage site development, the project supply chain, and commercial arrangements. Most importantly, it provides employees, investors, and communities accountability and transparency.

Experienced Team. TeraWulf is supported by Beowulf Electricity & Data Inc. ("Beowulf E&D"), a company controlled by TeraWulf's CEO, to ensure an efficient buildout of its bitcoin mining facility sites. In addition, members of the Beowulf E&D team have over thirty years of experience overseeing the buildout and operation of large-scale energy facilities, which experience lends itself to the buildout of TeraWulf's new bitcoin mining facilities. The Lake Mariner Facility is designed as replicable, reliable and cost-effective data centers for housing ASICs, but also designed with modular functionality to allow installation of a portion of ASICs prior to the completion of the facility.

ESG Focused. Environmental, Social and Governance ("ESG") considerations are at the core of TeraWulf's strategy to become the market leader for sustainable bitcoin mining. Achieving zero-carbon power is a cornerstone of its business. TeraWulf is focused on social issues related to diversity and inclusion, community engagement, science, technology, engineering and mathematics education, and governance as they relate to the board of directors and corporate processes. TeraWulf's executives formed The TeraWulf Charitable Foundation, a private, philanthropic organization focused on funding and participating in social health, environmental and sustainability initiatives. TeraWulf evaluates each project and investment using an ESG matrix to ensure alignment of TeraWulf's physical footprint with its corporate values.

Human Capital Management

As of March 28, 2022, TeraWulf had six full-time employees. TeraWulf's human capital resource objectives include identifying, recruiting, retaining, incentivizing and integrating TeraWulf's employees, advisors and consultants. TeraWulf provides employees the opportunity to advance professionally and to be rewarded commensurate with results. As TeraWulf is a small team of only six employees, TeraWulf also uses its affiliate Beowulf E&D's human capital resources for support pursuant to the administrative and infrastructure services agreement. Beowulf E&D, along with TeraWulf, is focused on ESG and diversity initiatives, and both companies share similar goals, corporate standards and governance practices as a result of their affiliated relationship. The principal purposes of TeraWulf's 2021 Omnibus Incentive Plan is to attract, retain and motivate employees, executive officers and directors through the granting of stock-based compensation awards.

Planned Mining Operations

TeraWulf is actively developing its bitcoin mining facility sites which expect to have an aggregate 800 MW of net bitcoin mining capacity and over 23 EH/s of computational power by 2025. The Lake Mariner Facility and the Nautilus Cryptomine Facility have secured competitive equipment supply agreements and benefit from sustainable power supply with strong counterparties in developed, robust power markets.

Lake Mariner Facility — Located at a site adjacent to the decommissioned coal-fired Somerset Generating Station in Barker, New York, the Lake Mariner Facility has secured an initial 90 MW of energy to support its bitcoin mining capacity through an agreement with the New York Power Authority ("NYPA") with the potential to expand into an additional 410 MW of energy supply. The first phase comprising approximately 100 MW of bitcoin mining capacity is expected to be online by year end 2022.

Nautilus Cryptomine Facility — The Nautilus Cryptomine Facility is a joint venture between TeraWulf and Talen. The Nautilus Cryptomine Facility, located in Salem Township, Luzerne County, Pennsylvania, is adjacent to the 2.5 GW nuclear-powered Susquehanna Steam Electric Station (the "Susquehanna Station"), 2.3 GW of which are owned and operated by Talen. The Nautilus Cryptomine Facility has secured as its power supply zero-carbon nuclear energy received directly from a substation connected to the Susquehanna Station's electrical generators over a five-year term with two successive three-year renewal options, for a total of 11 years assuming the renewal options are exercised. The Nautilus Cryptomine Facility is located "behind the meter" and is not connected to the electrical distribution grid, therefore avoiding transmission and distribution charges typically paid by other large

power consumers. The Nautilus Cryptomine Facility has access to up to 300 MW of bitcoin mining capacity from the Susquehanna Station and is expected to be the first bitcoin mining facility site that is powered by 100% "behind the meter" zero-carbon nuclear energy.

TeraWulf began mining bitcoin at the Lake Mariner Facility in March 2022. TeraWulf plans to begin mining at the Nautilus Cryptomine Facility by mid-year 2022. TeraWulf expects to use cash flow generated from mining operations and additional capital raises to fund the remainder of its mining capacity buildout.

Subject to strategic development plans and the prevailing market prices and mining economics of bitcoin, TeraWulf's management and board of directors may decide to exchange bitcoin for fiat currency through over-the-counter providers or exchanges to fund operations and future growth. While TeraWulf has relationships with over-the-counter providers and digital asset exchanges, TeraWulf does not have a contractual obligation as of the date of this Annual Report to convert bitcoin into fiat currency using any one provider and/or exchange. Currency exchange fees vary by provider and amount of digital asset being converted. TeraWulf anticipates conversion fees to the third-party providers to be in the range of approximately 0% to 0.25%. As of the date of this Annual Report, TeraWulf does not plan to convert bitcoin into other digital assets.

Agreements Relating to TeraWulf's Business and Operations

Equipment Supply Agreements

Bitmain Agreements

On June 15, 2021, Nautilus executed (i) the non-fixed price sales and purchase agreement (the "First Quarter 2022 Bitmain Agreement") with Bitmain to purchase 15,000 S19j Pro miners with a hash rate of 100 Th/s and power consumption of 2,950 W/unit, with 5,000 units available for delivery in January 2022, 5,000 units available for delivery in February 2022 and 5,000 units available for delivery in March 2022 and (ii) the non-fixed price sales and purchase agreement (the "Second Quarter 2022 Bitmain Agreement" and, together with the First Quarter 2022 Bitmain Agreement, the "2022 Bitmain Agreements") with Bitmain to purchase 15,000 S19j Pro miners with a hash rate of 100 Th/s and power consumption of 2,950 W/unit, with 5,000 units available for delivery in April 2022, 5,000 units available for delivery in May 2022 and 5,000 units available for delivery in June 2022. Further, 2,500 of the miners ordered under the First Quarter 2022 Bitmain Agreement will be delivered to the Lake Mariner Facility to be deployed there, further to that certain exchange agreement by and between TeraWulf (Thales) LLC ("TeraWulf (Thales)"), Cumulus Coin LLC ("Cumulus Coin") and Nautilus, entered into as of March 14, 2022. See "—Talen Joint Venture—Talen Joint Venture Agreement." As of the date of this Annual Report, under the First Quarter 2022 Bitmain Agreement, 10,000 miners are available for shipment, with the remaining 5,000 miners expected to be shipped in the second quarter of 2022. The aggregate purchase price of the miners under the First Quarter 2022 Bitmain Agreement is approximately $95.5 million (including discounts and the final actual purchase price), and the estimated aggregate purchase price of the miners under the Second Quarter 2022 Bitmain Agreement is approximately $89.7 million. The actual purchase price of the miners will be determined one month prior to the respective batch of the miners is shipped and with reference to the market circumstances, provided that the actual purchase price of the miners will not be higher than the estimated aggregate purchase price. Upon receipt of notification of the actual purchase price provided by Bitmain, Nautilus has the option to (i) continue the order of the respective batch of the miners with the original hash rate and pay the remaining amount at the actual purchase price, (ii) request Bitmain to increase the hash rate equivalent to the difference in the purchase price or (iii) partially or wholly decline to purchase the respective batch of the miners. The purchase price for the miners will be paid as follows: (x) at least 25% three days after signing the First Quarter 2022 Bitmain Agreement or the Second Quarter 2022 Bitmain Agreement, as applicable; (y) at least 35% six months prior to the shipment of the miners; and (z) the remaining 40% one month prior to the shipment of the miners. If Bitmain fails to deliver the miners after thirty days after the respective deadline, Nautilus will be entitled to cancel the order of such batch of the miners and request Bitmain to refund the purchase price of such undelivered batch of the miners together with interest at 0.333% per day for the period from the next day of each payment for such batch of the miners to the day immediately prior to the request. If Nautilus does not cancel the order, Bitmain is required to compensate Nautilus on a daily basis, equal to 0.0333% of the price of such undelivered batch to be paid in the form of delivery of more rated hash rate. Copies of the First Quarter 2022 Bitmain Agreement and the Second Quarter 2022 Bitmain Agreement were attached as exhibits to the registration statement on Form S-4 and are incorporated by reference herein.

On December 7, 2021, Lake Mariner Data LLC ("Lake Mariner"), a Delaware limited liability company and a wholly-owned, indirect subsidiary of TeraWulf, executed a non-fixed price sales and purchase agreement (the "December 7 Bitmain Agreement") with Bitmain to purchase 3,000 S19 XP pro miners with a hash rate of approximately 140 Th/s and power consumption of approximately 3,010 W/unit, with 500 units to be delivered on a monthly basis from July 2022 through December 2022. On December 15, 2021, Lake Mariner executed a non-fixed price sales and purchase agreement (the "December 15 Bitmain Agreement" and together with the December 7 Bitmain Agreement, the "December Bitmain Agreements" and together with the 2022 Bitmain Agreements, the "Bitmain Agreements") with Bitmain to purchase 15,000 S19 XP pro miners with a hash rate of approximately 140 Th/s and power consumption of approximately 3,010 W/unit, with 2,500 units to be delivered on a monthly basis from July 2022 through December 2022. The estimated aggregate purchase price of the miners under the December 7 Bitmain Agreement is approximately $32.6 million and the estimated aggregate purchase price of the miners under the December 15 Bitmain Agreement is approximately $169.1 million. The actual purchase price of the miners will be determined one (1) month prior to the respective batch of the miners is shipped and with reference to the market circumstances, provided that the actual purchase price of the miners will not be higher than the estimated purchase price. Upon receipt of notification of the actual purchase price provided by Bitmain, Lake Mariner has the option to (i) continue the order of the respective batch of the miners with the original hash rate and pay the remaining amount at the actual purchase price, (ii) request Bitmain to increase the hash rate by an amount that would equate to the dollar difference by which the estimated purchase price exceeds the actual purchase price (if any) or (iii) partially or wholly decline to purchase the respective batch of the miners, so long as it has been determined that the Company is in compliance with the terms of the December Bitmain Agreements. The purchase price for the miners will be paid as follows: (x) at least 35% within two (2) days after signing the December Bitmain Agreements (y) at least 35% six (6) months prior to the shipment of the miners; and (z) the remaining 30% one (1) month prior to the shipment of the miners. If Bitmain fails to deliver the miners after thirty (30) days after the respective deadline, Lake Mariner will be entitled to cancel the order of such batch of the miners and request Bitmain to refund the purchase price of such undelivered batch of the miners together with interest of 0.0333% per day for the period beginning from the date immediately after which payment for such batch of the miners was made to the date immediately prior to Lake Mariner's request for refund. If Lake Mariner does not cancel the order and requests Bitmain to deliver such batch of the miners, Bitmain is required to compensate Lake Mariner a daily amount equal to 0.0333% of the price for such undelivered batch of the miners to be paid in the form of delivery of more rated hash rate.

Minerva Agreement

On March 19, 2021, TeraWulf executed the equipment purchase agreement (the "Minerva Agreement") with Minerva to purchase 30,000 MV7 miners with hash rate of 100 Th/s (plus or minus 5%) and a power consumption of 3,400 W/miner (plus or minus 10%) with 10,000 units available for delivery in November 2021, 10,000 units available for delivery in December 2021 and 10,000 units available for delivery in January 2022 for an aggregate purchase price of approximately $118.5. The purchase price for the miners will be paid as follows: (i) 20% as a deposit on or before the close of business on March 22, 2021; (ii) 30% six months before the shipping date of each batch of the miners; (iii) 30% three months before the shipping date of each batch of the miners; and (iv) the remaining 20% one month before the shipping date of each batch of the miners. The Minerva Agreement was assigned by TeraWulf to Nautilus in connection with the formation of the Nautilus Joint Venture. Production delays at Minerva's factory have impacted TeraWulf's initial pricing and delivery schedule. As of the date of this Annual Report, Nautilus and Minerva have deemed all payments made to date to apply to the initial 10,000 miners to be shipped (5,000 net to TeraWulf), which payments comprise 90% of the total amount due for these miners. Nautilus does not intend to purchase any additional miners from Minerva beyond these initial 10,000 miners. A copy of the Minerva Agreement was attached as an exhibit to the registration statement on Form S-4 and is incorporated by reference herein.

Administrative and Infrastructure Services Agreement

On April 27, 2021, Beowulf E&D, a company owned and controlled by TeraWulf's CEO, and TeraWulf entered into the administrative and infrastructure services agreement, pursuant to which Beowulf E&D agreed to provide, or to cause its affiliates to provide, to TeraWulf certain services necessary to buildout and operate certain bitcoin mining facilities anticipated to be developed by TeraWulf (the "Facilities") and support TeraWulf's ongoing business, including, among others, services related to construction, technical and engineering, operations and maintenance, procurement, information technology, regulatory, health and safety, treasury, finance and accounting, human resources, legal, corporate compliance, risk management, ESG, tax compliance, external affairs, corporate communications, public affairs and corporate planning and development. In addition, the administrative and infrastructure services agreement allows for Beowulf E&D to take actions in the name of TeraWulf, subject to certain limitations as set forth in the agreement. The administrative and infrastructure services agreement has an initial term of five years and automatically renews for successive three-year terms, unless earlier terminated.

Pursuant to the administrative and infrastructure services agreement, TeraWulf is required to (i) make available its professional, supervisory and managerial personnel employed by TeraWulf or its affiliates to coordinate with Beowulf E&D as reasonably required and (ii) provide Beowulf E&D access to the Facilities and any appurtenances thereto, together with the necessary rights of ingress and egress thereto. In addition, pursuant to the administrative and infrastructure services agreement, TeraWulf is responsible for obtaining, maintaining and renewing all permits necessary for TeraWulf to do business in the jurisdictions in which the Facilities are located and to own, operate and maintain the Facilities.

Pursuant to the administrative and infrastructure services agreement, Beowulf E&D may not provide infrastructure, construction, operations and maintenance or administrative services to any other persons in the bitcoin mining industry during the initial five-year term, other than those services provided by Beowulf E&D at the time of the execution of the administrative and infrastructure services agreement.

Pursuant to the administrative and infrastructure services agreement, TeraWulf appointed Beowulf E&D as agent with such authority as may be necessary for Beowulf E&D to perform the services pursuant to the administrative and infrastructure services agreement, including, among others, the authority to take actions and execute documents in the name, and as agent on behalf, of TeraWulf, subject, in all instances, to the limitations on Beowulf E&D's authority set forth in the administrative and infrastructure services agreement and the specific written instructions of TeraWulf from time to time.

TeraWulf has agreed to pay Beowulf E&D an annual fee for the first year in the amount of $7.0 million payable in monthly installments, and an annual fee equal to the greater of $10.0 million or $0.0037 per kilowatt-hour of electric load utilized by the Facilities thereafter. TeraWulf will also provide Beowulf E&D reimbursement for certain reasonable and documented equipment, infrastructure and operating expenses incurred in the performance of Beowulf E&D's obligations under the administrative and infrastructure services agreement, which reimbursement will be prepaid monthly by TeraWulf and reconciled monthly. Beowulf E&D may also request advances for emergencies as well as equipment, infrastructure and operating expenses that require expedited payment terms.

In addition, in connection with the listing of its common stock, TeraWulf agreed to issue awards with respect to shares of its common stock to certain designated employees of Beowulf E&D in accordance with TeraWulf's then effective omnibus incentive plan. Once the Facilities have utilized 100MW of cryptocurrency mining load in the aggregate, and for every incremental 100 MW of cryptocurrency mining load deployed by the Facilities in the aggregate thereafter, TeraWulf agreed to issue additional awards of shares of TeraWulf common stock to certain designated employees of Beowulf E&D in accordance with TeraWulf's then effective omnibus incentive plan. A copy of the administrative and infrastructure services agreement was attached as an exhibit to the registration statement on Form S-4 and is incorporated by reference herein.

Lake Mariner Facility Lease

On June 1, 2021, Lake Mariner entered into the lease agreement (the "Lake Mariner Facility Lease") with Somerset Operating Company, LLC ("Somerset"), a company 99.9%-owned and controlled by TeraWulf's CEO, pursuant to which Lake Mariner agreed to lease from Somerset approximately 79 acres in the Town of Somerset, Niagara County, New York for an initial term of five years with an option to extend the term for additional five years on the same terms as the initial term with at least six months prior written notice from Lake Mariner to Somerset.

The Lake Mariner Facility Lease contemplates that Lake Mariner will construct, or cause to be constructed, one or more buildings and/or ancillary structures (collectively, the "Building") to be used as a cryptocurrency mining facility with ancillary services reasonably related thereto. Upon expiration of the Lake Mariner Facility Lease, the Building, together with all other buildings and improvements located thereon, will revert to Somerset. Lake Mariner has the right, at its own cost and expense, to erect and install on the premises additional buildings, driveways, improvements, signs and personal property or to make alterations to or replace existing buildings or improvements thereto as it deems necessary. Lake Mariner is required, at its sole cost and expense, to obtain all permits and approvals necessary to construct and operate a cryptocurrency mining facility.

Lake Mariner agreed to pay rent to Somerset in the annual amount of $150,000, payable in advance in equal monthly installments commencing on the first day of the calendar month immediately following the earlier to occur of (i) commencement of the initial construction of the Building or any ancillary structures to be used as a cryptocurrency mining facility with ancillary services reasonably related thereto or (ii) the 180th day after date of execution of the Lake Mariner Facility Lease. Lake Mariner is also responsible for paying any and all costs and expenses related to the premises and the leasehold estate, including, among others, real estate taxes, insurance, maintenance, repair, utilities and all other obligations whether similar or dissimilar to the foregoing.

Electrical Infrastructure and Equipment Sales Agreement

On June 2, 2021, TeraWulf entered into the electrical infrastructure and equipment sales agreement with Somerset, pursuant to which Somerset sold and delivered to TeraWulf certain electrical infrastructure and equipment located in Barker, New York in an "as is" sale with no representations or warranties provided by Somerset with respect to the equipment for $632,000. The electrical infrastructure equipment sold by Somerset to TeraWulf included various breakers, transformers, switches, an iso-phase bus and support structures, cabling, structures, fencing and fire protection in the Somerset substation, all towers, poles, cables, ceramic bushings and lightning protection for the approximately 4,000 feet of 345KV transmission line that interconnects the Somerset substation to the New York State Electric & Gas Corporation Kintigh Substation at the point of interconnection, which is at the cable termination to the 345kV Switch B1-14/B1-19G and a 17,000 SF building.

Award for the Sale of High-Load Factor Power

On March 31, 2020, NYPA awarded TeraWulf a 90 MW allocation of high-load factor power for the Lake Mariner Facility for the sale of high-load factor power and NYPA's Service Tariff No. HLF-1 (the "PPA"). On February 14, 2022, the Company executed the PPA with a term of ten years from the date of commencement of NYPA's power delivery. Under the PPA, Lake Mariner is responsible for paying NYPA for unforced capacity, any fees associated with transmission and delivery of power and energy and a monthly clean energy implementation charge.

Wendel Agreement

On September 17, 2021, Wendel Construction, Inc., as subcontractor, Beowulf E&D, as contractor and TeraWulf, as owner, entered into the Project Build Subcontract Agreement to substantially build the Lake Mariner Facility (as amended by that certain 2nd Amendment to Project Build Subcontract Agreement, the "Wendel Agreement"). The Wendel Agreement provides that TeraWulf pay to Wendel for their performance of the work, with a Control Estimate (as defined therein) of approximately $47.1 million. Pursuant to the terms of the Wendel Agreement, TeraWulf is responsible for maintaining an escrow account balance that, when added to the unexpended Advance Payment (as defined therein), is equal to $3.0 million or 100% of the remaining project costs, whichever is less, by the 15th day of each month until the earlier of (i) the date on which the project is completed and (ii) the date on which the agreement terminates. Progress payments on the Wendel Agreement are made monthly through the escrow account.

Talen Joint Venture

Talen Joint Venture Agreement

On May 13, 2021, TeraWulf (Thales) entered into a limited liability company agreement (the "Talen Joint Venture Agreement") with Cumulus Coin, an affiliate of Talen, pursuant to which the parties agreed to own Nautilus to develop, construct and operate the Nautilus Cryptomine Facility. The parties entered into an exchange agreement on March 14, 2022, pursuant to which Nautilus sold to TeraWulf (Thales) 2,500 Bitmain S19j Pro Bitcoin mining machines (the "Nautilus Miners") in exchange for an equivalent number of BTC mining machines which are new and either identical to or which, in the reasonable good faith opinion of Cumulus Coin, in the aggregate, function and perform in a manner no less effective in respect of mining BTC than the Nautilus Miners, which TeraWulf shall deliver (or cause to be delivered) to Nautilus (at a location designated thereby) on or prior to July 1, 2022. The Nautilus Miners will be delivered to the Lake Mariner Facility to be deployed there.

Pursuant to the terms of the Talen Joint Venture Agreement, TeraWulf will contribute $156 million in cash to Nautilus by March 2022, unless otherwise determined in accordance with the Talen Joint Venture Agreement. The aforementioned contributions were based on an initial development budget formed on assumptions and inputs available at the time the joint venture was formed, and are subject to change. These contributions are now expected to be contributed by the third quarter of 2022, as agreed to by the members. This amount will be revised based on the updated budget to be officially adopted by the Nautilus' board of managers, subject to unanimous consent from the managers appointed by Talen. Each of TeraWulf and Talen initially holds a 50% equity interest in Nautilus. Quarterly distributions will be made in bitcoin *pro rata* in accordance with each member's ownership interests. Further, Nautilus is governed by a board of managers comprised of two managers appointed by TeraWulf and three managers appointed by Talen. The board of managers generally acts upon a majority vote, except that, for certain specified matters, the board of managers acts upon a unanimous vote, subject to deadlock procedures. The composition of the board of managers is subject to adjustment in connection with certain change of control events of each member to the Talen Joint Venture Agreement. Neither TeraWulf nor Talen may directly transfer any of its interests in Nautilus to any third parties without the unanimous consent of the board of managers.

Pursuant to the terms of the Talen Joint Venture Agreement, the Nautilus Cryptomine Facility will initially require 100 MW of electric capacity, and Nautilus may elect to expand the energy requirement to up to 300 MW prior to May 13, 2024. Upon such election, Nautilus will call additional capital for expansion and enter into an additional energy supply agreement with Talen for the additional capacity, subject to any regulatory approvals and third-party consents. Unless terminated earlier in accordance with the terms of the Talen Joint Venture Agreement, until May 13, 2023, Talen will not provide any electrical capacity at the site of the Nautilus Cryptomine Facility to any third party that is principally engaged in, or that has publicly disclosed its intention to become engaged in, or otherwise intends to use, electrical capacity for bitcoin mining or bitcoin transaction verification at the site.

In accordance with the terms and provisions of the Talen Joint Venture Agreement, TeraWulf and Talen entered into (i) the Nautilus Cryptomine Facility Ground Lease, (ii) the Beowulf E&D Facility Operations Agreement relating to the operation of the Nautilus Cryptomine Facility and (iii) the Talen Corporate Services Agreement relating to the provision of corporate and administrative services to Nautilus. In addition, in accordance with the terms and provisions of the Talen Joint Venture Agreement, the Minerva Agreement was assigned from TeraWulf to Nautilus.

Nautilus Cryptomine Facility Ground Lease

Susquehanna Data LLC, a Delaware limited liability company, as assigned by Talen Nuclear Development LLC, a Delaware limited liability company, as lessor (in such capacity, the "Lessor"), and Nautilus, as lessee (in such capacity, the "Lessee"), entered into the ground lease, dated as of May 13, 2021 (the "Nautilus Cryptomine Facility Ground Lease"), for certain premises located on the campus of the Susquehanna Station. The purpose of the Nautilus Cryptomine Facility Ground Lease is to provide the Lessee with an interest in the land for the design, construction and operation of a bitcoin mining facility site, consisting of one or more buildings and related facilities necessary for its operation.

The term of the Nautilus Cryptomine Facility Ground Lease runs for a period of five years, beginning on the date that the Lessee begins mining operations, but no later than June 15, 2022 (the "*Commencement Date*"). At the end of the initial term, the Lessee will have two options to renew the Nautilus Cryptomine Facility Ground Lease for three years each. Prior to the Commencement Date, the Lessee's initial base rent is $22,012 per month, which begins when electric power is first made available to the premises sufficient to satisfy the Lessee's initial energy requirement. After the Commencement Date, base rent increases to $131,906 per month for the duration of the term of the Nautilus Cryptomine Facility Ground Lease. The Lessee is responsible for paying additional rent for property taxes, as well as the Lessee's proportionate share of the Lessor's operating expenses incurred in the ownership, operation and maintenance of any shared facilities and common areas on the campus. The Lessee is responsible for reimbursing the Lessor for all costs to construct a dedicated substation serving the Nautilus Cryptomine Facility, as such costs are amortized with an interest of 8% per annum over 11 years. The Lessee is also responsible for all costs for the repair and maintenance of the substation.

Another component of compensation under the Nautilus Cryptomine Facility Ground Lease is a provision of power by the Lessor to the Lessee (the "Nautilus Cryptomine Facility Power Purchase Agreement"). Pursuant to the terms of the Nautilus Cryptomine Facility Power Purchase Agreement, electricity will be furnished by the Lessor to the Lessee on a "sub-metering" basis. So long as electric current is supplied by sub-metering, the Lessee will pay to the Lessor a delivered energy charge each month of the term of the Nautilus Cryptomine Facility Power Purchase Agreement. If the Lessee's capacity factor is below 95% during any such month, the Lessee is required to pay an additional capacity charge to the Lessor of $4.82 per MW-hour of any capacity shortage.

Beowulf E&D Facility Operations Agreement

On May 13, 2021, Nautilus and Beowulf E&D entered into the facility operations agreement (the "Beowulf E&D Facility Operations Agreement"), pursuant to which Beowulf E&D will provide, or arrange for the provision to Nautilus of, certain infrastructure, construction, operations and maintenance and administrative services necessary to build out and operate the Nautilus Cryptomine Facility and support Nautilus's ongoing business at the Nautilus Cryptomine Facility. Pursuant to the Beowulf E&D Facility Operations Agreement, Beowulf E&D may subcontract to any of its affiliates or, with respect to services performed off-site, to third parties or arrange for the provision of any or all of the services to be provided by it or by any of its affiliates or, with respect to services performed off-site, by third parties, provided that Beowulf E&D remains responsible to Nautilus for any services provided by such affiliate or third party. Pursuant to the Beowulf E&D Facility Operations Agreement, Nautilus is responsible for obtaining, maintaining and renewing all permits necessary for it (i) to do business in the jurisdictions in which the Nautilus Cryptomine Facility is located and (ii) to own, operate and maintain the Nautilus Cryptomine Facility.

Nautilus has agreed to pay Beowulf E&D an annual fee in the amount of $750,000 payable annually in advance. Nautilus will also provide Beowulf E&D reimbursement for all out-of-pocket fees, expenses and capital costs (with respect to such capital costs, solely to the extent approved in writing by Nautilus in advance) paid by Beowulf E&D or its affiliates attributable to activities relating to the services, including, among others, the portion of the salaries, wages and related employee benefits and costs (including taxes and contributions) and other compensation paid to Beowulf E&D employees directly allocable to the time spent by such Beowulf E&D employees, independent contractors and subcontractors providing the services, which reimbursement will be prepaid monthly by Nautilus and reconciled monthly.

The term of the Beowulf E&D Facility Operations Agreement will continue until the earliest of (i) its termination by mutual consent of Nautilus and Beowulf E&D, (ii) the sale by TeraWulf and its affiliates of their interests in Nautilus, (iii) the consummation of an initial public offering of Nautilus or (iv) the termination of the Beowulf E&D Facility Operations Agreement by either party in the event of a default by the other party.

Talen Corporate Services Agreement

On May 13, 2021, Nautilus and Talen Energy Supply, LLC ("Talen Energy Supply") entered into the corporate services agreement (the "Talen Corporate Services Agreement"), pursuant to which Talen Energy Supply will provide certain corporate and administrative services to Nautilus, including all day-today corporate-level management and support services such as accounting and financial reporting, development planning, real estate, information technology, financial planning and analysis, banking, treasury, regulatory, legal, supply chain and secretarial and administrative functions. Pursuant to the Talen Corporate Services Agreement, Talen Energy Supply may subcontract the provision of the services to its affiliates or third parties, provided that Talen Energy Supply remains responsible to Nautilus for any corporate services provided by such affiliate or third party. In addition, Talen Energy Supply agreed to provide the services as an independent contractor to Nautilus, in good faith and in accordance with applicable laws and prudent industry standards generally applicable to the type of corporate services to be provided under the Talen Corporate Services Agreement. Pursuant to the Talen Corporate Services Agreement, Nautilus is responsible for obtaining, maintaining and renewing all permits necessary for it (i) to do business in the jurisdictions in which the Nautilus Cryptomine Facility is located and (ii) to own, operate and maintain the Nautilus Cryptomine Facility.

Nautilus has agreed to pay Talen Energy Supply an annual fee in the amount of $750,000 payable annually in advance. Nautilus will also provide Talen Energy Supply reimbursement for all out-of-pocket fees, expenses and capital costs (with respect to such capital costs, solely to the extent approved in writing by Nautilus in advance) paid by Talen Energy Supply or its affiliates attributable to activities relating to the services, including, among others, to the portion of the salaries, wages and related employee benefits and costs (including taxes and contributions) and other compensation paid to Talen Energy Supply employees directly allocable to the time spent by such Talen Energy Supply employees, independent contractors and subcontractors providing the services, which reimbursement will be prepaid monthly by Nautilus and reconciled monthly.

The term of the Talen Corporate Services Agreement will continue until the earliest of (i) its termination by mutual consent of Nautilus and Talen Energy Supply, (ii) the sale by Cumulus Coin and its affiliates of their interests in Nautilus, (iii) the consummation of an initial public offering of Nautilus or (iv) the termination of the Talen Corporate Services Agreement by either party in the event of a default by the other party.

Intellectual Property

TeraWulf actively uses specific hardware and software for its bitcoin mining operations. In certain cases, source code and other software assets may be subject to an open-source license due to the fact that the majority of the technology development underway in the blockchain and cryptocurrency sectors is open source. For these works, TeraWulf intends to adhere to the terms of any license agreements that may be in place. TeraWulf does not currently own, and does not have any current plans to seek, any patents in connection with its existing and planned blockchain and cryptocurrency related operations. TeraWulf expects to rely upon trade secrets, trademarks, service marks, trade names, copyrights and other intellectual property rights and expects to license the use of intellectual property rights owned and controlled by others. In the future, TeraWulf may develop certain proprietary software applications for purposes of its blockchain and cryptocurrency related operations.

TeraWulf owns the internet domain name *www.terawulf.com.* Information on, or accessible through, TeraWulf's website, or any other website accessible through TeraWulf's website, is not incorporated by reference into, and does not form a part of, this Annual Report and is intended to be inactive textual reference only.

Competition

Bitcoin mining has proven to be highly profitable. As such, it is an increasingly competitive industry comprised of companies and organizations of varying scale and sophistication. There has been a significant increase in the number of commercial Bitcoin miners attempting to expand and scale their mining operations, which in turn has contributed to increasing the global network's total hash power. As more hashing capability is added to the Bitcoin network, the revenue generating potential of TeraWulf's miners could be negatively affected. Additionally, as more Bitcoin miners enter the industry, TeraWulf may experience additional pressure on profitability and ability to scale operations, due to greater competition for access to miners, mining locations, and infrastructure components.

TeraWulf believes that it addresses many of these risks with its infrastructure-first and vertically integrated strategy, which leverages several key components. The Company has secured several long-term, low-cost energy supply contracts at the sites which it controls directly or through joint venture agreements. Terawulf also receives its miners from different suppliers where its multi-sourcing strategy provides greater alternatives than many of its peers for supply of this critical component to the mining industry. TeraWulf management's decades of experience in designing, developing and operating energy infrastructure also enables the Company and its affiliate Beowulf E&D to construct world-class mining facilities that can host miners on a compressed timeline while minimizing construction and operating expenses.

Government Regulation

Government regulation of blockchain and cryptocurrency mining industries is being actively considered by the United States federal government via several agencies and regulatory bodies as well as similar entities in other countries. State government regulations also may apply to TeraWulf's activities and other activities in which TeraWulf participates or may participate in the future. Other regulatory bodies are governmental or semi-governmental and have shown an interest in regulating or investigating companies engaged in the blockchain or cryptocurrency mining business.

Businesses that are engaged in the transmission and custody of bitcoin and other digital assets, including brokers and custodians, can be subject to the regulations of the U.S. Department of the Treasury (the "Treasury") as money services businesses as well as state money transmitter licensing requirements. Bitcoin and other digital assets are subject to anti-fraud regulations under federal and state commodity laws, and digital asset derivative instruments are substantively regulated by the Commodity Futures Trading Commission. Certain jurisdictions, including, among others, the State of New York and a number of countries outside the United States, have developed regulatory requirements specifically for digital assets and companies that transact in them.

Regulations may change substantially in the future, and it is presently not possible to know how regulations will apply to TeraWulf's business or when they will become effective. As the regulatory and legal environments evolve, TeraWulf may become subject to new laws and further regulation by the SEC and other agencies, which may affect its mining and other activities. For instance, various bills have been proposed in the U.S. Congress related to TeraWulf's business, which may be adopted and have an impact on TeraWulf. See "*Risk Factors*" for additional discussion regarding TeraWulf's belief about the potential risks that existing and future regulations pose to its business.

In addition, because transactions in bitcoin provide a reasonable degree of pseudo anonymity, they are susceptible to misuse for criminal activities, such as money laundering. This misuse, or the perception of such misuse (even if untrue), could lead to greater regulatory oversight of bitcoin platforms, and there is the possibility that law enforcement agencies could close bitcoin platforms or other bitcoin-related infrastructure with little or no notice and prevent users from accessing or retrieving bitcoin held via such platforms or infrastructure. For example, the Secretary of the Treasury Janet Yellen noted during her nomination hearing before the Senate Finance Committee in January 2021 that cryptocurrencies have the potential to improve the efficiency of the financial system but that they can be used to finance terrorism, facilitate money laundering and support malign activities that threaten U.S. national security interests and the integrity of the U.S. and international financial systems. Accordingly, Secretary Yellen expressed her view that federal regulators needed to look closely at how to encourage the use of cryptocurrencies for legitimate activities while curtailing their use for malign and illegal activities. Furthermore, in December 2020, the Financial Crimes Enforcement Network ("FinCEN"), a unit of the Treasury, focused on money laundering and proposed a new set of rules for cryptocurrency-based exchanges aimed at reducing the use of cryptocurrencies for money laundering. These proposed rules would require filing reports with FinCEN regarding cryptocurrency transactions in excess of $10,000 and impose record-keeping requirements for cryptocurrency transactions in excess of $3,000 involving users who manage their own private keys. In January 2021, the Biden Administration issued a memorandum freezing federal rulemaking, including the proposed FinCEN rules, to provide additional time for the Biden Administration to review

the rulemaking that had been proposed by the Trump Administration. As a result, it remains unclear whether the proposed FinCEN rules will take effect.

On March 2, 2022, a group of United States Senators sent a letter to the Treasury asking Secretary Yellen to investigate the Treasury's ability to monitor and restrict the use of cryptocurrencies to evade sanctions imposed by the United States. On March 9, 2022, the Biden Administration issued an Executive Order on ensuring Responsible Development of Digital Assets (the "Executive Order"). The Executive Order directed the Treasury and other agency partners to study the impact of cryptocurrency on financial stability and national security. The Executive Order also asked the Federal Reserve to explore whether the central bank should create its own digital currency. We continue to monitor these developments and proactively engage in dialogue on legislative and regulatory matters related to our industry.

Additionally, we are subject to numerous federal, state and local environmental laws and regulations. Numerous governmental agencies, such as the U.S. Environmental Protection Agency and analogous state and provincial agencies issue regulations to implement and enforce these laws, which often require stringent and costly compliance measures. These laws and regulations may, among other things, require the acquisition of permits; govern the amounts and types of substances that may be released into the environment in connection with our operations; restrict the way we handle or dispose of our materials and wastes; or require investigatory and remedial actions. Failure to comply with these laws and regulations may result in the assessment of substantial administrative, civil and criminal penalties, the imposition of investigatory, remedial or corrective action obligations, or the possible issuance of injunctions limiting or prohibiting our activities. In addition, some laws and regulations relating to protection of the environment may, in certain circumstances, impose liability for environmental damages and cleanup costs without regard to negligence or fault. Complying with these regulatory requirements may increase our cost of doing business and consequently affect our profitability. Moreover, environmental laws and regulations have been subject to frequent changes over the years, and the imposition of more stringent requirements could have a material adverse effect upon our capital expenditures, earnings or our competitive position. We believe that our existing environmental control procedures are adequate and we have no current plans for substantial capital expenditures in this area that would materially and adversely affect our business, financial condition or results of operations.

Available Information

We maintain a link to investor relations information on our website, www.terawulf.com, where we make available, free of charge, our SEC filings, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. All SEC filings are also available at the SEC's website at *www.sec.gov*. Our website and the information contained on or connected to our website are not incorporated by reference herein, and our web address is included as an inactive textual reference only.

Forward-Looking Statements

This Annual Report contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management, and expected market growth are forward-looking statements. These forward- looking statements are contained principally in the sections entitled "Risk Factors" and "Use of Proceeds." Without limiting the generality of the preceding sentence, any time we use the words "expects," intends," "will," "anticipates," "believes," "confident," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "goals," "objectives," "targets," "planned," "projects," and, in each case, their negative or other various or comparable terminology and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. For TeraWulf, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include, without limitation:

- conditions in the cryptocurrency mining industry, including any prolonged substantial reduction in cryptocurrency prices, which could cause a decline in the demand for TeraWulf's services;

- competition among the various providers of data mining services;

- economic or political conditions in the countries in which TeraWulf plans to do business, including civil uprisings, riots, terrorism, kidnappings, the taking of property without fair compensation and legislative changes;
- currency exchange rate fluctuations;
- employment workforce factors, including the loss of key employees;
- the ability to implement certain business objectives and the ability to timely and cost-effectively execute integrated projects;
- changes in governmental safety, health, environmental and other regulations, which could require significant expenditures;
- liability related to the use of TeraWulf's services;
- the ability to successfully complete merger, acquisition or divestiture plans, regulatory or other limitations imposed as a result of a merger, acquisition or divestiture, and the success of the business following a merger, acquisition or divestiture; and
- other risks, uncertainties and factors included or incorporated by reference in this Annual Report, including those set forth under "Risk Factors" and those included under the heading "Risk Factors" in our registration statement on Form S-4, which is incorporated by reference into this Annual Report.

These forward-looking statements reflect our views with respect to future events as of the date of this Annual Report and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this Annual Report and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Annual Report. We anticipate that subsequent events and developments will cause our views to change. You should read this Annual Report completely and with the understanding that our actual future results may be materially different from what we expect. Our forward-looking statements do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

Risk Factor Summary

An investment in shares of our common stock involves substantial risks and uncertainties that may materially adversely affect our business, financial condition and results of operations and cash flows. Some of the more significant challenges and risks relating to an investment in our Company are summarized below. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. The following should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth below. See "Item 1A— Risk Factors."

- TeraWulf has a limited operating history, which could negatively impact its operations, strategy and financial performance.
- If TeraWulf is unable to successfully maintain its Equipment Supply Agreements on acceptable terms or at all, TeraWulf 's business, financial condition and results of operations may suffer.
- The properties utilized by TeraWulf in its bitcoin mining operations may experience damage or losses, including damage or losses not covered by insurance.
- Since the development, construction and operation of the Nautilus Cryptomine Facility is subject to the terms of a joint venture agreement, TeraWulf may have less control over strategic decisions.
- TeraWulf depends on its management team and other key personnel, and the loss of their services would have a material adverse effect on TeraWulf.

- TeraWulf faces risks and disruptions related to supply chain issues, including in semiconductors and other necessary application specific integrated circuit components, which could significantly impact its business, financial condition and results of operations.
- The cost of obtaining new and replacement miners and parts has historically been capital intensive, and is likely to continue to be very capital intensive, which may have a material and adverse effect on our business and results of operations.
- The price of new miners may be linked to the market price of bitcoin and other cryptocurrencies and, if the current relatively high market price of bitcoin persists, our costs of obtaining new and replacement miners may increase, which may have a material and adverse effect on our financial condition and results of operations.
- TeraWulf will need to raise additional capital to meet its business requirements in the future, which capital raising may be costly or difficult to obtain or may not be obtained (in whole or in part) and, if obtained, will dilute the ownership interests of the TeraWulf 's shareholders.
- Necessary capital financing may not be available at economic rates or at all.
- If demand for transactions in bitcoin declines and is replaced by new demand for other cryptocurrencies, the Company's business, financial condition and results of operations could be adversely affected.
- The price of bitcoin may be influenced by regulatory, commercial and technical factors that are highly uncertain resulting in the price of bitcoin being extremely volatile, which may significantly influence the market price of the Company's common stock.
- Regulatory changes or actions may restrict the use of bitcoins or the operation of the bitcoin network in a manner that may adversely affect the Company's business, financial condition and results of operations.
- Market price of our common stock may be volatile, which could subject us to securities class action litigation and result in substantial losses for our stockholders.

ITEM 1A. Risk Factors

Our business faces many risks. Before deciding whether to invest in our common stock, you shouldcarefully consider the risk factors discussed in this Annual Report. If any of the risks or uncertainties described herein actually occurs, our business, financial condition, results of operations or cash flow could be materially and adversely affected. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.

Risks Related to Our Business

TeraWulf has a limited operating history, which could negatively impact its operations, strategy and financial performance.

TeraWulf was incorporated in 2021, and its bitcoin mining business is in its early stages. Furthermore, bitcoin, energy pricing and bitcoin mining economics are volatile and subject to uncertainty. TeraWulf's current strategy will continue to expose it to the numerous risks and volatility associated with the bitcoin mining and power generation sectors, including fluctuating bitcoin to U.S. dollar prices, the costs of bitcoin miners, the number of market participants mining bitcoin, the global network hashrate, the availability of other power generation facilities or power grid interconnections to expand operations and regulatory changes.

If, among other things, the price of bitcoin declines or mining economics become prohibitive, TeraWulf could incur future losses. Such losses could be significant as it incurs costs and expenses associated with the development and operation of its mining facilities, as well as legal and administrative related expenses.

While TeraWulf closely monitors its cash balances, cash needs and expense levels, significant expense increases may not be offset by a corresponding increase in revenue or a significant decline in bitcoin prices could significantly impact its financial condition and results of operations.

If TeraWulf is unable to successfully maintain its Equipment Supply Agreements on acceptable terms or at all, TeraWulf 's business, financial condition and results of operations may suffer.

Mining bitcoin requires access to massive amounts of electrical power and relationships with leading mining equipment manufacturers. Furthermore, consistent with TeraWulf's carbon mandate, TeraWulf's activities must be supported by sustainable energy sources. A limited number of suppliers produce mining equipment to power sustainable industrial-scale mining. Any shortage of mining equipment may negatively impact the viability and expected economic return for TeraWulf's bitcoin mining activities.

TeraWulf has structured and secured competitive equipment supply agreements to purchase state-of-the- art mining equipment from Bitmain Technologies Limited ("Bitmain") and Minerva. Since its inception, TeraWulf has executed an equipment purchase agreement with Minerva and four non-fixed price sales and purchase agreements with Bitmain. TeraWulf will be highly dependent on the Minerva agreement and the Bitmain Agreements (collectively, the "Equipment Supply Agreements") for the development of its business models.

TeraWulf cannot guarantee that it will ultimately be able to successfully execute the Equipment Supply Agreements on terms acceptable to both TeraWulf's management team and Bitmain or Minerva, as applicable. Despite securing Equipment Supply Agreements that provide for delivery of an aggregate total of 58,000 miners between January 2022 and December 2022, such Equipment Supply Agreements are subject to uncertain contractual provisions that could, under certain conditions, leave TeraWulf without adequate or sufficient equipment for its mining operations. Under the Equipment Supply Agreements, the total purchase price is an estimated price, with the actual price to be determined at a specified timeframe before shipment of the respective batch of miners. In addition, each batch of miners constitutes independent legal obligations, and TeraWulf will have limited legal recourse in the event of delays to the delivery date.

Furthermore, the Bitmain Agreements are solely governed by and construed in accordance with the laws of Hong Kong. In the event that geopolitical turmoil, political instability, civil disturbances and restrictive government actions cause changes to the laws of Hong Kong, TeraWulf could face difficulties enforcing rights and obligations between the parties in the Bitmain Agreements. The Minerva agreement is governed by the laws of the Province of Alberta, Canada without regard to any conflict of law provisions that might otherwise apply. Such contractual provisions leave TeraWulf with limited avenues for legal recourse in the event of disputes between the parties.

If TeraWulf is unable to successfully maintain such agreements or TeraWulf's counterparties fail to perform their obligations under the final agreements, TeraWulf may be forced to look for alternative power providers. There is no assurance that TeraWulf will be able to find alternative suppliers on acceptable terms in a timely manner, or at all. Any significant nonperformance by suppliers could have a material adverse effect on TeraWulf's business prospects, financial condition and operating results.

The properties utilized by TeraWulf in its bitcoin mining operations may experience damage or losses, including damage or losses not covered by insurance.

TeraWulf's bitcoin mining operations that are being established in Barker, New York, and Salem, Pennsylvania, are, and any future bitcoin mining operations that it establishes will be, subject to a variety of risks relating to its physical condition and operation, including, among others:

- the presence of construction or repair defects or other structural or building damage;
- any noncompliance 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;
- damage caused by criminal actors, such as cyberattacks, vandalism, sabotage or terrorist attacks; and
- claims by employees and others for injuries sustained at its properties.

Any of these could render TeraWulf's bitcoin mining operations inoperable, temporarily or permanently, and the potential impact on TeraWulf's business is currently magnified due to the limited number of sites for which bitcoin mining is currently planned.

The security and other measures TeraWulf will take to protect against these risks may be insufficient or unavailable. In addition, TeraWulf's insurance may not be adequate to cover the losses it suffers as a result of these risks.

Limitations on the availability of sites to establish mining operations may adversely affect TeraWulf 's business prospects.

TeraWulf is setting up its first two bitcoin mining facility sites in New York and Pennsylvania.

TeraWulf began installing ASICs at the facility in New York in the first quarter of 2022 and plans to begin installation of ASICs at the facility in Pennsylvania by mid-year 2022. Funding for the remainder of TeraWulf's mining capacity buildout is expected to come from the cash flow generated from mining operations and additional capital raises. TeraWulf may not secure the sites for its mining operations in a reasonable timeframe and may also be subject to various governmental approvals. Furthermore, TeraWulf may not be successful in identifying adequate sites to house its mining operations. In addition, the amended and restated certificate of incorporation of TeraWulf provides that TeraWulf renounces any interest or expectancy with respect to, among others, business opportunities relating to the bitcoin mining business in Hardin, Montana, in connection with building and operation by affiliates of Beowulf Energy LLC of a data center for Marathon Digital Holdings Inc. (f/k/a Marathon Patent Group, Inc.). As a result, TeraWulf will be prevented from establishing a bitcoin mining facility in Hardin, Montana and/or from using the power from the Hardin Power Station for the operation of its own bitcoin mining facilities.

Furthermore, even if TeraWulf is successful in identifying such sites, TeraWulf may not be successful in leasing the necessary facilities at rates that are economically viable to support its mining activities.

TeraWulf depends on nuclear energy to power a significant portion of its bitcoin mining capacity and may be held liable for damages, regardless of fault, if incidents or evacuations were to occur at the mining facility site that utilizes nuclear energy.

The Nautilus Cryptomine Facility is expected to be one of the first bitcoin mining facilities powered by 100% zero-carbon nuclear energy and have access to up to 300 megawatts of gross power capacity. This amount of power represents a significant portion of TeraWulf's total mining capacity. If a nuclear-related incident or evacuation were to occur, TeraWulf could be held liable for damages, regardless of fault.

Addressing such an occurrence may require the allocation of significant time and divert management's focus away from revenue-generating activities. In addition, a nuclear-related incident could result in the payment of significant monetary damages. Any downtime during which TeraWulf is unable to mine at this facility site or any forced shut down may have an adverse effect on TeraWulf's results of operations and financial condition.

Since the development, construction and operation of the Nautilus Cryptomine Facility is subject to the terms of a joint venture agreement, TeraWulf may have less control over strategic decisions.

On May 13, 2021, TeraWulf entered into a joint venture agreement with an affiliate of Talen Energy Corporation ("Talen"). The joint venture agreement provides that, except for certain specified matters, decisions are to be made by a majority vote of the board of managers. The board of managers is comprised of two managers appointed by TeraWulf and three managers appointed by Talen. Any significant disagreements between joint venture partners on strategic decisions or the inability of the Talen affiliate to meet obligations to the joint venture or third parties may impede TeraWulf's ability to control aspects of the development, construction, and operation of the Nautilus Cryptomine Facility.

TeraWulf 's management team has limited experience managing a public company.

The members of the management team have not previously served as management of a publicly traded company and may not have experience complying with the increasingly complex laws pertaining to public companies. TeraWulf's management team may not successfully or efficiently manage its immediate transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws as well as the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from TeraWulf's management and could divert their attention away from the day-to-day management of TeraWulf's business, which could adversely affect its business, financial condition and results of operations.

TeraWulf depends on its management team and other key personnel, and the loss of their services would have a material adverse effect on TeraWulf.

TeraWulf's success depends on the efforts, judgment and personal reputations of its management team and other key personnel. Their reputations, expertise and relationships with members of the business communities whom TeraWulf depends on for business opportunities and financing are each a critical element in operating and expanding TeraWulf's business. The loss of the services of its management team or other key personnel could have a material adverse effect on TeraWulf and its performance, including its ability to retain and attract investors and raise capital.

TeraWulf does not maintain any key person life insurance policies. The loss of any member of its management team or other key personnel could make it more difficult to execute its business strategy and, therefore, harm its business.

TeraWulf 's future success depends on its ability to expand its organization to match the growth of its activities, and any failure to manage its growth effectively could place strains on its managerial, operational and financial resources and could adversely affect its business, financial condition and results of operations.

As TeraWulf's operations grow, the administrative demands upon TeraWulf will grow, and its success will depend upon its ability to meet those demands. TeraWulf is organized as a holding company with numerous subsidiaries. Both the parent company and each of its subsidiaries require certain financial, managerial and other resources, which could create challenges to its ability to successfully manage its subsidiaries and operations and impact its ability to assure compliance with its policies, practices and procedures. These demands include, among others, increased executive, accounting, management, legal services, staff support and general office services. TeraWulf may need to hire additional qualified personnel to meet these demands, the cost and quality of which depends in part upon market factors outside of its control. Further, TeraWulf will need to effectively manage the training and growth of its staff to maintain an efficient and effective workforce, and TeraWulf's failure to do so could adversely affect its business, financial condition and results of operations. Currently, TeraWulf has limited personnel in its organization to meet its organizational and administrative demands. Although TeraWulf may not grow as it expects, if TeraWulf fails to manage its growth effectively or to develop and expand its managerial, operational and financial resources and systems, TeraWulf's business, financial condition and results of operations would be materially harmed.

COVID-19 or any pandemic, epidemic or outbreak of an infectious disease in the United States or elsewhere may adversely affect TeraWulf 's business.

The COVID-19 pandemic has had unpredictable and unprecedented impacts in the United States and around the world. The outbreak of COVID-19, which the World Health Organization declared a pandemic in March 2020, has spread across the globe and has led to disruption in the global economy and the digital asset industry. International, federal, state and local public health and governmental authorities have taken extraordinary and wide-ranging actions to contain and combat the outbreak and spread of COVID-19 in regions across the United States and the world, including mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. To the extent the COVID-19 pandemic continues or worsens, governments may impose additional similar restrictions. The extent and duration of the impact of the COVID-19 pandemic is highly uncertain and subject to change. TeraWulf cannot offer any assurance that the COVID-19 pandemic or any other pandemic, epidemic or outbreak of an infectious disease in the United States or elsewhere will not materially and adversely affect TeraWulf's business, financial condition and results of operations.

TeraWulf's business was adversely impacted by the effects of the COVID-19 pandemic, in particular as a result of increased competition spurred by a decline in energy prices, and may continue to be adversely impacted in the future. The COVID-19 pandemic has and may continue to adversely affect the economies of many countries, resulting in an economic downturn that may have an adverse effect on financial markets, energy and bitcoin prices, the demand for bitcoin and other factors that could impact TeraWulf's business, financial condition and results of operations.

TeraWulf faces risks and disruptions related to supply chain issues, including in semiconductors and other necessary application specific integrated circuit components, which could significantly impact its business, financial condition and results of operations.

China has limited the shipment of certain products in and out of its borders, which could negatively impact TeraWulf's ability to receive bitcoin mining equipment from its China-based suppliers. TeraWulf's third-party manufacturers, suppliers, sub-contractors and customers have been disrupted by worker absenteeism, quarantines, restrictions on employees' ability to work, office and factory closures, disruptions to ports and other shipping infrastructure, border closures or other travel or health-related restrictions, as a result of the COVID-19 pandemic. Depending on the magnitude of such effects on TeraWulf's supply chain, shipments of parts for its existing miners, as well as any new miners TeraWulf purchases, may be delayed.

As its miners require repair or become obsolete and require replacement, TeraWulf's ability to obtain adequate replacements or repair parts from their manufacturer may be hampered. Supply chain disruptions could therefore negatively impact TeraWulf's business, financial condition and results of operations.

Additionally, many of the competitors in our industry have also been purchasing mining equipment at scale, which has caused a world-wide shortage of mining equipment and extended the corresponding delivery schedules for new miner purchases. There are no assurances that our manufacturers Bitmain and Minerva, or any other manufacturers, will be able to keep pace with the surge in demand for mining equipment. It is uncertain how manufacturers will respond to this increased global demand and whether they can deliver on the schedules promised to all of their customers. In the event Bitmain, Minerva or other manufacturers are not able to keep pace with demand, we may not be able to purchase miners from Bitmain, Minerva or other manufacturers in sufficient quantities or on the delivery schedules that meet our business needs.

The cost of obtaining new and replacement miners and parts has historically been capital intensive, and is likely to continue to be very capital intensive, which may have a material and adverse effect on our business and results of operations.

Our mining operations can only be successful and ultimately profitable if the costs, including hardware and electricity costs, associated with mining cryptocurrencies are lower than the price of the cryptocurrencies we mine when we sell them. Our miners experience ordinary wear and tear from operation and may also face more significant malfunctions caused by factors which may be beyond our control. Additionally, as the technology evolves, we may acquire newer models of miners to remain competitive in the market. Over time, we replace those miners which are no longer functional with new miners purchased from third-party manufacturers, who are primarily based in China.

For example, the 30,000 S19j Pro miners and 18,000 S19 XP miners we purchased from Bitmain and the 10,000 MV7 miners we purchased from Minerva in the fiscal year ended December 31, 2021 will eventually become obsolete or will degrade due to ordinary wear and tear from usage, and may also be lost or damaged due to factors outside of our control. Once this happens, these new miners will need to be repaired or replaced along with other equipment from time to time for us to stay competitive. This upgrading process requires substantial capital investment, and we may face challenges in doing so on a timely and cost-effective basis based on availability of new miners and our access to adequate capital resources. If we are unable to obtain adequate numbers of new and replacement miners at scale, we may be unable to remain competitive in our highly competitive and evolving industry. If this happens, we may not be able to mine cryptocurrency as efficiently or in similar amounts as our competition and, as a result, our business and financial results could suffer. This could, in turn, materially and adversely affect the trading price of our securities and our investors could lose part or all of their investment.

The price of new miners may be linked to the market price of bitcoin and other cryptocurrencies and, if the current relatively high market price of bitcoin persists, our costs of obtaining new and replacement miners may increase, which may have a material and adverse effect on our financial condition and results of operations.

Reports have been released that the prices of new miners are adjusted according to the price of bitcoin. As a result, the cost of new machines can be unpredictable, and could also be significantly higher than our historical cost for new miners. Similarly, as bitcoin prices have risen, we have observed significant increase in the demand for miners. As a result, at times, we may obtain Bitmain miners and other hardware from Bitmain or from third parties at higher prices, to the extent they are available. For example, we observed a significant appreciation in the market price of bitcoin in the second half of 2020 through the first half of 2021, and simultaneously witnessed an increase in the per-unit price of the latest generation mining equipment. While we cannot know definitively whether these two phenomena are linked, we have seen a measurable increase in the prices for new miners offered by Bitmain as Bitcoin prices increase.

TeraWulf will need to raise additional capital to meet its business requirements in the future, which capital raising may be costly or difficult to obtain or may not be obtained (in whole or in part) and, if obtained, will dilute the ownership interests of the TeraWulf 's shareholders.

TeraWulf had working capital of $22.7 million as of December 31, 2021. TeraWulf may require additional financing in the future to support its operations and may seek to raise additional financing in the future. TeraWulf may not be able to borrow or raise additional capital in the future to meet its needs or to otherwise provide the capital necessary to expand its operations and business, which might result in the value of the TeraWulf's common stock decreasing or becoming worthless. Additional financing may not be available to it on terms that are acceptable. Consequently, TeraWulf may not be able to proceed with its intended business plans. Obtaining additional financing contains risks, including, among others:

- additional equity financing may not be available to TeraWulf on satisfactory terms and any equity TeraWulf is able to issue will lead to dilution of the ownership interests of TeraWulf's shareholders;
- loans or other debt instruments may have terms and/or conditions, such as interest rate, restrictive covenants and control or revocation provisions, which are not acceptable to TeraWulf's board or its management; and
- heightened restrictions and scrutiny of companies specifically involved with cryptocurrencies in the current capital market environment combined with TeraWulf's capital constraints may prevent TeraWulf from being able to obtain adequate debt financing.

Failure to successfully complete or effectively manage divestitures that are not core to our business could adversely affect our business, financial condition or results of operations.

We are a digital asset technology company with a core business of sustainable bitcoin mining. Our business combination with IKONICS contemplated the sale of the IKONICS legacy business as soon as reasonably practicable and within 18 months following the closing of the merger, whereby the Company would become solely a bitcoin-mining focused entity. Potential issues associated with the sale of IKONICS could include, among other things: our ability to complete or effectively manage the sale on terms commercially favorable to us or at all; our ability to realize the full extent of the expected returns, benefits, cost savings or synergies as a result of the sale, within the anticipated time frame, or at all; and diversion of management's attention from day-to-day operations. If the divestiture of IKONICS is not successfully completed or managed or does not result in the benefits or cost savings we expect, our business, financial condition or results of operations may be adversely affected.

Security threats to TeraWulf could result in a loss of TeraWulf 's digital assets or damage to the reputation of TeraWulf, each of which could adversely affect TeraWulf 's business, financial condition and results of operations.

Security breaches, computer malware, software supply chain attacks and computer hacking attacks have been a prevalent concern in the digital asset exchange markets. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss, encryption or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses or ransomware could harm TeraWulf's business operations or result in loss of TeraWulf's digital assets. Furthermore, TeraWulf believes that, as its business grows, it may become a more appealing target for cybersecurity threats.

TeraWulf will rely on enterprise cold storage custody solutions from third parties to safeguard its digital assets from theft, loss, destruction or other issues relating to hackers and technological attack. Nevertheless, cold storage security systems may not be impenetrable and may not be free from defect or immune to acts of God, and any loss due to a security breach, software defect or act of God will be borne by TeraWulf. TeraWulf's digital assets may also be stored with third-party exchanges prior to selling them. Third-party exchange systems may not be impenetrable and may not be free from defect or immune to acts of God, and any loss due to a security breach, software defect, supply chain attack or act of God may be borne by TeraWulf.

The security system and operational infrastructure may be breached due to the actions of outside parties, software defects, action of an employee of TeraWulf, or otherwise and, as a result, an unauthorized party may obtain access to TeraWulf's private keys, sensitive data control of miners or bitcoins. In addition, outside parties may attempt to fraudulently induce employees of TeraWulf to disclose sensitive information in order to gain access to its infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, TeraWulf may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of TeraWulf's security system occurs, the market perception of the effectiveness of TeraWulf's security system could be harmed, which could adversely affect TeraWulf's business, financial condition and results of operations.

In the event of a security breach, TeraWulf may be forced to cease operations or suffer a reduction in digital assets, which could adversely affect TeraWulf's business, financial condition and results of operations.

Necessary capital financing may not be available at economic rates or at all.

Turmoil in the credit and financial markets could adversely affect financial institutions, inhibit lending and limit TeraWulf's access to bank financing or other financing in the public or private capital markets on terms TeraWulf believes to be reasonable. Prevailing market conditions could be adversely affected by the ongoing disruptions in domestic or overseas sovereign or corporate debt markets, low commodity prices or other factors impacting TeraWulf's business, contractions or limited growth in the economy or other similar adverse economic developments in the U.S. or abroad. Instability in the global financial markets has from time to time resulted in periodic volatility in the capital markets. This volatility could limit TeraWulf's access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to TeraWulf, or at all. Any such failure to obtain additional financing could jeopardize TeraWulf's ability to repay, refinance or reduce its debt obligations, or to meet its other financial commitments. Exposure to and regulation of bitcoin and/or cryptocurrency mining may preclude access to certain sources of institutional capital.

From time to time, TeraWulf will be subject to various claims, litigation and other proceedings, as well as regulatory scrutiny, which could ultimately be resolved against TeraWulf, requiring material future cash payments or charges, which could impair TeraWulf 's financial condition and results of operations.

The size, nature and complexity of the Company's business could make it susceptible to various claims, both in litigation and binding arbitration proceedings, as well as regulatory scrutiny. The Company believes that since cryptocurrency mining — and the digital asset industry generally — is a relatively new business sector, it is more likely subject to investigation and regulatory determination. Any claims, regulatory proceedings or litigation that could arise in the course of the Company's business could have a material adverse effect on the Company, its business or operations, or the industry as a whole.

Risks Relating to Digital Asset Networks and Digital Assets

Digital assets, such as bitcoin, may become regulated as securities or investment securities.

Bitcoin is the oldest and most well-known form of digital asset. Bitcoin and other forms of digital assets / cryptocurrencies have been the source of much regulatory scrutiny, which has resulted in differing definitional outcomes without a single unifying statement. In the context of the offer and sale of the Initial Coin Offering ("ICO") tokens, the SEC has determined certain digital tokens are securities under the *Howey* test as stated by the U.S. Supreme Court. ICO offerings of securities would require registration under the Securities Act or an available exemption therefrom for offers or sales in the United States to be lawful. Section 5(a) of the Securities Act provides that, unless a registration statement is in effect as to a security, it is unlawful for any person, directly or indirectly, to engage in the offer or sale of securities in interstate commerce. Furthermore, Section 5(c) of the Securities Act provides a similar prohibition against offers to sell, or offers to buy, unless a registration statement has been filed. Although the Company does not believe its mining activities require registration for it to conduct such activities and accumulate digital assets, the SEC, the Commodity Futures Trading Commission (the "CFTC"), Nasdaq or other governmental or quasi- governmental agency or organization may conclude that the Company's activities involve the offer or sale of "securities," or ownership of "investment securities," and the Company may face regulation under the Securities Act or the Investment Company Act of 1940, as amended (the "Investment Company Act"). Such regulation or the inability to meet the requirements to continue operations would have a material adverse effect on the Company's business, financial condition and results of operations.

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, and the slowing or stopping of the development or acceptance of digital asset systems may adversely affect the Company's business, financial condition and results of operations.

Digital assets such as bitcoins, which may be used, among other things, to buy and sell goods and services are a new and rapidly evolving industry of which the digital asset networks are prominent, but not unique, parts. The growth of the digital asset industry in general, and the digital asset networks of bitcoin in particular, are subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as the digital asset networks, include, among others:

- continued worldwide growth in the adoption and use of bitcoins and other digital assets;
- government and quasi-government regulation of bitcoins and other digital assets and their use, or restrictions on or regulation of access to and operation of the digital asset network or similar digital assets systems;
- the maintenance and development of the open-source software protocol of the bitcoin network;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- the impact of regulators focusing on digital assets and digital securities and the costs associated with such regulatory oversight.

A decline in the popularity or acceptance of the digital asset networks of bitcoin, or similar digital asset systems, could adversely affect the Company's business, financial condition and results of operations.

If demand for transactions in bitcoin declines and is replaced by new demand for other cryptocurrencies, the Company's business, financial condition and results of operations could be adversely affected.

TeraWulf's business is highly dependent on strong bitcoin demand relative to other cryptocurrencies in the market. As such, in addition to the factors impacting the broader crypto economy described elsewhere in this section, the Company's business may be adversely affected, and growth in TeraWulf's, and therefore the Company's, revenues may slow or decline, if market demand for bitcoin deteriorates and is supplanted by other cryptocurrencies such as ethereum and dogecoin. In addition, negative perceptions surrounding bitcoin relative to other cryptocurrencies may cause bitcoin to fall out of favor. If other cryptocurrencies, such as ethereum and dogecoin, surpass bitcoin in market demand over a sustained period of time, such a trend could harm the Company's business. Competition from public and central bank backed digital currencies could undercut the need for other cryptocurrencies such as bitcoin. Competition from stablecoins (commodity-backed or fiat-backed) could undercut demand for other cryptocurrencies such as bitcoin.

Significant contributors to all or any digital asset network could propose amendments to the respective network's protocols and software that, if accepted and authorized by such network, could adversely affect the Company's business, financial condition and results of operations.

Digital asset networks are open-source projects and, although there is an influential group of leaders in, for example, the bitcoin network community known as the "Core Developers," there is no official developer or group of developers that formally controls the bitcoin network. Any individual can download the bitcoin network software and make any desired modifications, which are proposed to users and miners on the bitcoin network through software downloads and upgrades, typically posted to the bitcoin development forum on GitHub.com. Proposals for upgrades and discussions relating thereto take place on online forums. For example, there is an ongoing debate regarding altering the blockchain by increasing the size of blocks to accommodate a larger volume of transactions. Although some proponents support an increase, other market participants oppose an increase to the block size as it may deter miners from confirming transactions and concentrate power into a smaller group of miners. To the extent that a significant majority of the users and miners on the bitcoin network install such software upgrade, the bitcoin network would be subject to new protocols and software that may adversely affect the Company's business, financial condition and results of operations.

In the event a developer or group of developers proposes a modification to the bitcoin network that is not accepted by a majority of miners and users, but that is nonetheless accepted by a substantial plurality of miners and users, two or more competing and incompatible blockchain implementations could result. This is known as a "hard fork." We may not be able to realize the economic benefit of such a "hard fork", either immediately or ever, which could adversely affect an investment in our securities. If we hold a cryptocurrency at the time of a hard fork, industry standards would dictate that we would be expected to hold an equivalent amount of the old and new assets following the fork. However, we may not be able, or it may not be practical, to secure or realize the economic benefit of the new asset for various reasons. For instance, we may determine that there is no safe or practical way to custody the new asset, that trying to do so may pose an unacceptable risk to our holdings in the old asset, or that the costs of taking possession and/or maintaining ownership of the new cryptocurrency exceed the benefits of owning the new cryptocurrency. Additionally, laws, regulation or other factors may prevent us from benefitting from the new asset even if there is a safe and practical way to custody and secure the new asset. In such case, the "hard fork" in the blockchain could materially and adversely affect the perceived value of digital assets as reflected on one or both incompatible blockchains, which may adversely affect the Company's business, financial condition and results of operations and, in the worst-case scenario, harm the sustainability of the bitcoin network's economy.

The open-source structure of the bitcoin network protocol means that the contributors to the protocol are generally not directly compensated for their contributions in maintaining and developing the bitcoin network protocol, and a failure to properly monitor and upgrade the protocol could damage the bitcoin network and adversely affect the Company's business, financial condition and results of operations.

The bitcoin network operates based on an open-source protocol, not represented by an official organization or authority. Instead, it is maintained by a group of core contributors, largely on the Bitcoin Core project on GitHub. As an open-source project, bitcoin is not represented by an official organization or authority. As the bitcoin network protocol is not sold and its use does not generate revenues for contributors, contributors are generally not directly compensated for maintaining and developing the bitcoin network protocol. Although the Media Lab's Digital Currency Initiative of the Massachusetts Institute of Technology funds the current maintainer Wladimir J. van der Laan, among others, this type of financial incentive is not typical. The lack of guaranteed financial incentive for contributors to maintain or develop the bitcoin network and the lack of guaranteed resources to adequately address emerging issues with the bitcoin network may reduce incentives to address the issues adequately or in a timely manner.

Changes to a digital asset network which the Company is mining on may adversely affect the Company's business, financial condition and results of operations.

If a malicious actor or botnet obtains control in excess of 50% of the processing power active on any digital asset network, including the bitcoin network, it is possible that such actor or botnet could manipulate the blockchain in a manner that may adversely affect the Company's business, financial condition and results of operations.

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, including the bitcoin 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, which may adversely affect the Company's business, financial condition and results of operations.

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 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 affect the Company's business, financial condition and results of operations.

If the award of digital assets for solving blocks and transaction fees for recording transactions are not sufficiently high to cover expenses related to running data center operations, it may adversely affect the Company's business, financial condition and results of operations.

Bitcoin miners record transactions when they solve for and add blocks of information to the blockchain. When a miner solves for a block, it creates such block, which includes data relating to (i) the solution to the block, (ii) a reference to the prior block in the blockchain to which the new block is being added and (iii) all transactions that have occurred but have not yet been added to the blockchain. The miner becomes aware of outstanding, unrecorded transactions through data packet transmission and propagation. Typically, bitcoin transactions will be recorded in the next chronological block if the spending party has an internet connection and at least one minute has passed between the transaction's data packet transmission and the solution of the next block. If a transaction is not recorded in the next chronological block, it is usually recorded in the next block thereafter.

As the award of new digital assets for solving blocks declines, and if transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. For example, the current fixed reward on the bitcoin network for solving a new block is six and a quarter (6.25) bitcoins per block. The reward decreased from twelve and a half (12.5) bitcoins in May 2020. It is estimated that it will halve again in approximately June 2024. This reduction may result in a reduction in the aggregate hashrate of the bitcoin network as the incentive for miners will decrease. Moreover, miners ceasing operations would reduce the aggregate hashrate on the bitcoin network, which would adversely affect the confirmation process for transactions (*i.e.*, temporarily decreasing the speed at which blocks are added to the blockchain until the next scheduled adjustment in difficulty for block solutions) and make the bitcoin network more vulnerable to a malicious actor obtaining control in excess of 50% of the aggregate hashrate on the bitcoin network. Periodically, the bitcoin network has adjusted the difficulty for block solutions so that solution speeds remain in the vicinity of the expected ten-minute confirmation time targeted by the bitcoin network protocol.

The Company believes that from time to time there will be further considerations and adjustments to the bitcoin network and others regarding the difficulty for block solutions. More significant reductions in aggregate hashrate on digital asset networks could result in material, though temporary, delays in block solution confirmation time. Any reduction in confidence in the confirmation process or aggregate hashrate of any digital asset network may negatively impact the value of digital assets, which may adversely affect the Company's business, financial condition and results of operations.

To the extent that the profit margins of digital asset mining operations are not high, operators of digital asset mining operations are more likely to immediately sell their digital assets earned by mining in the digital asset exchange market, resulting in a reduction in the price of digital assets that may adversely affect the Company's business, financial condition and results of operations.

Over the past eight years, digital asset mining operations have evolved from individual users mining with computer processors, graphics processing units and first-generation servers. Currently, new processing power brought onto the digital asset networks is predominantly added by incorporated and unincorporated "professionalized" mining operations. Professionalized mining operations may use proprietary hardware or sophisticated machines. They require the investment of significant capital for the acquisition of this hardware, the leasing of operating space (often in data centers or warehousing facilities), incurrence of electricity costs and the employment of technicians to operate the mining farms. As a result, professionalized mining operations are of a greater scale than prior miners and have more defined, regular expenses and liabilities. These regular expenses and liabilities require professionalized mining operations to more immediately sell digital assets earned from mining operations on the digital asset exchange market, whereas it is believed that individual miners in past years were more likely to hold newly mined digital assets for more extended periods. The immediate selling of newly mined digital assets greatly increases the supply of digital assets on the digital asset exchange market, creating downward pressure on the price of each digital asset.

The extent to which the value of digital assets mined by a professionalized mining operation exceeds the allocable capital and operating costs determines the profit margin of such operation. A professionalized mining operation may be more likely to sell a higher percentage of its newly mined digital assets rapidly if it is operating at a low profit margin and it may partially or completely cease operations if its profit margin is negative. This could create a network effect that may further reduce the price of digital assets until mining operations with higher operating costs become unprofitable and remove mining power from the respective digital asset network. The network effect of reduced profit margins resulting in greater sales of newly mined digital assets could result in a reduction in the price of digital assets that may adversely affect the Company's business, financial condition and results of operations.

To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transaction fee will not be recorded on the blockchain until a block is solved by a miner who does not require the payment of transaction fees, and any widespread delays in the recording of transactions could result in a loss of confidence in that digital asset network, which may adversely affect the Company's business, financial condition and results of operations.

To the extent that any miners cease to record transaction in solved blocks, such transactions will not be recorded on the blockchain. Currently, there are no known incentives for miners to elect to exclude the recording of transactions in solved blocks. However, to the extent that any such incentives arise (*e.g.*, a collective movement among miners or one or more mining pools forcing bitcoin users to pay transaction fees as a substitute for or in addition to the award of new bitcoins upon the solving of a block), actions of miners solving a significant number of blocks could delay the recording and confirmation of transactions on the blockchain. Any systemic delays in the recording and confirmation of transactions on the blockchain could result in greater exposure to double-spending transactions, or transactions that consist of bad actors simultaneously sending two or more bitcoin to different addresses, and a loss of confidence in certain or all digital asset networks, which may adversely affect the Company's business, financial condition and results of operations.

Intellectual property rights claims may adversely affect the operation of some or all digital asset networks.

Third parties may assert intellectual property claims relating to the holding and transfer of digital assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in some or all digital asset networks' long-term viability or the ability of end-users to hold and transfer digital assets may adversely affect the Company's business, financial condition and results of operations. In addition, a meritorious intellectual property claim could prevent the Company and other end-users from accessing some or all digital asset networks or holding or transferring their digital assets. As a result, an intellectual property claim against the Company or other large digital asset network participants may adversely affect the Company's business, financial condition and results of operations.

To the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in a reduction in the price of some or all digital assets and may adversely affect the Company's business, financial condition and results of operations.

The digital asset exchanges on which the digital assets trade are new and, in most cases, largely unregulated. Furthermore, many digital asset exchanges (including several of the most prominent U.S. dollar denominated 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, digital asset exchanges, including prominent exchanges handling a significant portion of the volume of digital asset trading. A lack of stability in the digital asset exchange market and the closure or temporary shutdown of digital asset exchanges due to fraud, business failure, hackers or malware or government-mandated regulation may reduce confidence in the digital asset networks and result in greater volatility in digital asset values. These potential consequences of a digital asset exchange's failure may adversely affect the Company's business, financial condition and results of operations.

Political or economic crises may motivate large-scale sales of digital assets, which could result in a reduction in some or all digital assets' values and adversely affect the Company's business, financial condition and results of operations.

As an alternative to fiat currencies that are backed by central governments, digital assets such as bitcoins, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises, including current or anticipated military conflicts such as the war between Russia and Ukraine, terrorism, sanctions or other geopolitical events globally, may motivate large-scale acquisitions or sales of digital assets either globally or locally. Large-scale sales of digital assets would result in a reduction in some or all digital assets' values and may adversely affect the Company's business, financial condition and results of operations.

The Company's ability to adopt technology in response to changing security needs or trends poses a challenge to the safekeeping of the Company's digital assets.

The history of digital asset exchanges has shown that exchanges and large holders of digital assets must adapt to technological change in order to secure and safeguard their digital assets. The Company will rely on enterprise cold storage solutions from third parties to safeguard the Company's digital assets from theft, loss, destruction or other issues relating to hackers and technological attack. The Company's digital assets may also be moved to various exchanges in order to exchange them for fiat currency during which time the Company will be relying on the security of such exchanges to safeguard the Company's digital assets.

The Company believes that it may become a more appealing target of security threats as the size of the Company's bitcoin holdings grow. To the extent that either custody providers or the Company are unable to identify and mitigate or stop new security threats, the Company's digital assets may be subject to theft, loss, destruction or other attack, which may adversely affect the Company's business, financial condition and results of operations.

Digital asset transactions are irrevocable, and stolen or incorrectly transferred digital assets may be irretrievable and, as a result, any incorrectly executed digital asset transactions may adversely affect the Company's business, financial condition and results of operations.

Digital asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the respective digital asset network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets or a theft of digital assets generally will not be reversible, and the Company may not be capable of seeking compensation for any such transfer or theft. Although the Company's transfers of digital assets will regularly be made to or from various parties, it is possible that, through computer or human error, or through theft or criminal action, the Company's digital assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that the Company is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Company's digital assets through error or theft, the Company will be unable to revert or otherwise recover incorrectly transferred digital assets. To the extent that the Company is unable to seek redress for such error or theft, such loss may adversely affect the Company's business, financial condition and results of operations.

The limited rights of legal recourse against the Company, and the Company's lack of insurance protection, exposes the Company and its stockholders to the risk of loss of its digital assets for which no person is liable.

The digital assets held by the Company may not be insured. Therefore, a loss may be suffered with respect to the Company's digital assets which is not covered by insurance and for which no person is liable in damages, which may adversely affect the Company's business, financial condition and results of operations.

The Company may not have adequate sources of recovery if its digital assets are lost, stolen or destroyed.

If the Company's digital assets are lost, stolen or destroyed under circumstances rendering a party liable to the Company, the responsible party may not have the financial resources sufficient to satisfy its claim. For example, as to a particular event of loss, the only source of recovery for the Company might be limited, to the extent identifiable, other responsible third parties (*e.g.*, a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim by the Company.

Digital assets held by the Company are not subject to FDIC or SIPC protections.

The Company does not hold its digital assets with a banking institution or a member of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC") and, therefore, its digital assets are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions.

The loss or destruction of a private key required to access a digital asset may be irreversible and, as a result, the Company's loss of access to its private keys or its experience of a data loss relating to its digital assets may adversely affect the Company's business, financial condition and results of operations.

Digital assets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which the digital assets are held. The Company is required by the operation of digital asset networks to publish the public key relating to a digital wallet in use when it first verifies a spending transaction from that digital wallet and disseminates such information into the respective network. The Company safeguards and keeps private the private keys relating to its digital assets by using enterprise cold storage custody solutions from third parties. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company will be unable to access the digital assets held by it and the private key will not be capable of being restored by the respective digital asset network. Any loss of private keys relating to digital wallets used to store the Company's digital assets may adversely affect the Company's business, financial condition and results of operations.

Because many of the Company's digital assets are held by digital asset exchanges, it faces heightened risks from cybersecurity attacks and financial stability of digital asset exchanges.

The Company may transfer digital asset from its wallet to digital asset exchanges prior to selling them. Digital assets not held in the Company's wallet are subject to the risks encountered by digital asset exchanges including a denial-of-service attack or other malicious hacking, a sale of the digital asset exchange, loss of the digital assets by the digital asset exchange and other risks similar to those described herein. The Company may not maintain a custodian agreement with any of the digital asset exchanges that hold the Company's digital assets. These digital asset exchanges may or may not provide insurance and may lack the resources to protect against hacking and theft. If this were to occur, the Company's business, financial condition and results of operations may be adversely affected.

As the number of digital assets awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the respective digital asset network will transition from a set reward to transaction fees.

In order to incentivize miners to continue to contribute processing power to any digital asset network, such network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record in the blocks they solve only those transactions that include payment of a transaction fee or by the digital asset network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. If transaction fees paid for digital asset transactions become too high, the marketplace may be reluctant to accept digital assets as a means of payment and existing users may be motivated to switch from one digital asset to another digital asset or back to fiat currency. Decreased use and demand for bitcoins may adversely affect the value of the Company's bitcoins and may adversely affect the Company's business, financial condition and results of operations.

The price of bitcoin may be influenced by regulatory, commercial and technical factors that are highly uncertain resulting in the price of bitcoin being extremely volatile, which may significantly influence the market price of the Company's common stock.

To the extent investors view the value of the Company's common stock as linked to the value or change in the value of bitcoin, fluctuations in the price of bitcoin may significantly influence the market price of the Company's common stock. In addition, the Company's business operations are no longer economical below the bitcoin breakeven point, or the point at which the total cost of mining operations exceeds the total revenues generated.

The price of bitcoin has historically been subject to dramatic fluctuations and is highly volatile. Bitcoin has only recently become accepted as a means of payment for goods and services and has recently trended toward becoming a more actively traded instrument, however the acceptance and use of bitcoin remains limited and far from mainstream. Conversely, a significant portion of demand for bitcoin may be generated by speculators and investors seeking to profit from the short- or long-term holding of bitcoin.

In addition, some blockchain industry participants have reported that a significant percentage of bitcoin trading activity is artificial or non-economic in nature and may represent attempts to manipulate the price of bitcoin. As a result, trading platforms may seek to inflate demand for bitcoin, which could increase the volatility of the price of bitcoin and may significantly influence the market price of the Company's common stock.

The sale of the Company's digital assets to pay expenses at a time of low digital asset prices may adversely affect the Company's business, financial condition and results of operations.

The Company may sell its digital assets to pay expenses on an as-needed basis, irrespective of then-current prices. Consequently, the Company's digital assets may be sold at a time when the prices on the respective digital asset exchange market are low, which may adversely affect the Company's business, financial condition and results of operations.

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

The development and acceptance of competing blockchain platforms or technologies, including competing cryptocurrencies which our miners may not be able to mine, such as cryptocurrencies being developed by popular social media platforms, online retailers, or government sponsored cryptocurrencies, may cause consumers to use alternative distributed ledgers or an alternative to distributed ledgers altogether. Our business utilizes presently existent digital ledgers and blockchains and we could face difficulty adapting to emergent digital ledgers, blockchains, or alternatives thereto. This may adversely affect us and our exposure to various blockchain technologies and prevent us from realizing the anticipated profits from our investments. Such circumstances could have a material adverse effect on our business, prospects or operations and potentially the value of any bitcoin or other cryptocurrencies we mine or otherwise acquire or hold for our own account, which could materially and adversely affect investors' investments in our securities.

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 cryptocurrency systems leads to ineffective decision making that slows development and growth of such cryptocurrencies, the value of our common stock may be adversely affected.

Risks Relating to Regulatory and Political Matters

The Company may be classified as an inadvertent investment company.

The Company is not engaged in the business of investing, reinvesting or trading in securities and does not hold itself out as being engaged in those activities. Under the Investment Company Act, however, a company may be deemed an investment company under Section 3(a)(1)(C) if the value of its investment securities is more than 40% of its total assets (exclusive of government securities and cash items) on a consolidated basis.

The Company will be engaging in digital asset mining, the outputs of which are cryptocurrencies, which may be deemed a security. In the event that the digital assets held by the Company exceed 40% of its total assets, exclusive of cash, the Company may inadvertently become an investment company. 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, namely Rule 3a-2 under the Investment Company Act, allows an inadvertent investment company a grace period of one year from the earlier of (i) 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 (ii) 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. The Company is putting in place policies that it expects will work to keep the digital assets held by the Company at less than 40% of its total assets, liquidating its digital assets or seeking a no-action letter from the SEC if the Company is unable to maintain sufficient total assets or liquidate sufficient digital assets in a timely manner.

As Rule 3a-2 is available to a company no more than once every three years, and assuming no other exclusions are available to the Company, the Company would have to keep within the 40% limit for at least three years after it ceases being an inadvertent investment company. This may limit the Company's ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on the Company's earnings. In any event, the Company does 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 the Company's operations, and the Company would be very constrained in the kind of business it could do as a registered investment company. Furthermore, the Company would become subject to substantial regulation concerning management, operations, transactions with affiliated persons and portfolio composition, and would need to file reports under the Investment Company Act regime. The cost of such compliance would result in the Company incurring substantial additional expenses, and the failure to register if required may adversely affect the Company's business, financial condition and results of operations.

Regulatory changes or actions may restrict the use of bitcoins or the operation of the bitcoin network in a manner that may adversely affect the Company's business, financial condition and results of operations.

Until recently, little or no regulatory attention has been directed toward bitcoin and the bitcoin network by U.S. federal and state governments, foreign governments and self-regulatory agencies. As bitcoin has grown in popularity and in market size, the Federal Reserve Board, U.S. Congress and certain U.S. agencies (*e.g.*, the CFTC, the SEC, FinCEN and the Federal Bureau of Investigation) have begun to examine the operations of the bitcoin network, bitcoin users and the bitcoin exchange market.

Digital assets currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions, such as the European Union, China and Russia. As bitcoin and cryptocurrencies generally have grown in both popularity and market size, governments around the world have reacted differently to them with certain governments having deemed them illegal and others having allowed their use and trade without restriction. Based on stated efforts to curtail energy usage on mining, to protect investors or to prevent criminal activity, and in part to redirect interest into competing government-created cryptocurrencies, recent regulations have proliferated. In March 2021, a new law was proposed in India to criminalize the mining, transferring or holding of bitcoin and other cryptocurrencies, and current rules require extensive disclosure to the government of cryptocurrency holdings. At the same time, India is rumored to be developing its own centralized national digital currency. Similarly, China has also limited some mining and trading, although not possession, of cryptocurrency, ostensibly to reduce energy usage in a country formerly representing an estimated 65% of bitcoin mining, but reports suggest such regulation is also designed, in part, to drive appetite for China's own digital yuan. In the summer of 2021, China introduced a cryptocurrency mining ban. Due to China's cryptocurrency mining ban, the Chinese hashrate is expected to approach zero, with mining capacity relocating out of China. On April 16, 2021, Turkey imposed bans on the use of cryptocurrency as payment and now requires transactions of a certain size to be reported to a government agency in the wake of alleged fraud at one of Turkey's largest exchanges. In addition, in May 2021, Iran announced a temporary ban on cryptocurrency mining as a way to reduce energy consumption amid power blackouts. In Germany, the Ministry of Finance has declared bitcoin to be "Rechnungseinheiten" (a form of private money that is recognized as a unit of account, but not recognized in the same manner as fiat currency). Many jurisdictions, such as the United States, subject bitcoin and other cryptocurrencies to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. Further, in January 2021, Russia adopted legislation to identify cryptocurrency as a digital asset and legitimize its trading, but also prohibit its use as a payment method, with mining operations having also grown significantly in Russia since this time. Such varying government regulations and pronouncements are likely to continue for the near future.

In the United States, the Federal Reserve Board, U.S. Congress and certain U.S. agencies (*e.g.*, the CFTC, the SEC, FinCEN and the Federal Bureau of Investigation) have begun to examine the operations of the bitcoin network, bitcoin users and the bitcoin exchange market. Increasing regulation and regulatory scrutiny may result in new costs for the Company and the Company management having to devote increased time and attention to regulatory matters, change aspects of its business or result in limits on the utility of bitcoin. In addition, regulatory developments and/or the Company's business activities may require the Company to comply with certain regulatory regimes.

Ongoing and future regulation and regulatory actions could significantly restrict or eliminate the market for or uses of bitcoin and/or may adversely affect the Company's business, financial condition and results of operations.

It may be illegal now, or in the future, to acquire, own, hold, sell or use digital assets in one or more countries, and ownership of, holding or trading in the Company's securities may also be considered illegal and subject to sanction.

Although digital assets are not currently regulated or are lightly regulated in most countries, including the United States, one or more countries, such as China and Russia, may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use digital assets or to exchange digital assets for fiat currency. Such an action may also result in the restriction of ownership, holding or trading in the Company's securities and may adversely affect the Company's business, financial condition and results of operations.

If regulatory changes or interpretations of the Company's activities require its registration as a money services business under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act of 1970, as amended, the Company may be required to register and comply with such regulations.

To the extent that the activities of the Company cause it to be deemed a money service business under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act of 1970, as amended, the Company may be required to comply with FinCEN regulations, including those that would mandate the Company to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records.

To the extent that the activities of the Company cause it to be deemed a "money transmitter" or equivalent designation under state law of any state in which the Company operates, the Company 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 State Department of Financial Services has finalized its "BitLicense" framework for businesses that conduct "virtual currency business activity," the Conference of State Bank Supervisors has proposed a model form of state level "virtual currency" regulation and additional state regulators, including those from the States of California, Idaho, Virginia, Kansas, Texas, South Dakota and Washington, have made public statements indicating that virtual currency businesses may be required to seek licenses as money transmitters. In July 2016, the State of North Carolina updated the law to define "virtual currency" and the activities that trigger licensure in a business-friendly approach that encourages companies to use virtual currency and blockchain technology. Specifically, the North Carolina law does not require miners or software providers to obtain a license for multi-signature software, smart contract platforms, smart property, colored coins and non-hosted, non-custodial wallets. Starting on January 1, 2016, the State of New Hampshire requires anyone who exchanges a digital currency for another currency must become a licensed and bonded money transmitter. In numerous other states, including the States of Connecticut and New Jersey, legislation is being proposed or has been introduced regarding the treatment of bitcoin and other digital assets. The Company will continue to monitor for developments in such legislation, guidance or regulations.

Such additional federal or state regulatory obligations may cause the Company to incur extraordinary expenses, possibly affecting an investment in the shares of the Company's common stock in a material and adverse manner. Furthermore, the Company and its service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money services business and money transmitters. If the Company is deemed to be subject to and is determined not to comply with such additional regulatory and registration requirements, the Company may act to dissolve and liquidate the Company.

Blockchain technology may expose the Company to specially designated nationals or blocked persons or cause it to violate provisions of law.

The Company is subject to the rules enforced by The Office of Financial Assets Control of the U.S. Department of Treasury ("OFAC"), including regarding sanctions and requirements not to conduct business with persons named on its specially designated nationals list. However, because of the pseudonymous nature of blockchain transactions, the Company may inadvertently and without its knowledge engage in transactions with persons named on OFAC's specially designated nationals list, which may expose the Company to regulatory sanctions and adversely affect the Company's business, financial condition and results of operations.

The Company may be required to register and comply with bitcoin regulations and, to the extent that the Company decides to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expenses to the Company.

Current and future legislation, and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which bitcoins are treated for classification and clearing purposes. In particular, bitcoin derivatives are not excluded from the definition of "commodity future" by the CFTC. The Company cannot be certain as to how future regulatory developments will impact the treatment of bitcoins under the law.

Bitcoins have been deemed to fall within the definition of a commodity, and the Company may be required to register and comply with additional regulation under the Commodity Exchange Act of 1936, as amended, including additional periodic report and disclosure standards and requirements. Moreover, the Company may be required to register as a commodity pool operator and to register us as a commodity pool with the CFTC through the National Futures Association. Such additional registrations may result in extraordinary expenses, thereby materially and adversely affecting the Company's business, financial condition and results of operations. If the Company determines it will not comply with such additional regulatory and registration requirements, it may seek to cease certain of its operations. Any such action may adversely affect the Company's business, financial condition and results of operations. As of the date of this Annual Report, the Company is not aware of any rules that have been proposed to regulate bitcoins as securities. However, the Company cannot be certain as to how future regulatory developments will impact the treatment of bitcoins under the law.

If federal or state legislatures or agencies initiate or release tax determinations that change the classification of bitcoins as property for tax purposes (in the context of when such bitcoins are held as an investment), such determination could have a negative tax consequence on the Company or its shareholders.

Current guidance from the Internal Revenue Service indicates that digital assets such as bitcoin should be treated and taxed as property and that transactions involving the payment of bitcoin for goods and services should be treated as barter transactions. While this treatment creates a potential tax reporting requirement for any circumstance where the ownership of a bitcoin passes from one person to another, usually by means of bitcoin transactions (including off-blockchain transactions), it would also apply capital gains treatment to those transactions which may adversely affect the Company's business, financial condition and results of operations.

Under certain recently proposed legislation, substantial tax compliance burdens may be imposed on the Company relating to the tax reporting of bitcoin and bitcoin-related transactions.

Legislation recently passed in the Senate would impose substantial tax compliance obligations on the Company relating to the reporting of bitcoin and bitcoin-related transactions. Under this legislation, it is possible that the Company would be treated as a digital assets broker and required to deliver certain tax forms in connection with the validation of blockchain transactions. Were this legislation to be passed in the

House and enacted unchanged, the Company could face tax reporting and compliance mandates that it may not have the information or resources to fully comply with. Although the current legislation may not be enacted in its current form, future legislation may impose similar tax compliance responsibilities on the Company, which may be expensive and burdensome to comply with, and which could, as a result, adversely impact the Company's operations.

The Company's bitcoin holdings could subject it to regulatory scrutiny.

Several bitcoin investment vehicles have attempted to list their shares on a U.S. national securities exchange to permit them to function in the manner of an exchange-traded fund with continuous share creation and redemption at net asset value. To date the SEC has declined to approve any such listing, citing concerns over the surveillance of trading in markets for the underlying bitcoin as well as concerns about fraud and manipulation in bitcoin trading markets. Even though the Company does not function in the manner of an exchange-traded fund and does not offer continuous share creation and redemption at net asset value, it is possible that the Company nevertheless could face regulatory scrutiny from the SEC, as a company with securities traded on Nasdaq.

In addition, as digital assets, including bitcoin, have grown in popularity and market size, there has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist activities or entities subject to sanctions regimes. While the Company maintains risk-based procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations and takes care to only acquire bitcoin through entities subject to anti money laundering regulation and related compliance rules in the United States, if it is found to have purchased any bitcoin from bad actors that have used bitcoin to launder money or persons subject to sanctions, the Company is and may continue to be subject to regulatory proceedings and further transactions or dealings in bitcoin may be restricted or prohibited.

Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, they may experience fraud, security failures or operational problems, which may adversely affect the value of the Company's bitcoin holdings.

Bitcoin trading venues are relatively new and, in some cases, unregulated. Furthermore, there are many bitcoin trading venues which do not provide the public with significant information regarding their ownership structure, management teams, corporate practices and regulatory compliance. As a result, the marketplace may lose confidence in bitcoin trading venues, including prominent exchanges that handle a significant volume of bitcoin trading.

Negative perception, a lack of stability in the broader bitcoin markets and the closure or temporary shutdown of bitcoin trading venues due to fraud, business failure, hackers or malware or government- mandated regulation may reduce confidence in bitcoin and result in greater volatility in the prices of bitcoin.

To the extent investors view the Company's common stock as linked to the value of the Company's bitcoin holdings, these potential consequences of a bitcoin trading venue's failure could have a material adverse effect on the market value of the Company's common stock.

Risks Related to Our Common Stock

We do not expect to pay any dividends in the foreseeable future.

In the past, we have not paid dividends on our common stock. We do not currently intend to pay dividends on our common stock and we intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of certain existing and any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock may be your sole source of gain for the foreseeable future.

Market price of our common stock may be volatile, which could subject us to securities class action litigation and result in substantial losses for our stockholders.

The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section and the documents incorporated by reference in this Annual Report as well as other factors others beyond our control. Furthermore, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations as well as general economic, political and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of shares of our common stock. In addition, such fluctuations could subject us to securities class action litigation, which could result in substantial costs and divert our management's attention from other business concerns, which could potentially harm our business. As a result of this volatility, our stockholders may not be able to sell their shares of our common stock at or above the price at which they purchased their shares of our common stock.

ITEM 1B. Staff Comments

None.

ITEM 2. Properties

Corporate Headquarters

TeraWulf maintains its principal corporate offices in Easton, Maryland and New York, New York and anticipates opening additional corporate offices in the State of Florida. Beowulf E&D provides TeraWulf with the office space at these locations in accordance with the terms of the administrative and infrastructure services agreement, and TeraWulf pays Beowulf E&D a monthly fee in the amount of approximately $54,000. TeraWulf considers its current office space adequate for its current operations.

Lake Mariner Facility

Lake Mariner has entered into the Lake Mariner Facility Lease with Somerset, pursuant to which Lake Mariner leases from Somerset approximately 79 acres in the Town of Somerset, Niagara County, New York for an initial term of five years with a five-year extension option. See "Agreements Relating to TeraWulf's Business and Operations — Lake Mariner Facility Lease" for additional information regarding the Lake Mariner Facility Lease.

Nautilus Cryptomine Facility

Nautilus has entered into the Nautilus Cryptomine Facility Ground Lease with Talen Nuclear Development LLC, an affiliate of Talen, pursuant to which Nautilus leases from Talen Nuclear Development LLC the site of the Nautilus Cryptomine Facility for an initial term of five years with two three-year extension options. See "— Agreements Relating to TeraWulf's Business and Operations — Talen Joint Venture — Nautilus Cryptomine Facility Ground Lease" for additional information regarding the Nautilus Cryptomine Facility Ground Lease.

ITEM 3. Legal Proceedings

From time to time, TeraWulf may be involved in various legal and administrative proceedings, lawsuits and claims incidental to the conduct of its business. Some of these proceedings, lawsuits or claims may be material and involve highly complex issues that are subject to substantial uncertainties and could result in damages, fines, penalties, non-monetary sanctions or relief. TeraWulf recognizes provisions for claims or pending litigation when it determines that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates. TeraWulf is not subject to any material pending legal and administrative proceedings, lawsuits or claims as of the date of this Annual Report. TeraWulf's business and operations are also subject to extensive regulation, which may result in regulatory proceedings against TeraWulf.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for the Registrant's Common Equity

Our common stock is listed on The Nasdaq Stock Market LLC under the symbol "WULF." As of March 28, 2022, there were 47 registered owners of our common stock.

Dividends

We did not declare or pay any cash dividends on our common stock during 2021. We do not currently intend to pay dividends on our common stock and we intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of certain existing and any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock may be your sole source of gain for the foreseeable future.

Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

Issuer Purchases of Equity Securities

There were no purchases of our common stock by the Company during the nine months ended December 31, 2021 and the period from February 8, 2021 (date of inception) to March 31, 2021.

Unregistered Sale of Equity Securities

None.

ITEM 6. [Reserved]

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with a review of the other Items included in this Annual Report and with the accompanying consolidated financial statements and notes thereto included elsewhere in this report. All figures presented below represent results from continuing operations, unless otherwise specified. Certain statements contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations may be deemed to forward-looking statements. See "Forward-Looking Statements."

General

TeraWulf is a digital asset technology company with a core business of sustainable bitcoin mining. TeraWulf will develop, own and operate its bitcoin mining facility sites in the United States and expects to consume over 90% zero-carbon energy, with a target of 100% by 2028.

TeraWulf is actively developing, consistent with its sustainable energy mandate, two bitcoin mining facility sites in the States of New York and Pennsylvania, the Lake Mariner Facility and the Nautilus Cryptomine Facility, respectively, and has secured competitive equipment supply agreements for each.

Lake Mariner Facility — Located at a site adjacent to the decommissioned coal-fired Somerset Generating Station in Barker, New York, the Lake Mariner Facility has secured an initial 90 MW of energy to support its bitcoin mining capacity through an agreement with the NYPA with the potential to expand into an additional 410 MW of energy supply. TeraWulf began mining bitcoin at the Lake Mariner Facility in March 2022.

Nautilus Cryptomine Facility — The Nautilus Cryptomine Facility is a joint venture between TeraWulf and Talen. The Nautilus Cryptomine Facility, located in Salem Township, Luzerne County, Pennsylvania, is located adjacent to the 2.5 GW nuclear-powered Susquehanna Station, 2.3 GW of which are owned and operated by Talen.. The Nautilus Cryptomine Facility has secured as its power supply zero-carbon nuclear energy received directly from a substation connected to the Susquehanna Station's electrical generators over a five-year term with two successive three-year renewal options. The Nautilus Cryptomine Facility is located "behind the meter" and not connected to the electrical distribution grid, therefore avoiding transmission and distribution charges typically paid by other large power consumers. At the time of this Annual Report, the Nautilus Cryptomine Facility has access to up to 300 MW of bitcoin mining capacity from the Susquehanna Station and is expected to be the first bitcoin mining facility site that is powered by 100% "behind the meter" zero-carbon nuclear energy. TeraWulf plans to begin installation of ASICs at the Nautilus Cryptomine Facility by mid-year 2022. TeraWulf expects to generate revenues primarily by sustainably mining bitcoin at its bitcoin mining facility sites. Incremental revenues may be generated through the hedging and sale of mined bitcoin and the commercial optimization of TeraWulf's power supply.

The Business Combination

TeraWulf completed its business combination with IKONICS on the Closing Date pursuant to which, among other things, TeraCub would effectively acquire IKONICS and become a publicly traded company on the Nasdaq, which was the primary purpose of the business combination. For financial accounting purposes, the business combination was treated as a reverse merger whereby the accounting acquirer was TeraCub due to TeraCub's historic shareholders having the majority voting control in the Company, the board of directors members being associated with TeraCub and the senior management of TeraCub becoming the senior management of TeraWulf. Pursuant to business combination accounting, the Company applied the acquisition method, which requires the assets acquired and liabilities assumed be recorded at fair value, with limited exceptions. The Company's consolidated financial statements include the operating results of IKONICS beginning on the Closing Date.

Under the terms of the Merger Agreement, each share of IKONICS common stock issued and outstanding immediately prior to the Closing Date was automatically converted into and exchanged for (i) one validly issued, fully paid and nonassessable share of common stock of TeraWulf, (ii) one CVR and (iii) the right to receive $5.00 in cash, without interest. TeraCub common stock issued and outstanding immediately prior to the Closing Date was automatically converted into the right to receive a number of validly issued, fully paid and nonassessable shares of TeraWulf such that the TeraCub common stockholders prior to conversion would effectively control 98% of the total outstanding shares of TeraWulf immediately subsequent to the Closing Date.

Pursuant to the CVR Agreement, each shareholder of IKONICS as of immediately prior to the Closing Date, received one CVR for each outstanding share of common stock of IKONICS then held. The holders of the CVRs are entitled to receive 95% of the Net Proceeds (as defined in the CVR Agreement), if any, from the sale, transfer, disposition, spin-off, or license of all or any part of the pre-merger business of IKONICS completed within 18 months following the date of the merger, subject to a reserve of up to 10% of the Gross Proceeds (as defined in the CVR Agreement) from such transaction. The CVRs do not confer to their holders any voting or equity or ownership interest in IKONICS or TeraWulf and are not transferable, except in limited circumstances, and are not listed on any quotation system or traded on any securities exchange. The CVR Agreement will terminate after all payment obligations to the holders thereof have been satisfied. Holders of CVRs will not be eligible to receive payment for dispositions, if any, of any part of the pre-merger business of IKONICS after the eighteen-month anniversary of the Closing Date. The fair value of the aggregate consideration paid for IKONICS was $66.3 million, which includes (i) cash consideration of $13.7 million ($10.3 million net of cash acquired), (ii) equity consideration of $40.6 million and contingent consideration (related to the CVRs) of $12.0 million.

Upon the consummation of the business combination, IKONICS common stock ceased trading on the Nasdaq and TeraWulf common stock began trading on the Nasdaq on December 14, 2021 under the ticker symbol "WULF."

COVID-19

The Company's results of operations could be adversely affected by general conditions in the economy and in the global financial markets, including conditions that are outside of the Company's control, such as the outbreak and global spread of the novel coronavirus disease ("COVID-19"). The COVID-19 pandemic that was declared on March 11, 2020 has caused significant economic dislocation in the United States and globally as governments across the world, including the United States, introduced measures aimed at preventing the spread of COVID-19. The spread of COVID-19 and the imposition of related public health measures have resulted in, and are expected to continue to result in, increased volatility and uncertainty in the cryptocurrency space. Any severe or prolonged economic downturn, as a result of the COVID-19 pandemic or otherwise, could result in a variety of risks to the business and management cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact its business.

The Company may experience disruptions to its business operations resulting from supply interruptions (including miner delivery interruptions), quarantines, self-isolations, or other movement and restrictions on the ability of its employees or its counterparties to perform their jobs and provide services. The Company may also experience delays in construction and obtaining necessary equipment in a timely fashion. To date, the Company has experienced certain, but minimal, delays due to COVID-19 complications among its employees, suppliers and contractors. If the Company is unable to effectively set up and service its miners, its ability to mine bitcoin will be adversely affected. The future impact of the COVID-19 pandemic is still highly uncertain and there is no assurance that the COVID-19 pandemic or any other pandemic, or other unfavorable global economic, business or political conditions, will not materially and adversely affect the Company's business, prospects, financial condition, and operating results.

Change in Fiscal Year

Upon the closing of its business combination with IKONICS, the Company assumed the fiscal year end of December 31. Accordingly, its consolidated financial statements are as of December 31, 2021 and for the nine-month period ended December 31, 2021. Previously, the Company's fiscal year ended on March 31.

Results of Operations

Since the Company's inception on February 8, 2021, the Company's primary activities have been focused on capital acquisition, merger negotiation and consummation, joint venture negotiation and participation, miner procurement, electricity procurement, construction commencement and management, public company readiness and general corporate purposes. The Company's plan of operation for the next twelve months is to continue to develop its initial bitcoin mining facilities, both wholly owned and owned through Nautilus.

Continuing Operations

All items included in loss from continuing operations in the consolidated statements of operations for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 relate to its wholly-owned operations of its sole business segment, digital currency mining, due to the Company classifying the newly acquired IKONICS business as held for sale and discontinued operations as of and for the nine months ended December 31, 2021.

Selling, general and administrative expenses during the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 totaled $41.5 million (including $18.0 million related party expenses) and $0.8 million (including $0.6 million related party expenses), respectively. The increase of $40.7 million is a result of the difference in the nine-month period ended December 31, 2021 as compared to the less than two-month period ended March 31, 2021, among other factors, including merger-related costs and scaling of the Company's operations during nine months ended December 31, 2021. In connection with the business combination with IKONICS, the Company incurred $27.7 million of incremental expense during the nine months ended December 31, 2021, consisting of $15.2 million of financial and legal advisor fees and other merger-related costs and the $12.5 million performance incentive expense under the Beowulf E&D administrative and infrastructure services agreement to be settled with respect to shares of the Company's common stock. The balance of selling, general and administrative expenses is comprised primarily of professional fees, employee compensation and benefits, insurance and general corporate expenses. Professional fees include fixed and passthrough expenses under the administrative and infrastructure services agreement amounting to $5.4 million for the nine months ended December 31, 2021.

Interest expense for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 totaled $2.3 million and $0, respectively. Interest expense incurred relates primarily to the Company's term loan financing in the principal amount of $123.5 million, which was closed on December 1, 2021 (the "Term Loan"). The Term Loans bear an interest rate of 11.5%, which interest payments are due quarterly in arrears. Of the $2.3 million of interest expense reported in the statement of operations for the nine months ended December, 2021, approximately $1.0 million of the interest expense relates to amortization of debt issuance costs and debt discount related to debt issuance costs, an upfront fee, and the fair value of equity issued to the Term Loan investors in conjunction with the Term Loan.

Equity in net loss of investee, net of tax

Equity in net loss of investee, net of tax for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 totaled $1.5 million and $0, respectively. The $1.5 million for the nine months ended December 31, 2021 reflects TeraWulf's 50% share of losses of Nautilus, which had not commenced principal operations as of December 31, 2021.

Loss from discontinued operations, net of tax

Loss from discontinued operations, net of tax for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 totaled $49.1 million and $0, respectively. In conjunction with the IKONICS' business classification as held for sale upon acquisition, the Company has reported the IKONICS business as discontinued operations in the consolidated financial statements. The total loss from discontinued operations reported is comprised primarily of a loss on discontinued operations of $48.9 million to write down the related carrying amounts of IKONICS to their fair values less estimated cost to sell.

Liquidity and Capital Resources

As of December 31, 2021, the Company had cash and cash equivalents of $43.4 million, working capital, including current assets and current liabilities held for sale, of $22.2 million, total stockholders' equity of $123.2 million and an accumulated deficit of $95.7 million. The Company incurred a net loss of $94.0 million for the nine months ended December 31, 2021, including an impairment charge of $48.9 million included in loss from discontinued operations, net of tax related to the acquired IKONICS business. As a new business enterprise that has not commenced its principal revenue generating operations, the Company's primary sources of liquidity have been the issuance of debt and equity securities. The principal uses of cash are for deposits on miners, the buildout of mining facilities, general corporate purposes and investments in Nautilus joint venture related to the miner deposits, mining facility buildout and general corporate purposes. Cash flow information is as follows (in thousands):

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Cash provided by (used in)		
Operating activities:		
Continuing operations	$ (21,141)	$ —
Discontinued operations	(2,958)	—
Total operating activities	(24,099)	—
Investing activities	(177,713)	(23,700)
Financing activities	241,967	30,000
	40,155	6,300

Cash used in operating activities for continuing operations was $21.1 million and $0 for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. The cash used in operations results from a net loss of $94.0 million less non-cash expenses, net of $63.5 million and adjusted for changes in certain asset and liability balances. The non-cash expenses were primarily comprised of (i) $49.1 million of loss from discontinued operations, net of tax related to IKONICS business, which is classified as held for sale at December 31, 2021, (ii) $12.5 million related to a performance incentive expense under the administrative and infrastructure services agreement to be settled with respect to shares of the Company's common stock, (iii) $1.5 million related to the Company's equity in net loss, net of tax of Nautilus and (iv) $1.0 million related to amortization of debt issuance cost and accretion of debt discount offset by $0.6 million related to deferred income tax benefit. The changes in certain assets and liabilities were primarily comprised of a net increase in current liabilities (which includes accounts payable, accrued construction liabilities, other accrued liabilities and other amounts due to related parties) of $11.6 million offset by an increase in current assets (which includes prepaid expenses, amounts due from related parties and other current assets) of $2.2 million.

Cash used in investing activities for continuing operations was $177.7 million and $23.7 for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. Deposits on miners comprised $70.6 million and $23.7 million (subsequently contributed to Nautilus) for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. For the nine months ended December 31, 2021, the Company additionally invested (i) $14.8 million in the buildout of mining facilities, (ii) $82.1 million (investments in joint venture of $93.9 million net of reimbursement from joint venture partner of $11.8 million) in Nautilus related primarily to the joint venture's miner deposits and mining facility buildout and (iii) $10.3 million, net of cash acquired in the business acquisition of IKONICS. The Company has significant future obligations related to miner deposits and also has commitments under the Talen Joint Venture Agreement . See "—Contractual Obligations and Other Commitments."

Cash provided by financing activities for continuing operations was $242.0 million and $30.0 for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. Proceeds from the issuance of common stock provided, net of issuance costs, $74.4 million and $30.0 million for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. For the nine months ended December 31, 2021, the Company issued shares of Series A Preferred stock for proceeds, net of issuance costs, of $49.3 million and Term Loan debt proceeds, net of issuance costs, of $118.3 million. The Series A Preferred stock converted into shares of common stock immediately prior to the Closing Date. The Term Loan debt offering included providing shares of common stock with an aggregate fair value, net of allocated issuance costs, of $24.6 million to the Term Loan investors.

Contractual Obligations and Other Commitments

The Company has purchase obligations under miner purchase agreements and commitments under the Talen Joint Venture Agreement as of December 31, 2021, as follows (in thousands):

Counterparty	Agreement Description	Agreement Date	Contractual Amount	Paid	Remaining Contractual Amount
Bitmain Technologies Limited	Miner Purchase Agreement (1)	December 7, 2021	$ 32,550	$ 11,393	$ 21,157
Bitmain Technologies Limited	Miner Purchase Agreement (1)	December 15, 2021	$ 169,050	$ 59,168	$ 109,882
Nautilus Cryptomine LLC	Joint Venture Agreement (2)	May 13, 2021	$ 156,000	$ 105,818	$ 50,182

(1) Pursuant to the December Bitmain Agreements, the Company has the option to purchase or decline to purchase any batch of miners comprising a monthly shipment upon Bitmain's notification of the actual price under the agreements one month prior to shipment, so long as it has been determined that the Company is in compliance with the terms of the agreements. In the event the Company declines to purchase any monthly scheduled batch, the remaining balance prepaid for such batch is to be refunded to the Company pursuant to the terms of the agreements. As of December 31, 2021, the potential refund amount would be up to $70.5 million based on payments then made. For the agreements in the aggregate, the portion of the remaining contractual amounts the Company would not be obligated to pay in the event the Company declines to purchase any monthly scheduled batch is up to $60.5 million.

(2) The contractual commitment amount represents the contractually required capital contributions of the Company which are required for the initial phase of the Nautilus Cryptomine Facility buildout. The joint venture members may seek alternate financing for the Nautilus Cryptomine Facility, which could reduce the amount of investments each member would be required to provide. The members may mutually agree on changes to the Nautilus Cryptomine Facility, which could increase or decrease the amount of contributions each joint venture member is required to provide.

On December 7, 2021, the Company entered into the December 7 Bitmain Agreement. The First Bitmain Purchase Agreement includes liquidated damage provisions that may be applied if payments are not made within sixty days of a payment due date, if not otherwise mutually extended. The Company is responsible for all logistics costs related to transportation for the delivery of miners. Pursuant to the First Bitmain Purchase Agreement, the Company paid an initial deposit of approximately $11.4 million during the nine months ended December 31, 2021. The balance of payments due under the First Bitmain Purchase Agreement, an amount of $21.2 million, are scheduled to be paid in unequal monthly installments through November 2022.

On December 15, 2021, the Company entered into the December 15 Bitmain Agreement. The Second Bitmain Purchase Agreement includes liquidated damage provisions that may be applied if payments are not made within sixty days of a payment due date, if not otherwise mutually extended. The Company is responsible for all logistics costs related to transportation for the delivery of miners. Pursuant to the Second Bitmain Purchase Agreement, the Company paid an initial deposit of approximately $59.2 million during the nine months ended December 31, 2021. The balance of payments due under the Second Bitmain Purchase Agreement, an amount of $109.9 million, are scheduled to be paid in unequal monthly installments through November 2022.

Pursuant to the terms of the Talen Joint Venture Agreement, TeraWulf would contribute $156.0 million both in cash and in-kind and Talen would contribute $156.0 million both in cash and in-kind to Nautilus by March 2022, unless otherwise determined in accordance with the Talen Joint Venture Agreement. The aforementioned contributions were based on an initial development budget formed on assumptions and inputs available at the time the joint venture was formed, and are subject to change. These contributions are now expected to be contributed by the third quarter of 2022, as agreed to by the members.

Financial Condition; Need for Additional Capital

There is limited historical financial information about the Company upon which to base an evaluation of its performance. The Company has commenced mining activities, however not yet to scale, and therefore has not generated material revenues from its mining business. The Company has relied on proceeds from its issuances of debt and equity to fund its principal operations. In accordance with its plan to develop its bitcoin mining facilities, during the nine months ended December 31, 2021, the Company paid approximately $70.6 million as deposits on miners, and has significant future obligations related to these miner purchase agreements. Also during the nine months ended December 31, 2021, the Company invested $82.1 million, net in its joint venture and has additional commitments under its joint venture agreement. The Company will need additional capital in order to meet these obligations in accordance with the existing contractual terms and to fund the planned development of its bitcoin mining facilities. Until TeraWulf is able to generate positive cash flows from operations, TeraWulf expects to fund its business operations and infrastructure buildout through the issuance of debt or equity securities. Subsequent to December 31, 2021 and as discussed below, the Company entered into an At Market Issuance Sales Agreement for sale of shares of Common Stock having an aggregate offering price of up to $200.0 million (the “ATM Offering”). However, there can be no assurance that the ATM Offering or any other financing will be successfully consummated on acceptable terms and volume, if at all, which may impact the timing or scale of TeraWulf’s planned development. In the event TeraWulf is unable to raise additional capital, TeraWulf may seek alternative arrangements or potential partnerships in order to fund its planned development. In the opinion of management, while it expects to be successful in its fundraising efforts, these factors, which include elements of capital acquisition outside the control of the Company, raise substantial doubt about TeraWulf’s ability to continue as a going concern through at least the next twelve months. The financial statements do not include any adjustments that might result from TeraWulf’s possible inability to continue as a going concern.

ATM Offering. On February 11, 2022, in order to facilitate additional capital acquisition, the Company entered into an At Market Issuance Sales Agreement (the "Sales Agreement") with B. Riley Securities, Inc. and D.A. Davidson & Co. (each, individually, an "Agent" and, collectively, the "Agents"), pursuant to which the Company may offer and sell, from time to time, through or to the agents, acting as agent or principal, shares of the Company's common stock, par value $0.001 per share, having an aggregate offering price of up to $200.0 million (the "Shares"). The Company is not obligated to sell any Shares under the Sales Agreement. As of March 28, 2021, the Company sold 521,390 shares of common stock for net proceeds of approximately $4.3 million under the ATM offering. Subject to the terms and conditions of the Sales Agreement, the Agents will use commercially reasonable efforts, consistent with its normal trading and sales practices, to sell Shares from time to time based upon the Company's instructions, including any price, time or size limits or other customary parameters or conditions specified by the Company. The Company will pay the Agents a commission equal to 3.0% of the gross sales price from each sale of Shares and provide the Agents with customary indemnification and contribution rights. The Sales Agreement may be terminated by the Agents or the Company at any time upon five (5) days' notice to the other party. The issuance and sale of any Shares by the Company under the Sales Agreement are made pursuant to the Company's effective registration statement on Form S-3 (Registration Statement No. 333-262226) (as amended, the "Registration Statement"), filed with the SEC on January 31, 2022, and declared effective by the SEC on February 4, 2022. The Registration Statement provides that the Company may offer and sell from time to time shares of its common stock, shares of its preferred stock, debt securities, depositary shares, warrants, rights, purchase contracts or units, or any combination thereof, in one or more offerings in amounts, at prices and on terms that it determines at the time of the offering, with an aggregate initial offering price of up to $500.0 million (or its equivalent in foreign currencies, currency units or composite currencies). The ATM Offering is described in the Company's prospectus supplement dated February 11, 2022, as filed with the SEC on February 11, 2022, which is a supplement to the prospectus dated February 4, 2022.

Critical Accounting Policies and Estimates

The above discussion and analysis of the Company's financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the Company's consolidated financial statements requires the application of accounting policies and the use of estimates. The accounting policies most important to the preparation of the consolidated financial statements and estimates that require management's most difficult, subjective or complex judgments are described below.

Variable Interest Entities

Variable interest entities ("VIE") are legal entities in which equity investors do not have (i) sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support or (ii) as a group, the power, through voting or similar rights, to direct the activities of the legal entity that most significantly impact the entity's economic performance, or (iii) obligation to absorb the expected losses of the legal entity or the right to receive expected residual returns of the legal entity. The Company would consolidate any VIE in which it has a controlling financial interest through being deemed to be the primary beneficiary of the VIE. The primary beneficiary of a VIE has both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact its economic performance; and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could be significant to the VIE. If both characteristics are met, the Company considers itself to be the primary beneficiary and therefore will consolidate that VIE into its consolidated financial statements.

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with a VIE and reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether an entity is a VIE and whether the Company is the primary beneficiary of a VIE is based upon facts and circumstances for the VIE and requires significant judgments such as whether the entity is a VIE, whether the Company's interest in a VIE is a variable interest, the determination of the activities that most significantly impact the economic performance of the entity, whether the Company controls those activities, and whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

The Company evaluated its investment in Nautilus under the VIE guidance, which requires management to exercise significant judgment. Due to the initial nature of the joint venture and the continued commitment for additional financing, the Company determined Nautilus is a VIE. While the Company has the ability to exercise significant influence over Nautilus, the Company has determined that it does not have the power to direct the activities that most significantly impact the economic performance of Nautilus. The power to direct the activities of Nautilus that most significantly impact Nautilus' economic performance are shared equally by both parties within the joint venture due to the requirement for both equity holders to approve many of the key operating decisions and when not equally shared, are predominantly under the control of the co-venturer, including through the co-venturer's majority representation on the board of managers. As such, the Company has determined that it is not the primary beneficiary of Nautilus and, therefore, has accounted for this entity under the equity method of accounting. Risks associated with the Company's involvement with Nautilus include a commitment to fund additional equity investments.

Issuance of Debt with Common Stock

On December 1, 2021, TeraCub entered into a Loan, Guaranty and Security Agreement with Wilmington Trust, National Association as administrative agent (the "LGSA"). The LGSA consists of a $123.5 million term loan facility. In connection with the LGSA, the Company issued to the holders of the Term Loan 839,398 shares of common stock, which is a quantity of common stock representing 1.5% of the outstanding shares of the publicly registered shares of TeraWulf subsequent to the Closing. The allocation of proceeds between the debt instrument and any other components included in the debt issuance, including common stock, is generally based on the relative fair value allocation method. In applying the relative fair value allocation method, the determination of the fair value of the common stock issued and the fair value of the Term Loan independent of the common stock issued requires significant judgment. As a measure of sensitivity, a 10% change in the estimated fair value of the Term Loan component would result in a $1.9 million change in the fair value allocated to each of the Term Loan and equity components.

Income Taxes

The Company accounts for income taxes pursuant to the provision of Accounting Standards Codification ("ASC") 740-10, "*Accounting for Income Taxes*" which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred tax asset will not be realized. The Company follows the provision of the ASC 740-10 related to Accounting for Uncertain Income Tax Positions. When tax returns are filed, it is more likely than not that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely that not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with the tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the Company's balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The most critical estimate for income taxes is the determination of whether to record a valuation allowance for any net deferred tax asset, including net loss carryforwards, whereby management must estimate whether it is more likely than not that the deferred tax asset would be realized.

Business Combinations

The Company includes the results of operations of the businesses that it acquires as of the acquisition date. The Company allocates the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Contingent consideration is included within the purchase price and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is remeasured to fair value as of each reporting date until the contingency is resolved, and subsequent changes in fair value are recognized in earnings. Contingent consideration is recorded in current liabilities in the Company's consolidated balance sheets.

While the Company uses its best estimates and assumptions to accurately apply preliminary values to assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain of the intangible assets acquired include; future expected cash flows, estimated market royalty rates, customer attrition rates, cost of developed technology and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates, or actual results. As a measure of sensitivity, at December 31, 2021 a change in estimated net fair value of acquired assets and assumed liabilities of IKONICS of 10% would result in a change of $1.8 million to the impairment on held-for-sale classification included in loss from discontinued operations, net in the consolidated statement of operations for the nine months ended December 31, 2021.

Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Held for Sale and Discontinued Operations Classification

The Company classifies a business as held for sale in the period in which management commits to a plan to sell the business, the business is available for immediate sale in its present condition, an active program to complete the plan to sell the business is initiated, the sale of the business within one year is probable and the business is being marketed at a reasonable price in relation to its fair value. As a measure of sensitivity, the classification of the IKONICS business as held-for-sale resulted in a $48.9 million impairment charge included in loss from discontinued operations, net in the consolidated statement of operations for the nine months ended December 31, 2021. If held-for-sale classification accounting had not been applied, the acquired goodwill would have been evaluated for impairment with an alternate potential impairment charge applied.

Newly acquired businesses that meet the held-for-sale classification criteria upon acquisition are reported as discontinued operations.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide this information.

ITEM 8. Financial Statements and Supplementary Data

The financial statements and schedules listed in Item 15(a)(1) are included in this Report beginning on page 43.

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of TeraWulf Inc. and Subsidiaries

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of TeraWulf Inc. and its subsidiaries (the Company) as of December 31, 2021 and March 31, 2021, the related consolidated statements of operations, redeemable convertible preferred stock and stockholders' equity, and cash flows for the period from April 1, 2021 to December 31, 2021 and for the period from February 8, 2021 (date of inception) through March 31, 2021, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and March 31, 2021, and the results of its operations and its cash flows for the period from April 1, 2021 through December 31, 2021 and for the period from February 8, 2021 (date of inception) through March 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations, has negative cash flows from operations, and is reliant upon raising capital through debt and equity issuances to fund its operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters also are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Change in Year end
As discussed in Note 2 to the financial statements, the Company has changed its year end from March 31 to December 31.

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

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

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

Critical Audit Matters
The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters

does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair Value of Contingent Value Rights
As described in Note 3 to the financial statements, on December 13, 2021, the Company completed its acquisition of IKONICS Corporation for total consideration of $66.3 million through a reverse merger transaction. The fair value of the total net assets acquired as a result of the merger totaled $18.0 million, inclusive of identifiable intangible assets totaling $3.4 million, and resulting in $48.3

million of goodwill. The intangible assets acquired were recorded on the acquisition date at their respective fair values. The purchase price included contingent consideration, contingent value rights, which was recorded at its fair value of $12.0 million and was estimated by management and based on the determination of the acquired entity's enterprise value using significant unobservable inputs including a market and an income approach and the implied probability of the sale of the IKONICS Corporation business estimated at 90%.

We identified the determination of the fair value of the contingent value rights as a critical audit matter because of the judgement necessary by management to estimate the fair value of contingent consideration, including the selection of appropriate valuation methodologies, discount rates, market data and estimated future cash flows of the IKONICS Corporation. Auditing management's assumptions related to the fair value of contingent value rights required a high degree of auditor judgment and increased audit effort, including the use of a valuation specialist.

Our audit procedures related to the significant estimates and assumptions of the valuation of the contingent consideration identified above included the following, among others:

- We tested the completeness and accuracy of the data inputs provided by management and utilized in the determination of the fair value of the contingent value rights by comparing the data to source documents.
- We utilized internal valuation specialists to assist in:
    - Evaluating the appropriateness of management's methodologies and techniques
    - Evaluating the reasonableness of management's significant assumptions, including discount rates, estimated future cash flows of the business, and comparable market data by comparing the underlying data to source documents provided by the Company and comparative information from external sources, and performing mathematical accuracy checks.

/s/RSM US LLP

We have served as the Company's auditor since 2021.

Boston, Massachusetts
March 31, 2022

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND MARCH 31, 2021
(In thousands, except number of shares, per share amounts and par value)

	December 31, 2021	March 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 43,448	$ 6,300
Restricted cash	3,007	—
Prepaid expenses	1,494	5
Amounts due from related parties	647	—
Other current assets	108	—
Current assets held for sale	19,348	—
Total current assets	68,052	6,305
Equity in net assets of investee	104,280	—
Property, plant and equipment, net	91,446	—
Right-of-use asset	1,024	—
Deposits	—	23,700
Other assets	109	—
TOTAL ASSETS	$ 264,911	$ 30,005
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Acounts payable	$ 11,791	$ 38
Accrued construction liabilities	3,892	—
Other accrued liabilities	3,771	261
Share based liabilities due to related party	12,500	—
Other amounts due to related parties	60	1,440
Contingent value rights	12,000	—
Current portion of operating lease liability	88	—
Current liabilities held for sale	1,755	—
Total current liabilities	45,857	1,739
Operating lease liability, net of current portion	992	—
Deferred tax liabilities, net	256	—
Long-term debt	94,627	—
TOTAL LIABILITIES	141,732	1,739
Commitments and Contingencies (See Note 11)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.001 par value, 25,000,000 and 20,000,000 authorized at December 31, 2021 and March 31, 2021, respectively; no shares issued and outstanding at December 31, 2021 and March 31, 2021	—	—
Common stock, $0.001 par value, 200,000,000 and 100,000,000 authorized at December 31, 2021 and March 31, 2021, respectively; 99,976,253 and 50,000,000 issued and outstanding at December 31, 2021 and March 31, 2021, respectively	100	50
Additional paid-in capital	218,762	29,892
Accumulated deficit	(95,683)	(1,676)
Total stockholders' equity	123,179	28,266
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 264,911	$ 30,005

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2021 AND THE PERIOD FEBRUARY 8, 2021 (DATE OF INCEPTION) TO MARCH 31, 2021
(In thousands, except number of shares and loss per common share)

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Revenue	$ —	$ —
Cost of goods sold	—	—
Gross profit	—	—
Cost of operations:		
Operating expenses	104	—
Operating expenses - related party	107	853
Selling, general and administrative expenses	23,513	246
Selling, general and administrative expenses - related party	17,999	577
Total cost of operations	41,723	1,676
Operating loss	(41,723)	(1,676)
Interest expense	(2,255)	—
Loss before income tax and equity in net loss of investee	(43,978)	(1,676)
Income tax benefit	615	—
Equity in net loss of investee, net of tax	(1,538)	—
Loss from continuing operations	(44,901)	(1,676)
Loss from discontinued operations, net of tax	(49,106)	—
Net loss	$ (94,007)	$ (1,676)
Loss per common share:		
Continuing operations	$ (0.54)	$ (0.03)
Discontinued operations	(0.59)	—
Basic and diluted	$ (1.13)	$ (0.03)
Weighted average common shares outstanding:		
Basic and diluted	83,644,463	58,819,431

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2021 AND THE PERIOD FEBRUARY 8, 2021 (DATE OF INCEPTION) TO MARCH 31, 2021
(In thousands, except number of shares)

	Redeemable Convertible Preferred Stock (1)		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Number	Amount	Number	Amount			
Balances as of February 8, 2021	—	$ —	—	$ —	$ —	$ —	$ —
Issuance of common stock, net of issuance costs			50,000,000	50	29,892	—	29,942
Net loss	—	—	—	—	—	(1,676)	(1,676)
Balances as of March 31, 2021	—	—	50,000,000	50	29,892	(1,676)	28,266
Issuance of Series A Preferred Stock, net of issuance costs	2,000,000	49,315	—	—	—	—	—
Common stock issuance in conjunction with debt offering, net of issuance costs	—	—	839,398	1	24,638	—	24,639
Common stock offering, net of issuance costs	—	—	2,261,932	2	74,374	—	74,376
Series A Preferred Stock converted to common stock	(2,000,000)	(49,315)	1,739,311	2	49,313	—	49,315
Reverse merger exchange ratio share adjustment	—	—	43,136,087	43	(43)	—	—
Common stock issued for acquisition of IKONICS Corporation	—	—	1,999,525	2	40,588	—	40,590
Net loss	—	—	—	—	—	(94,007)	(94,007)
Balances as of December 31, 2021	—	$ —	99,976,253	$ 100	$ 218,762	$ (95,683)	$ 123,179

(1) The redeemable convertible preferred stock was presented in the mezzanine section of the consolidated balance sheets while outstanding.

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2021 AND THE PERIOD FEBRUARY 8, 2021 (DATE OF INCEPTION) TO MARCH 31, 2021
(In thousands)

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (94,007)	$ (1,676)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt issuance costs and accretion of debt discount	990	—
Related party expense to be settled with respect to common stock	12,500	—
Deferred income tax benefit	(615)	—
Equity in net loss of investee, net of tax	1,538	—
Loss from operations of discontinued operations, net of tax	49,106	—
Changaes in operating assets and liabilities:		
Increase in prepaid expenses	(1,489)	—
Increase in amounts due from related parties	(647)	—
Increase in other current assets	(108)	(5)
Decrease in right-of-use asset	52	—
Increase in other assets	(109)	—
Increase in accounts payable	5,679	38
Increase in accrued construction liabilities	3,892	—
Increase in other accrued liabilities	3,453	203
(Decrease) increase in other amounts due to related parties	(1,380)	1,440
Increase in operating lease liability	4	—
Net cash used in operating activities from continuing operations	(21,141)	—
Net cash used in operating activities from discontinued operations	(2,958)	—
Net cash used in operating activities	(24,099)	—
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquistion of a business, net of cash acquired	(10,280)	—
Investments in joint venture related to direct payments made on behalf of joint venture	(93,911)	—
Reimbursable payments for deposits on plant and equipment made on behalf of a joint venture partner	(56,057)	—
Reimbursement of payments for deposits on plant and equipment made on behalf of a joint venture partner	56,057	—
Reimbursement from joint venture partner for deposits on plant and equipment contributed to the joint venture	11,850	—
Purchase of and deposits on plant and equipment	(85,372)	(23,700)
Net cash used in investing activities	(177,713)	(23,700)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt, net of issuance costs	118,276	—
Proceeds from issuance of promissory notes to stockholders	25,000	—
Repayments of promissory notes to stockholders	(25,000)	—
Proceeds from issuance of common stock, net of issuance costs	74,376	30,000
Proceeds from issuance of Series A Preferred Stock, net of issuance costs	49,315	—
Net cash provided by financing activities	241,967	30,000
Net change in cash and cash equivalents and restricted cash	40,155	6,300
Cash and cash equivalents and restricted cash at beginning of period	6,300	—
Cash and cash equivalents and restricted cash at end of period	$ 46,455	$ 6,300
Cash paid during the period for:		
Interest	$ 252	$ —
Income taxes	$ —	$ —

See Notes to Consolidated Financial Statements.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Organization

On December 13, 2021 (the "Closing Date"), TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), a Delaware corporation, completed the previously announced strategic business combination pursuant to the agreement and plan of merger, dated as of June 24, 2021 (as amended, supplemented or otherwise modified prior to the Closing Date, the "Merger Agreement"), by and among TeraWulf Inc., IKONICS Corporation, a Minnesota corporation ("IKONICS"), Telluride Merger Sub I, Inc., a Minnesota corporation ("Merger Sub I"), Telluride Merger Sub II, Inc., a Delaware corporation ("Merger Sub II"), and TeraCub Inc. (formerly known as TeraWulf Inc.), a Delaware corporation that was formed on February 8, 2021 ("TeraCub"). Pursuant to the terms of the Merger Agreement, (i) Merger Sub I, a wholly-owned subsidiary of TeraWulf Inc., which was a wholly-owned subsidiary of IKONICS, merged with and into IKONICS (the "First Merger"), with IKONICS surviving the First Merger, and (ii) Merger Sub II, a wholly-owned subsidiary of TeraWulf Inc., merged with and into TeraCub (the "Second Merger" and, together with the First Merger, the "Mergers"), with TeraCub surviving the Second Merger. In connection with or as a result of the First Merger and the Second Merger, each of IKONICS and TeraCub became a wholly-owned subsidiary of TeraWulf Inc. In addition, in connection with the consummation of the Mergers, Telluride Holdco, Inc. was renamed TeraWulf Inc., and TeraWulf Inc. was renamed TeraCub Inc. TeraWulf Inc. and its subsidiaries are referred to in these consolidated financial statements as "TeraWulf" or the "Company."

TeraWulf's planned principal operations consist of developing, constructing and operating bitcoin mining facilities in the United States that are fueled by clean, low cost and reliable power sources. TeraWulf expects to operate a portfolio of bitcoin mining facilities, either wholly-owned or through joint ventures, that each deploy a series of powerful computers that solve complex cryptographic algorithms to mine bitcoin and validate transactions on the bitcoin network. Substantially all of TeraWulf's revenue will be derived fromtwo primary sources: earning bitcoin rewards and transaction fees for validating transactions. While the Company may choose to mine other cryptocurrencies in the future, it has no plans to do so currently.

TeraWulf's and its joint venture's two bitcoin mining facilities are in New York and Pennsylvania and are under construction as of December 31, 2021. The Pennsylvania bitcoin mining facility is being developed and constructed through a joint venture (see Note 10). The Company's New York bitcoin mining facility is wholly-owned. During 2021, the Company entered into certain purchase agreements with two bitcoin miner manufacturers to acquire up to a total of 78,000 bitcoin miners, which are expected to be delivered between December 2021 and December 2022.One of the purchase agreements was subsequently assigned to the Company's joint venture. See Note 10 for additional information.

In May 2021, TeraWulf created three wholly-owned subsidiaries to facilitate ownership of bitcoin mining facilities or joint venture interests related thereto. Lake Mariner Data LLC and Kyalami Data LLC are subsidiaries involved in developing wholly-owned bitcoin mining facilities in New York. As of the date these consolidated financial statements were available to be issued, Kayalami Data LLC was inactive. TeraWulf (Thales) LLC ("Thales") is a subsidiary holding interests in a joint venture involved in developing bitcoin mining facilities in Pennsylvania (see Note 10).

IKONICS' traditional business has been the development and manufacturing of high-quality photochemical imaging systems for sale primarily to a wide range of printers and decorators of surfaces. Customers' applications are primarily screen printing and abrasive etching. More recently, IKONICS has augmented its customer offerings with inkjet receptive films, ancillary chemicals and related equipment to provide a full line of products and services to its customers. TeraWulf has classified the IKONICS business as held for sale and discontinued operations in these consolidated financial statements (see Note 4).

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Risks and Uncertainties

Liquidity and Financial Condition

The Company incurred a net loss of $94.0 million, including an impairment charge of $49.1 million on the acquired IKONICS business, and negative cash flows from operations of $24.1 million for the nine months ended December 31, 2021. As of December 31, 2021, the Company had balances of cash and cash equivalents of $43.4 million, working capital of $22.2 million, total stockholders' equity of $123.2 million and an accumulated deficit of $95.7 million. The Company has commenced mining activities, however not yet to scale, and therefore has not generated material revenues from its mining business. The Company has relied on proceeds from its issuances of debt and equity to fund its principal operations.

In accordance with its plan to develop its bitcoin mining facilities, during the nine months ended December 31, 2021, the Company paid approximately $70.6 million as deposits on miners, and has significant future obligations related to these miner purchase agreements as detailed in Note 11. Also during the nine months ended December 31, 2021, the Company invested $82.1 million, net in its joint venture and has commitments under its joint venture agreement as detailed in Note 10. The Company will need additional capital in order to meet these obligations in accordance with the existing contractual terms and to fund the planned development of its bitcoin mining facilities. Until TeraWulf is able to generate positive cash flows from operations, TeraWulf expects to fund its business operations and infrastructure buildout through the issuance of debt or equity securities. Subsequent to December 31, 2021, the Company entered into an At Market Issuance Sales Agreement for sale of shares of Common Stock having an aggregate offering price of up to $200.0 million (the "ATM Offering"). The issuance of Common Stock under this agreement will be made pursuant to the Company's effective registration statement on Form S-3 (Registration statement No. 333-262226). See Note 17. However, there can be no assurance that the ATM Offering or any other financing will be successfully consummated on acceptable terms and volume, if at all, which may impact the timing or scale of TeraWulf's planned development. In the event TeraWulf is unable to raise additional capital, TeraWulf may seek alternative arrangements or potential partnerships in order to fund its planned development. In the opinion of management, while it expects to be successful in its fundraising efforts, these factors, which include elements of capital acquisition outside the control of the Company, raise substantial doubt about TeraWulf's ability to continue as a going concern through at least the next twelve months. The consolidated financial statements do not include any adjustments that might result from TeraWulf's possible inability to continue as a going concern.

COVID-19

The Company's results of operations could be adversely affected by general conditions in the economy and in the global financial markets, including conditions that are outside of the Company's control, such as the outbreak and global spread of the novel coronavirus disease ("COVID-19"). The COVID-19 pandemic that was declared on March 11, 2020 has caused significant economic dislocation in the United States and globally as governments across the world, including the United States, introduced measures aimed at preventing the spread of COVID-19. The spread of COVID-19 and the imposition of related public health measures have resulted in, and are expected to continue to result in, increased volatility and uncertainty in the cryptocurrency space. Any severe or prolonged economic downturn, as result of the COVID-19 pandemic or otherwise, could result in a variety of risks to the business and management cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact its business.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company may experience disruptions to its business operations resulting from supply interruptions (including miner delivery interruptions), quarantines, self-isolations, or other movement and restrictions on the ability of its employees or its counterparties to perform their jobs and provide services. The Company may also experience delays in construction and obtaining necessary equipment in a timely fashion. If the Company is unable to effectively set up and service its miners, its ability to mine bitcoin will be adversely affected. The future impact of the COVID-19 pandemic is still highly uncertain and there is no assurance that the COVID-19 pandemic or any other pandemic, or other unfavorable global economic, business or political conditions, will not materially and adversely affect the Company's business, prospects, financial condition, and operating results.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany balances and transactions have been eliminated.

Upon the Closing Date, the Company assumed the fiscal year end of December 31. Prior to the Mergers, the TeraCub fiscal year ended on March 31.

The Mergers were accounted for as a reverse merger whereby the accounting acquirer was TeraCub due to TeraCub's historic shareholders having the majority voting control in the Company, the board of directors members being associated with TeraCub and the senior management of TeraCub becoming the senior management of the Company. Therefore, the historical information included in these consolidated financial statements is that of TeraCub. The operations of IKONICS are included in these consolidated financial statements commencing with the consummation of the Mergers. Upon acquisition, the IKONICS business met the assets held for sale and discontinued operations criteria and is reflected as discontinued operations held for sale in the consolidated financial statements. See Notes 3 and 4 for additional information.

Certain amounts as of March 31, 2021 and for the period February 8, 2021 (date of inception) to March 31, 2021 have been reclassified for consistency with the current period presentation. These reclassifications have no effect on the previously reported financial position or results of operations.

Variable Interest Entities

Variable interest entities ("VIE") are legal entities in which equity investors do not have (i) sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support, or (ii) as a group, the power, through voting or similar rights, to direct the activities of the legal entity that most significantly impact the entity's economic performance, or (iii) the obligation to absorb the expected losses of the legal entity or the right to receive expected residual returns of the legal entity. The Company would consolidate any VIE in which it has a controlling financial interest through being deemed to be the primary beneficiary of the VIE. The primary beneficiary of a VIE has both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact its economic performance; and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could be significant to the VIE. If both characteristics are met, the Company considers itself to be the primary beneficiary and therefore will consolidate that VIE into its consolidated financial statements.

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with a VIE and reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether an entity is a VIE and whether the Company is the primary beneficiary of a VIE is based upon facts and circumstances for the VIE and requires significant judgments such as whether the entity is a VIE, whether the Company's interest in a VIE is a variable interest, the determination of the activities that most significantly impact the economic performance of the entity, whether the Company controls those activities, and whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In 2021, the Company entered into a joint venture, Nautilus Cryptomine LLC ("Nautilus"), with an unrelated co-venturer to develop, construct and operate a bitcoin mining facility in Pennsylvania. Due to the initial nature of the joint venture and the continued commitment for additional financing, the Company determined Nautilus is a VIE. While the Company has the ability to exercise significant influence over Nautilus, the Company has determined that it does not have the power to direct the activities that most significantly impact the economic performance of Nautilus. The power to direct the activities of Nautilus that most significantly impact Nautilus' economic performance are shared equally by both parties within the joint venture due to the requirement for both equity holders to approve many of the key operating decisions and when not equally shared, are predominantly under the control of the co-venturer, including through the co-venturer's majority representation on the board of managers. As such, the Company has determined that it is not the primary beneficiary of Nautilus and, therefore, has accounted for this entity under the equity method of accounting. Risks associated with the Company's involvement with Nautilus include a commitment to fund additional equity investments. See Note 10 for additional information.

Equity Method of Accounting

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to an investee depends on an evaluation of several factors including, among others, representation on the investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the investee company. Under the equity method of accounting, an investee company's accounts are not reflected within the Company's consolidated balance sheets and statements of operations; however, the Company's share of the earnings or losses of the investee company is reflected in the caption "Equity in net loss of investee, net of tax" in the consolidated statements of operations. The Company's carrying value in an equity method investee company is reflected in the caption "Equity in net assets of investee " in the Company's consolidated balance sheets.

Interest related to construction of assets at equity method investee companies is capitalized when the financial statement effect of capitalization is material, construction of the asset at the equity method investee has begun, the equity method investee has not commenced its principal operations and interest is being incurred. Interest capitalization ends at the earlier of the asset being substantially complete and ready for its intended use, the equity method investee commencing principal operations or when interest costs are no longer being incurred.

When the Company's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company guaranteed obligations of the investee company or has committed additional funding. When the investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

The Company's investment in companies that are accounted for under the equity method of accounting consists of a 50% interest in Nautilus. See Note 10 for additional information.

Business Combinations

The Company includes the results of operations of the businesses that it acquires as of the acquisition date. The Company allocates the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Contingent consideration is included within the purchase price and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is remeasured to fair value as of each reporting date until the contingency is resolved, and subsequent changes in fair value are recognized in earnings. Contingent consideration is recorded in current liabilities in the Company's consolidated balance sheets.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

While the Company uses its best estimates and assumptions to accurately apply preliminary values to assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain of the intangible assets acquired include; future expected cash flows, estimated market royalty rates, customer attrition rates, cost of developed technology and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates, or actual results.

Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used for (but are not limited to) such items as the fair values of assets acquired and liabilities assumed in business combinations, the establishment of useful lives for property, plant and equipment and intangible assets, the impairment of goodwill, the fair value of equity securities issued as a component of a debt offering, the establishment of right-of-use assets and lease liabilities that arise from leasing arrangements, the timing of commencement of capitalization for plant and equipment, recoverability of deferred tax assets and the recording of various accruals. These estimates are made after considering past and current events and assumptions about future events. Actual results could differ from those estimates.

Supplemental Cash Flow Information

The following table shows supplemental cash flow information (in thousands):

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Supplemental disclosure of non-cash activities:		
Right-of-use asset obtained in exchange for lease obligation	$ 1,076	$ —
Contribution of deposits on plant and equipment to joint venture	$ 11,850	$ —
Common stock issuance costs in other accrued liabilities	$ —	$ 58
Common stock issued for business acquisition	$ 40,590	$ —
Contingent value rights issued for business acquisition	$ 12,000	$ —
Common stock issued in conjunction with debt offering representing debt issuance costs	$ 25,727	$ —
Purchases of and deposits on plant and equipment in accounts payable and accrued construction liabilities	$ 6,074	$ —
Investment in joint venture in other accrued liabilities	$ 57	$ —
Series A Preferred Stock converted to common stock	$ 49,315	$ —
Reverse merger exchange ratio share adjustment	$ 43	$ —

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and Cash Equivalents

Highly liquid instruments with an original maturity of three months or less are classified as cash equivalents. The Company maintains cash and cash equivalent balances primarily at one financial institution that is insured by the Federal Deposit Insurance Corporation ("FDIC"). The Company's accounts at this institution are insured, up to $250,000, by the FDIC. As of December 31, 2021, the Company's bank balances exceeded the FDIC insurance limit in an amount of $42.7 million. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits. As of December 31, 2021 and March 31,2021, the Company had cash and cash equivalents of $43.4 million and $6.3 million, respectively.

Restricted Cash

The Company considers cash and marketable securities to be restricted when withdrawal or general use is legally restricted. The Company reports restricted cash in the consolidated balance sheets, and determines current or non-current classification based on the expected duration of the restriction. The restricted cash included in the consolidated balance sheet as of December 31, 2021 is restricted as to use due to being held as a construction escrow by a third party escrow agent.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that total to the amounts shown in the consolidated statements of cash flows (in thousands):

Cash and cash equivalents	$ 43,448	$ 6,300
Restricted cash	3,007	—
Cash and cash equivalents and restricted cash	$ 46,455	$ 6,300

Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision–making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision–making group ("CODM") is composed of the chief executive officer, chief operating officer and chief strategy officer. The Company currently operates in the Digital Currency Mining segment and through its ownership of IKONICS operates in the Imaging Technology segment. The Company's mining operations are located in the United States, and the Company has employees only in the United States and views its mining operations as one operating segment as the CODM reviews financial information on a consolidated basis in making decisions regarding resource allocations and assessing performance. TeraWulf has classified the IKONICS segment as held for sale and discontinued operations in these consolidated financial statements (see Note 4).

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term. Property, plant and equipment includes deposits, amounting to approximately $70.6 million as of December 31, 2021, on purchases of such assets, including miners, which would be included in property, plant and equipment upon receipt. As of March 31, 2021, deposits on miners were recorded as deposits and not recorded in property, plant and equipment as the Company had not determined which bitcoin mining facility would utilize those miners. See Note 10 for additional information.

Interest related to construction of assets is capitalized when the financial statement effect of capitalization is material, construction of the asset has begun, and interest is being incurred. Interest capitalization ends at the earlier of the asset being substantially complete and ready for its intended use or when interest costs are no longer being incurred.

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Impairment of Long-lived Assets

The Company reviews its long-lived assets, including property, plant and equipment, for impairment when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. Any impairment loss recorded is measured as the amount by which the carrying value of the assets exceeds the fair value of the assets. During the nine months ended December 31, 2021 and for the period February 8, 2021 (date of inception) to March 31, 2021, the Company has determined that no impairment of long-lived assets exists.

Goodwill and Indefinite-lived Intangible Assets

The Company evaluates goodwill and indefinite-lived intangible assets for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. The Company may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying value and if so, it performs a quantitative test. The Company estimates the fair value of the reporting units using discounted cash flows. The Company's analyses require significant assumptions and judgments, including assumptions about future economic conditions, revenue growth, and operating margins, among other factors. Events or changes in circumstances considered in the qualitative analysis, many of which are subjective in nature, include: a significant negative trend in the Company's industry or overall economic trends, a significant change in how the Company uses the acquired assets, a significant change in business strategy, a significant decrease in the market value of the asset, and a significant change in regulations or in the industry that could affect the value of the asset. The Company compares the carrying value of each reporting unit and indefinite-lived intangible asset to its estimated fair value and if the fair value is determined to be less than the carrying value, the Company would recognize an impairment loss for the difference. The Company recorded goodwill of $48.3 million related to the IKONICS business acquisition. In conjunction with classifying IKONICS as held for sale upon acquisition, the Company determined that the goodwill associated with the IKONICS business was impaired and recorded an impairment of goodwill charge in the amount of $48.3 million in loss from discontinued operations, net of tax in the consolidated statement of operations for the nine months ended December 31, 2021.

Leases

The Company determines if an arrangement is a lease at inception and, if so, classifies the lease as an operating or finance lease. Operating leases are included in right-of-use ("ROU") asset, current portion of operating lease liabilities, and long-term lease operating liabilities in the consolidated balance sheets. Finance leases are included in property, plant and equipment, current portion of finance lease liabilities, and long-term finance lease liabilities in the consolidated balance sheets. The Company does not recognize a ROU asset or lease liability for short-term leases having initial terms of 12 months or less and instead recognizes rent expense on a straight-line basis over the lease term. In an arrangement that is determined to be a lease, the Company includes both the lease and nonlease components as a single component and accounts for it as a lease when the Company would otherwise recognize the cost associated with both the lease and nonlease components in a similar fashion.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date, and subsequently remeasured upon changes to the underlying lease arrangement, based on the present value of lease payments over the lease term. If the lease does not provide an implicit rate or if the implicit rate is not determinable, the Company generally uses an estimate of its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the commencement date. The ROU asset also includes any lease prepayments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Costs associated with operating lease ROU assets are recognized on a straight-line basis within operating expenses or selling, general and administrative, as appropriate, over the term of the lease. Finance ROU lease assets are amortized within operating expenses or selling, general and administrative, as appropriate, on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

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As of December 31, 2021 and March 31, 2021, the Company is not a counterparty to any finance leases.

Stock Issuance Costs

Stock issuance costs are recorded as a reduction to issuance proceeds. Stock issuance costs incurred prior to the closing of the related issuance are recorded in other assets in the consolidated balance sheets if the closing of the related issuance is deemed probable.

Debt Issuance Costs and Debt Discount

Debt issuance costs and debt discount are recorded as a direct reduction of the carrying amount of the debt and are amortized to interest expense using the effective interest method over the contractual term of the debt. Debt issuance costs include incremental third-party costs directly related to debt issuance such as attorney and financial advisor fees. Debt discount includes upfront fees and proceeds allocated to other components included in the debt issuance. The allocation of proceeds between the debt instrument and any other components included in the debt issuance, including common stock, is generally based on the relative fair value allocation method.

Held for Sale and Discontinued Operations Classification

The Company classifies a business as held for sale in the period in which management commits to a plan to sell the business, the business is available for immediate sale in its present condition, an active program to complete the plan to sell the business is initiated, the sale of the business within one year is probable and the business is being marketed at a reasonable price in relation to its fair value.

Newly acquired businesses that meet the held-for-sale classification criteria upon acquisition are reported as discontinued operations. Upon a business' classification as held for sale, net assets are measured for impairment. Goodwill impairment is measured in accordance with the method described in the accounting policy entitled "Goodwill and Indefinite-lived Intangible Assets." An impairment loss is recorded for long-lived assets held for sale when the carrying amount of the asset exceeds its fair value less cost to sell. Other assets and liabilities are generally measured for impairment by comparing their carrying values to their respective fair values. A long-lived asset shall not be depreciated or amortized while it is classified as held for sale.

Income Taxes

The Company accounts for income taxes pursuant to the provision of Accounting Standards Codification ("ASC") 740-10, "*Accounting for Income Taxes*" which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred tax asset will not be realized. The Company follows the provision of the ASC 740-10 related to Accounting for Uncertain Income Tax Positions. When tax returns are filed, it is more likely than not that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely that not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with the tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

The Company's policy is to recognize interest and penalties that would be assessed in relation to the settlement value of unrecognized tax benefits as a component of income tax expense. The Company did not accrue either interest or penalties for the nine months ended December 31, 2021 and the period from February 8, 2021 (date of inception) to March 31, 2021.

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Revenue Recognition

The Company recognizes revenue under the Financial Accounting Standards Board ("FASB") ASC 606 "*Revenue from Contracts with Customers.*" The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the Company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606's definition of a "distinct" good or service (or bundle of goods or services) if both of the following criteria are met: the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct), and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Noncash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The transaction price is allocated to each performance obligation on a relative standalone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

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Mining pools

The Company has entered into an arrangement with a cryptocurrency mining pool to provide computing power to the mining pool. The arrangement is terminable at any time by either party and our enforceable right to compensation only begins when the Company provides computing power to the mining pool operator. The mining pool applies the Full Pay Per Share ("FPPS") model. Under the FPPS model, in exchange for providing computing power to the pool, the Company is entitled to compensation at an amount that approximates the total bitcoin that could have been mined using the Company's computing power, based upon the then current blockchain difficulty. Under this model, the Company is entitled to compensation regardless of whether the pool operator successfully records a block to the bitcoin blockchain. Fair value of the cryptocurrency award received is determined using the quoted price of the related cryptocurrency at the time of receipt.

There is no significant financing component in these transactions. There is, however, consideration payable to the customer in the form of a pool operator fee; this fee will be deducted from the proceeds the Company receives and will be recorded as contra-revenue, as it does not represent a payment for a distinct good or service.

Providing computing power in cryptocurrency transaction verification services will be an output of the Company's ordinary activities. The provision of providing such computing power is a performance obligation. The transaction consideration the Company receives, if any, is non-cash consideration and is all variable. Fair value of the cryptocurrency award received for cryptocurrency transaction verification services is determined using the quoted price of the related cryptocurrency at the time of receipt. There is no significant financing component in these transactions.

Cryptocurrencies

Cryptocurrencies, including bitcoin, will be included in current assets in the consolidated balance sheets. Cryptocurrencies purchased will be recorded at cost and cryptocurrencies awarded to the Company through the Company's mining activities will be accounted for in connection with the Company's revenue recognition policy disclosed above.

Cryptocurrencies will be accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, the Company is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

Purchases of cryptocurrencies, if any, made by the Company will be included within investing activities in the consolidated statements of cash flows, while cryptocurrencies awarded to the Company through its mining activities will be included as a non-cash adjustment within operating activities in the consolidated statements of cash flows. The sales of cryptocurrencies will be included within investing activities in the consolidated statements of cash flows and any realized gains or losses from such sales will be included in other income (expense) in the consolidated statements of operations. The Company will account for its gains or losses in accordance with the first in first out ("FIFO") method of accounting.

Loss per Share

The Company computes earnings (loss) per share using the two-class method required for participating securities. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic loss per share of common stock is computed by dividing the Company's net loss by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share reflects the effect on weighted average shares outstanding of the

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number of additional shares outstanding if potentially dilutive instruments, if any, were converted into common stock using the treasury stock method. The computation of diluted loss per share does not include dilutive instruments in the weighted average shares outstanding, as they would be anti-dilutive. The Company had no dilutive instruments or participating securities as of December 31, 2021 and March 31, 2021.

Concentrations

The Company or its joint venture have contracted with two suppliers for the provision of bitcoin miners. One supplier for the joint venture is well behind on its miner delivery schedule due to COVID-19 lockdowns, power shortages and other operational issues at its factory. The supplier has committed to fulfilling its performance obligations with increased future production levels at multiple production facilities. The Company does not believe that these counterparties represent a significant performance risk.

The Company expects to operate bitcoin mining facilities. While the Company may choose to mine other cryptocurrencies in the future, it has no plans to do so currently. If the market value of bitcoin declines significantly, the consolidated financial condition and results of operations of the Company may be adversely affected.

Recent Accounting Standards

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which was further amended through various updates issued by the FASB. The objective of ASU 2016-02 is to establish principles in reporting the amount, timing, and uncertainty of cash flows arising from a lease. The Company early adopted ASU 2016-02 on April 1, 2021. At the date of adoption, the Company had no leases subject to the provision of ASU 2016-02. See Note 7.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas and removes the requirement to separately account for any existing beneficial conversion option. The Company early adopted ASU 2016-02 on April 1, 2021. At the date of adoption, the Company had no contracts subject to the provision of ASU 2016-02. See Note 13 for information regarding the Company's contingently redeemable preferred stock.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity* (Subtopic 815-40), ("ASU 2021-04"). This ASU reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. This ASU provides guidance for a modification or an exchange of a freestanding equity-classified written call option that is not within the scope of another Topic. It specifically addresses: (1) how an entity should treat a modification of the terms or conditions or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange; (2) how an entity should measure the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange; and (3) how an entity should recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. This ASU will be effective for all entities for fiscal years beginning after December 15, 2021. An entity should apply the amendments prospectively to modifications or exchanges occurring on or after the effective date of the amendments. Early adoption is permitted, including adoption in an interim period. The adoption of ASU 2021-04 on January 1, 2022 did not have a material impact on the Company's consolidated financial statements or disclosures.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). This ASU was issued to reduce the complexity of the reporting information for financial statement users. The adoption of ASU 2019-12 on February 8, 2021 (date of inception) did not have a material impact on the Company's consolidated financial statements or disclosures.

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NOTE 3 – BUSINESS COMBINATION

On June 25, 2021, TeraCub entered into the Merger Agreement with IKONICS, a public company registered on the National Association of Securities Dealers Automated Quotations ("Nasdaq"), pursuant to which, among other things, TeraCub would effectively acquire IKONICS and become a publicly traded company on the Nasdaq, which was the primary purpose of the business combination. The closing date of the acquisition was December 13, 2021. For financial accounting purposes, the business combination was treated as a reverse merger whereby the accounting acquirer was TeraCub due to TeraCub's historic shareholders having the majority voting control in the Company, the board of directors members being associated with TeraCub and the senior management of TeraCub becoming the senior management of TeraWulf. Pursuant to business combination accounting, the Company applied the acquisition method, which requires the assets acquired and liabilities assumed be recorded at fair value with limited exceptions. The excess of the purchase price over the assets acquired and liabilities assumed represents goodwill. The transactions contemplated by the Mergers were intended to be a "tax-free" transaction pursuant to the Internal Revenue Code. None of the goodwill recognized is expected to be deductible for income tax purposes.

Under the terms of the Merger Agreement, each share of IKONICS common stock issued and outstanding immediately prior to the transaction close, as defined (the "Closing"), was automatically converted into and exchanged for (i) one validly issued, fully paid and nonassessable share of common stock of the surviving public company, TeraWulf, (ii) one contractual contingent value right ("CVR") to a Contingent Value Rights Agreement ("CVR Agreement" as discussed below) and (iii) the right to receive $5.00 in cash, without interest. TeraCub common stock (including new shares of TeraWulf common stock resulting from the conversion of the Series A Preferred Stock described in Note 13) issued and outstanding immediately prior to the Closing was automatically converted into the right to receive a number of validly issued, fully paid and nonassessable shares of TeraWulf such that the TeraCub common stockholders prior to conversion would effectively control 98% of the total outstanding shares of TeraWulf immediately subsequent to the Closing.

Pursuant to the CVR Agreement, each shareholder of IKONICS as of immediately prior to the Closing, receivedone non-transferable CVR for each outstanding share of common stock of IKONICS then held. The holders of the CVRs are entitled to receive 95% of the Net Proceeds (as defined in the CVR Agreement), if any, from the sale, transfer, disposition, spin-off, or license of all or any part of the pre-merger business of IKONICS, subject to a reserve of up to 10% of the Gross Proceeds (as defined in the CVR Agreement) from such transaction. The CVRs do not confer to the holders thereof any voting or equity or ownership interest in TeraWulf. The CVRs are not transferable, except in limited circumstances, and will not be listed on any quotation system or traded on any securities exchange. The CVR Agreement will terminate after all payment obligations to the holders thereof have been satisfied. Holders of CVRs will not be eligible to receive payment for dispositions, if any, of any part of the pre-merger business of IKONICS after the eighteen-month anniversary of the Closing.

On December 2, 2021, the Merger Agreement was amended to provide for TeraCub reimbursement to IKONICS prior to the Closing of all payments made or then agreed to be made by IKONICS in exchange for the cancellation of restricted stock unit awards. TeraCub reimbursed IKONICS approximately $3.0 million under this provision.

Consideration Transferred

The following table summarizes the fair value of the aggregate consideration paid for IKONICS (in thousands):

Cash consideration (1)	$	13,712
Equity instruments: 1,999,525 shares of TeraWulf Inc. (2)		40,590
Contingent consideration: Contingent Value Rights (3)		12,000
	$	66,302

(1) The cash paid at close represents the gross contractual amount paid. Net cash paid, which accounts for the cash acquired of $3.4 million, was $10.3 million and is reflected as an investing activity in the consolidated statement of cash flows for the nine months ended December 31, 2021.

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(2) The fair value of the common shares issued as part of the consideration paid for IKONICS was determined on the basis of the closing market price of the Company's Common Stock on December 14, 2021, the first day of trading subsequent to the acquisition date.

(3) The fair value of the CVRs was estimated by applying the income and market approaches. The measurement is based on significant inputs that are not observable in the market, which ASC 820 "*Fair Value Measurements and Disclosures"* refers to as Level 3 inputs. Key assumptions include (1) a business enterprise value of $15.9 million, (2) an implied probability of sale of 90% and (3) estimated transaction and other deductible costs of $1.6 million. The significant unobservable inputs used in applying the income approach include a discount rate of 11.5% and a long-term growth rate of 2.5%. As of December 31, 2021, the amount recognized for the contingent consideration arrangement and the assumptions used to develop the estimates had not changed.

Allocation of Purchase Price

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed for the acquisition of IKONICS (in thousands):

Cash	$ 3,433
Inventory	3,760
Other current assets	2,596
Property, plant and equipment	10,449
Identifiable intangible assets	3,440
Goodwill	48,338
Current liabilities	(4,842)
Deferred tax liabilities	(872)
	$ 66,302

The Company's consolidated financial statements include the operating results of IKONICS beginning on December 13, 2021, the date of the acquisition. The operating loss of $49.1 million related to the IKONICS' business has been reflected in loss from discontinued operations, net of tax in the Company's consolidated statement of operations for the nine months ended December 31, 2021.

On an unaudited pro forma basis, the net loss of the combined entity as though the business combination had occurred on February 8, 2021 (date of inception) is $94.5 million and $1.9 million for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. Pro forma basic and diluted loss per share is $1.13 and $0.03 for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, respectively. Because IKONICS has been classified as held for sale upon the acquisition date, its results of operations are included in loss from discontinued operations, net of tax in the consolidated statements of operations and there would be no change to reported revenues from continuing operations on a pro forma basis for those periods.

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NOTE 4 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Upon acquisition, the IKONICS business met the assets held-for-sale and discontinued operations criteria and is reflected as discontinued operations held for sale in these consolidated financial statements. The Company determined that the IKONICS business qualified as assets held for sale as management committed to a plan to sell the business, the business was in readily sellable form and it was deemed probable that the business would be sold in a twelve-month period. The structure of the business combination, through the CVR Agreement, contemplated the sale of the IKONICS legacy business whereby the Company would become solely a bitcoin mining focused entity. The Merger Agreement requires IKONICS, after the Closing, to use its reasonable best efforts to consummate a sale of its legacy business as soon as reasonably practicable. The CVR Agreement provides that 95% of the net proceeds of the disposition, as defined, of the IKONICS business accrue to the historical stockholders of IKONCS if the disposition is consummated within eighteen months from the Closing.

In conjunction with the classification as held for sale, the Company has reported the IKONICS business as discontinued operations in these consolidated financial statements and has recognized a loss on discontinued operations, net of tax of $48.9 million to write down the related carrying amounts to their fair values less estimated cost to sell. The fair values of assets held for sale were determined using a combination of the cost approach, income approach and market approach. The assets and liabilities of IKONICS are presented separately in current assets held for sale and current liabilities held for sale, respectively, in the consolidated balance sheet at December 31, 2021, and consist of the following (in thousands):

Trade receivables	$ 1,327
Inventories	3,737
Prepaid expenses and other current assets	944
Property, plant and equipment	10,036
Intangible assets	3,304
Current assets held for sale	$ 19,348
Accounts payable	$ 1,207
Accrued compensation	439
Other accrued liabilities	109
Current liabilities held for sale	$ 1,755

The Company has classified IKONCS' long-lived assets in current assets held for sale as it is deemed probable that the disposition will occur and proceeds will be collected within one year. Intangible assets includes the following definite-lived intangible assets at December 31, 2021 (in thousands, except years):

	Carrying Value	Weighted Average Useful Remaning Life (Years)
Customer relationships	$ 2,161	11.5
Developed technology	663	8.0
Trade names	480	13.7
	$ 3,304	11.1

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The loss from discontinued operations, net of tax presented in the consolidated statement of operations for the nine months ended December 31, 2021 consists of the following (in thousands):

Net sales	$ 676
Cost of goods sold	487
Gross profit	189
Selling, general and administrative expenses	388
Research and development expenses	20
Impairment on classification as held for sale	48,887
Loss from discontinued operations before income tax	(49,106)
Income tax expense (benefit)	—
Loss from discontinued operations, net of tax	$ (49,106)

Total cash flows used in operating activities from discontinued operations was $3.0 million in the consolidated statement of cash flows for the nine months ended December 31, 2021.

NOTE 5 – FAIR VALUE MEASUREMENTS

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-level fair value hierarchy prioritizing the inputs to valuation techniques is used to measure fair value. The levels are as follows: (Level 1) observable inputs such as quoted prices in active markets for identical assets or liabilities; (Level 2) observable inputs for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable either directly or indirectly from market data; and (Level 3) unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The following table illustrates the financial instruments measured at fair value on a non-recurring basis segregated by hierarchy fair value levels as of December 31, 2021 (in thousands):

	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Impairment
Goodwill	$ —	$ —	$ —	$ —	$ 48,338
Long-lived assets held for sale - intangible assets	3,304	—	—	3,304	136
	$ 3,304	$ —	$ —	$ 3,304	$ 48,474

At December 31, 2021, the significant unobservable inputs used to estimate fair value include an attrition rate of 4% to 10% (with a weighted average of 8%) and a discount rate of 27% for customer relationships, twelve months' time to recreate for developed technology and a royalty rate of 0.5% and a discount rate of 27% for trade names.

The Company has determined the long-term debt fair value at December 31, 2021 approximates its book value due to the short duration between the issuance of the long-term debt and December 31, 2021. See Note 9. The carrying values of cash and cash equivalents, restricted cash, prepaid expenses, amounts due from related parties, other current assets, accounts payable, accrued construction liabilities, other accrued liabilities and other amounts due to related parties are considered to be representative of their respective fair values principally due to their short-term maturities. There were no material non-recurring fair value measurements as of December 31, 2021 and March 31, 2021 except for the calculation of the allocation of the IKONICS purchase price to the fair values of the assets acquired and liabilities assumed and the impairment loss upon IKONICS' classification as held for sale.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following as of December 31, 2021 (in thousands):

	December 31, 2021	March 31, 2021
Construction in process	$ 20,867	$ —
Equipment	19	—
Deposits on miners	70,560	—
	91,446	—
Less: accumulated depreciation	—	—
	$ 91,446	$ —

The Company capitalizes a portion of the interest on funds borrowed to finance its capital expenditures. Capitalized interest is recorded as part of an asset's cost and will be depreciated over the asset's useful life. Capitalized interest costs was $94,000 for the nine months ended December 31, 2021.

No depreciation expense was recorded for the nine months ended December 31, 2021 or the period February 8, 2021 (date of inception) to March 31, 2021.

NOTE 7 — LEASES

Effective in May 2021, the Company entered into a ground lease related to its planned bitcoin mining facility in New York with a counterparty which is a related party due to control by a member of Company management. The lease includes fixed payments and contingent payments, including an annual escalation based on the change in the Consumer Price Index as well as the Company's proportionate share of the landlord's cost to own, operate and maintain the premises. The lease has an initial term of five years commencing in May 2021 and a renewal term of five years at the option of the Company, subject to the Company not then being in default, as defined. Payments under the lease commence upon the earlier of (i) commencement of initial construction of structures on the premises or (ii) 180 days after the effective date. The lease is classified as an operating lease based on an analysis that utilized a discount rate of 6%, which is an estimate of the Company's incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the commencement date. For the nine months ended December 31, 2021, the Company recorded operating lease expense of $107,000 in operating expense in the consolidated statement of operations and madeno lease payments. The remaining lease term is 9.3 years.

The following is a maturity analysis of the annual undiscounted cash flows of the estimated operating lease liabilities as of December 31, 2021 (in thousands):

Year ending December 31:	
2022	$ 150
2023	150
2024	150
2025	150
2026	150
Thereafter	662
	$ 1,412

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A reconciliation of the undiscounted cash flows to the operating lease liabilities recognized in the consolidated balance sheet as of December 31, 2021 follows (in thousands):

Undiscounted cash flows of the operating lease	$ 1,412
Unamortized discount	332
Total operating lease liability	1,080
Current portion of operating lease liability	88
Operating lease liability, net of current portion	$ 992

NOTE 8 – INCOME TAXES

The components of net loss before income tax for continuing operations (comprised of the total of loss before income tax and equity in net loss of investee and equity in net loss of investee, net of tax) for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 are as follows (in thousands):

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Domestic	$ (45,516)	$ (1,676)
Foreign	—	—
Total	$ (45,516)	$ (1,676)

The Company's income tax benefit for continuing operations for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 are as follows (in thousands):

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Current:		
Federal	$ —	$ —
State	—	—
Total current income tax (benefit) expense	—	—
Deferred:		
Federal	(615)	—
State	—	—
Total deferred income tax benefit	(615)	—
Income tax benefit	$ (615)	$ —

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A reconciliation between income tax benefit and the expected tax benefit at the statutory rate for the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021 are as follows:

	Nine Months Ended December 31, 2021	Period February 8, 2021 (date of inception) to March 31, 2021
Federal statutory rate	21.0 %	21.0 %
State rate, net of federal benefit	0.0 %	0.0 %
Non-deductible equity financing costs	(2.8)%	0.0 %
Change in valuation allowance	(16.8)%	(21.0)%
Effective tax rate	1.4 %	0.0 %

The significant components of the Company's deferred tax liabilities, net consist of the following at December 31, 2021 and March 31, 2021 (in thousands):

	December 31, 2021	March 31, 2021
Deferred tax assets:		
Net operating loss	$ 6,678	$ 352
Share based liabilities	2,630	—
Accruals and reserves	470	—
Tax credit carryforwards	278	—
Operating lease liability	227	—
Gross deferred tax assets	10,283	352
Valuation allowance	(8,295)	(352)
Deferred tax assets, net	1,988	—
Deferred tax liabilities:		
Property, plant and equipment	(899)	—
Intangible assets	(723)	—
Inventory	(407)	—
Right-of-use asset	(215)	—
Deferred tax liabilites, net	$ (256)	$ —

ASC 740 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of available evidence, it is more likely than not that some or a portion or all the deferred tax assets will not be realized. The Company has estimated that approximately $0.6 million of deferred tax assets will be utilized to offset the Company's deferred tax liabilities established in purchase accounting during the nine months ended December 31, 2021. Based upon the level of historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will not realize the benefits of the remaining deductible temporary differences, and as a result the Company has recorded a valuation allowance for the amount of deferred tax assets that will not be realized. The increase in the December 31,2021 valuation allowance of $7.9 million is primarily attributable to the current year net loss.

As of December 31, 2021 and March 31, 2021, for federal income tax purposes the Company had total net operating loss carryforwards of approximately $31.5 million and $1.6 million, respectively. As of December 31, 2021, approximately $0.1 million will begin to expire in 2037 and approximately $31.4 million of the net operating losses will have an indefinite carryforward as a result of the Tax Cuts and Jobs Act. For state income tax purposes, as of December 31, 2021 and March 31, 2021 the Company had state net operating loss carryforwards of approximately $0.7 million and $0.0 million, respectively, which begin to expire in 2029.

As of December 31, 2021 and March 31, 2021, the Company has available federal research development tax credit carryforwards of approximately $0.1 million and $0.0 million, respectively. The federal research credits will begin to expire in 2036. As of December

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31, 2021 and March 31, 2021, the Company has available state research development tax credit carryforwards of approximately $0.1 million and $0.0 million, respectively. The state tax credit carryforwards will begin to expire in 2034.

Under the provisions of the Internal Revenue Code, the net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Net operating loss and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, respectively, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years.

The Company follows the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which specifies how tax benefits for uncertain tax positions are to be recognized, measured, and recorded in financial statements; requires certain disclosures of uncertain tax matters; specifies how reserves for uncertain tax positions should be classified on the balance sheet; and provides transition and interim period guidance, among other provisions. At December 31, 2021 and March 31, 2021, the Company has not recorded any long-term liabilities for uncertain tax positions. The Company's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of operations. For the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, no estimated interest or penalties were recognized on uncertain tax positions.

The Company files income tax returns in the U.S. federal tax jurisdiction and various state jurisdictions. Since the Company is in a loss carryforward position, the Company is generally subject to examination by the U.S. federal, state and local income tax authorities for all years in which a loss carryforward is available. The statute of limitations for assessment by federal and state tax jurisdictions in which the Company has business operations is open for the tax year ended December 31, 2021. The tax years subject to examination vary by jurisdiction.

NOTE 9 – DEBT

Promissory Notes

Between October 4, 2021 and November 19, 2021, the Company obtained loans (each, a "Loan") from itsthree largest stockholders in an aggregate principal amount of $25.0 million, each evidenced by a promissory note, certain of which were amended and restated subsequent to issuance. Interest on the unpaid principal balance of each Loan accrued at a rate of 8% per annum and was paid in kind and added to the principal balance of such Loan on a monthly basis. The outstanding principal amount of each Loan, together with all accrued and unpaid interest thereon, was due and payable in full on the earliest to occur of: (i) the issuance of equity securities by the Company or any of its subsidiaries under any offering in an amount greater than $50.0 million; and (ii) the first anniversary of the issuance date of such Loan. The Company could have prepaid the outstanding principal balance of the Loans, in whole or in part, without penalty or premium at any time prior to the applicable maturity date. In December 2021, the Loans were repaid in full.

Long-Term Debt

Long-term debt consists of the following as of December 31, 2021 (in thousands):

Term loan	$ 123,500
Debt issuance costs and debt discount	(28,873)
	94,627
Less long-term debt due within one year	—
Total long-term debt, net of portion due within one year	$ 94,627

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On December 1, 2021, TeraCub entered into a Loan, Guaranty and Security Agreement with Wilmington Trust, National Association as administrative agent (the "LGSA"). The LGSA consists of a $123.5 million term loan facility (the "Term Loan"). On December 14, 2021, TeraWulf. executed a joinder agreement whereby it effectively became the successor borrower to TeraCub and assumed all obligations under the LGSA. The Company shall pay the outstanding principal balance of the Term Loan in quarterly installments, commencing in April 2023, equal to 12.5% of the original principal amount of the Term Loan. The maturity date of the Term Loan is December 1, 2024. The Term Loan bears an interest rate of 11.5% and an upfront fee of 1%, an amount of approximately $1.2 million. Upon the occurrence and during the continuance of an event of default, as defined, the applicable interest rate will be 13.5%. Interest payments are due quarterly in arrears. The Company has the option to prepay all or any portion of the Term Loan in increments of at least $5.0 million subject to certain prepayment fees, including: (1) if paid prior to the first anniversary of the LGSA, a make whole amount based on the present value of the unpaid interest that would have been paid on the prepaid principal amount over the first year of the Term Loan, (2) if paid subsequent to the first anniversary of the LGSA but prior to the second anniversary of the LGSA, an amount of 3% of the prepaid principal and (3) if paid subsequent to the second anniversary of the LGSA but prior to the maturity date of the LGSA, an amount of 2% of the prepaid principal. Certain events, as described in the LGSA, require mandatory prepayment. The Term Loan is guaranteed by TeraWulf Inc. and TeraCub and its subsidiaries, as defined, and is collateralized by substantially all of the properties, rights and assets of TeraWulf Inc. and TeraCub and its subsidiaries (except IKONICS), as defined. One Term Loan investor, NovaWulf Digital Master Fund, L.P., with a principal balance of $15.0 million, is a related party due to cumulative voting control by members of Company management and a member of the Company's board of directors.

The LGSA requires the Company to maintain or meet certain affirmative, negative, financial and reporting covenants. The affirmative covenants include, among other things, a requirement for the Company to maintain insurance coverage, maintain mining equipment and comply in all material respects with the Company's Nautilus joint venture agreement (see Note 10), each as defined. The negative covenants restrict or limit the Company's ability to, among other things, incur debt, create liens, divest or acquire assets, make restricted payments and permit the Company's interest in the Nautilus joint venture to be reduced below 50%, each as defined. The LGSA also contains usual and customary events of default. If an event of default occurs and is continuing, the then outstanding obligations under the LGSA may become immediately due and payable.

In connection with the LGSA, the Company issued to the holders of the Term Loans839,398 shares of Common Stock (the "Term Loan Equity"), which is a quantity of Common Stock which represented 1.5% of the outstanding shares of the publicly registered shares of TeraWulf subsequent to the Closing. In connection with the issuance of the Term Loans, the Company incurred aggregate issuance costs of approximately $4.0 million, in addition to the $1.2 million upfront fee. The aggregate issuance costs and the upfront fee were allocated to the Term Loan Equity and the Term Loan based on the relative fair value method in the amounts of $1.1 million and $4.1 million, respectively. For the Term Loan, this $4.1 million was included in debt discount along with the fair value of the Term Loan Equity, an amount of $25.7 million. The total of these items, an amount of $29.8 million, represents debt issuance costs and debt discount and is deducted from the Term Loan proceeds and is being accreted into the long-term debt balance over the three-year term of the debt at an effective interest rate of 12.9%, which is in addition to the stated interest rate. For the nine months ended December 31, 2021, the Company amortized $990,000 of the capitalized debt issuance costs and debt discount to interest expense in the consolidated statement of operations. Capitalized debt issuance costs and debt discount of $28.9 million are recorded as a reduction of long-term debt at December 31, 2021 in the consolidated balance sheet.

Principal maturities of outstanding long-term debt as of December 31, 2021 are as follows (in thousands):

Year ending December 31:	
2022	$ —
2023	46,313
2024	77,187
Total principal maturities	$ 123,500

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NOTE 10 – JOINT VENTURE

On May 13, 2021, the Company and Talen Energy Corporation ("Talen") (each a "Member" and collectively the "Members") entered into a joint venture, Nautilus, to develop, construct and operate up to 300 MW of zero-carbon bitcoin mining in Pennsylvania (the "Joint Venture"). In connection with the Joint Venture, Nautilus simultaneously entered into (i) a ground lease (the "Ground Lease"), which includes an electricity supply component, with a related party of Talen, (ii) a Facility Operations Agreement with a related party of the Company and (3) a Corporate Services Agreement with a related party of Talen. Each Member holds a 50% interest in the Joint Venture. Pursuant to the terms of the Joint Venture agreement, TeraWulf would contribute $156.0 million both in cash and in-kind and Talen would contribute $156.0 million both in cash and in-kind to Nautilus by March 2022, unless otherwise determined in accordance with the Joint Venture agreement. The aforementioned contributions are now expected to be contributed by the third quarter of 2022, as agreed to by the Members. The Company capitalizes a portion of the interest on funds borrowed to finance its investments in Nautilus prior to Nautilus commencing its principal operations. Capitalized interest costs was $57,000 for the nine months ended December 31, 2021.

On March 19, 2021, TeraCub executed an agreement for the purchase of bitcoin miners from Minerva Semiconductor Corp. ("Minerva") for a total of 30,000 MV7 miners, with originally scheduled monthly deliveries of miners each between November 2021 and January 2022, for an aggregate price of $118.5 million (the "Minerva Purchase Agreement"). Pursuant to the Minerva Purchase Agreement, the Company paid an initial deposit of $23.7 million and the amount is included in deposits in the consolidated balance sheet as of March 31, 2021. During the nine months ended December 31, 2021, the Company paid to Minerva $16.8 million and was reimbursed by Talen for 50% of that amount and also reimbursed by Talen an additional amount of $11.9 million related to 50% of the initial deposit paid prior to March 31, 2021. The balance of payments under the Minerva Purchase Agreement were originally scheduled to be paid as follows: (i) 30% of the total price six months before the shipping date of each batch of bitcoin miners; (ii) 30% of the total price three months before the shipping date of each batch of bitcoin miners; and (iii) the remaining 20% of the total price one month before the shipping date of each batch of bitcoin miners. Production delays at Minerva's factory have impacted the initial pricing and delivery schedule. Accordingly, Nautilus and Minerva have deemed all payments made to date to apply to the initial 10,000 miners to be shipped, which payments comprise 90% of the total amount due for these miners. As of the date at which these financial statements were available to be issued, Nautilus had not amended the Minerva Purchase Agreement.

On June 15, 2021, Nautilus entered into two Non-fixed Price Sales and Purchase Agreements for the purchase of bitcoin miners from Bitmain Technologies Limited ("Bitmain") for a total of 30,000 S19j Pro miners, with originally scheduled monthly deliveries of 5,000 miners each between January 2022 and June 2022 (the "Bitmain Purchase Agreements"). During the nine months ended December 21, 2021, the Company paid to Bitmain approximately $124.6 million under the Bitmain Purchase Agreements. On a net basis, the Company funded approximately $76.9 million as Talen reimbursed the Company during the nine months ended December 31, 2021 approximately $47.7 million in accordance with the Joint Venture agreement.

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The Company's direct payments to Minerva and Bitmain, among others, on behalf of Nautilus for the nine months ended December 31, 2021, are included in investments in joint venture related to direct payments made on behalf of joint venture in the consolidated statement of cash flows. A reconciliation of amounts included within this footnote to captions in the consolidated statement of cash flows follows (in thousands):

Payment of TeraWulf 50% share of Minerva deposits	$ (8,400)
Payment of TeraWulf 50% share of Bitmain deposits	(76,926)
Other direct payments	(8,585)
Investments in joint venture related to direct payments made on behalf of joint venture	$ (93,911)
Payment of Talen 50% share of Minerva deposits	$ (8,400)
Payment of Talen 50% share of Bitmain deposits	(47,657)
Reimbursable payments for deposits on plant and equipment made on behalf of a joint venture partner	$ (56,057)
Talen reimbursement of 50% share of Minerva deposits	$ 8,400
Talen reimbursement of 50% share of Bitmain deposits	47,657
Reimbursement of payments for deposits on plant and equipment made on behalf of a joint venture partner	$ 56,057
Talen reimbursement of 50% share of Minerva initial deposit paid by TeraWulf in the period ended March 31, 2021	$ 11,850
Reimbursement from joint venture partner for deposits on plant and equipment contributed to the joint venture	$ 11,850
Minerva Purchase Agreement assignment: TeraWulf 50% share of Minerva initial deposit paid by TeraWulf in the period ended March 31, 2021	$ (11,850)
Contribution of deposits on plant and equipment to joint venture (non-cash activity)	$ (11,850)

Nautilus is a VIE accounted for using the equity method of accounting. The table below summarizes the Company's interest in Nautilus and the Company's maximum exposure to loss as a result of its involvement with the VIE as of December 31, 2021 (in thousands, except for percentages):

Entity	% Ownership	Initial Investment	Additional Investment	Net loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Contributions (1)	Company's Maximum Exposure to Loss in Entity (2)
Nautilus	50 %	$ 18,000	$ 87,818	$ 1,538	$ 104,280	$ 50,239	$ 154,519

(1) The Members may seek alternate financing for the Pennsylvania bitcoin mining facility, which could reduce the amount of investments each Member would be required to provide. The Members may mutually agree on changes to the Pennsylvania bitcoin mining facility, which could increase or decrease the amount of contributions each Member is required to provide.

(2) The maximum exposure at December 31, 2021 is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide additional financial support. The amount represents

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the contractually required capital contributions of the Company which are required for the initial phase of the Pennsylvania bitcoin mining facility buildout.

The condensed results of operations for the nine months ended December 31,2021 and the condensed financial position as of December 31, 2021, of Nautilus are summarized below (in thousands):

	Nine months ended December 31, 2021
Condensed statements of operations information:	
Revenue	$ —
Operating expense	3,076
Net loss	$ (3,076)

	December 31, 2021
Condensed balance sheet information:	
Current assets	$ 4,960
Noncurrent assets	214,803
Total assets	$ 219,763
Current liabilities	$ 11,317
Equity	208,446
Total liabilities and equity	$ 219,763

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings, regulatory inquiries and claims that arise in the ordinary course of its business activities.

Bitmain Miner Purchase Agreements

On December 7, 2021, the Company entered into a Non-fixed Price Sales and Purchase Agreement with Bitmain for the purchase of3,000 S19XP miners, with originally scheduled monthly deliveries of 500 miners each between July 2022 and December 2022 (the "Second Bitmain Purchase Agreement") for a total purchase price of $32.6 million. The Second Bitmain Purchase Agreement includes liquidated damage provisions that may be applied if payments are not made within sixty days of a payment due date, if not otherwise mutually extended. For a batch of miners comprising a monthly shipment, if timely payments were made on installments then due, the Company holds an option to partially or wholly cancel that batch of miners and the remaining balance on that batch shall be refunded no later than two years after such cancellation. The Company is responsible for all logistics costs related to transportation for the delivery of miners. Pursuant to the Second Bitmain Purchase Agreement, the Company paid an initial deposit of approximately $11.4 million during the nine months ended December 31, 2021. The balance of payments due under the Second Bitmain Purchase Agreement are scheduled to be paid in unequal monthly installments through November 2022.

On December 15, 2021, the Company entered into a Non-fixed Price Sales and Purchase Agreement with Bitmain for the purchase of15,000 S19XP miners, with originally scheduled monthly deliveries of 2,500 miners each between July 2022 and December 2022 (the "Third Bitmain Purchase Agreement") for a total purchase price of $169.1 million. The Third Bitmain Purchase Agreement includes liquidated damage provisions that may be applied if payments are not made within sixty days of a payment due date, if not otherwise mutually extended. For a batch of miners comprising a monthly shipment, if timely payments were made on installments then due, the Company holds an option to partially or wholly cancel that batch of miners and the remaining balance on that batch shall be refunded no later than two years after such cancellation. The Company is responsible for all logistics costs related to transportation for the delivery of miners. Pursuant to the Third Bitmain Purchase Agreement, the Company paid an initial deposit of approximately $59.2

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million during the nine months ended December 31, 2021. The balance of payments due under the Third Bitmain Purchase Agreement are scheduled to be paid in unequal monthly installments through November 2022.

NOTE 12 – DEFINED CONTRIBUTION PLAN

The TeraWulf Inc. 401(k) Plan is a safe harbor defined contribution plan which qualified under section 401(k) of the Internal Revenue Code. A participant's right to claim a distribution of his or her account balance is dependent on the plan, Employee Retirement and Income Security Act guidelines and Internal Revenue Service regulations. All active participants are fully vested in all contributions to the 401(k) plan. During the nine months ended December 31, 2021 and the period February 8, 2021 (date of inception) to March 31, 2021, the Company expensed approximately $55,000 and $0, respectively, for Company matching contributions.

NOTE 13 – TERACUB REDEEMABLE CONVERTIBLE PREFERRED STOCK

In April 2021, TeraCub commenced a private placement offering of2,000,000 shares of Series A Preferred Stock, at an original issuance price per share of $25.00, to certain individuals and accredited investors, for an aggregate amount of $50.0 million (the "Series A Private Placement"). On June 15, 2021, the Series A Private Placement concluded and was fully funded.

On December 2, 2021, TeraCub's Certificate of Incorporation was amended to provide that if the Closing under the Merger Agreement were to occur, the conversion ratio that shall apply to the conversion of shares of preferred stock immediately prior to the effective time of the Closing shall be equal to 0.8696560 shares of TeraCub common stock for each share of preferred stock. On December 13, 2021, the Closing was effected and TeraCub converted the 2,000,000 shares of preferred stock into 1,739,311 shares of common stock.

No dividends were declared for the nine months ended December 31, 2021.

NOTE 14 – COMMON STOCK

TeraWulf

Commensurate with the Closing, the TeraWulf Certificate of Incorporation was amended to provide for authorized shares of225,000,000, divided into (a) 200,000,000 shares of Common Stock, with par value of $0.001 per share and (b) 25,000,000 shares of Preferred Stock, with par value of $0.001 per share. Each holder of a share of Common Stock shall be entitled to one vote of each common share held. Each holder of a share of Preferred Stock shall not be entitled to any voting powers. The board of directors may authorize one or more series of Preferred Stock and may fix the number of shares in such series and the designation, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series. No series of preferred stock were authorized as of December 31, 2021.

No dividends were declared for the nine months ended December 31, 2021.

TeraCub

Per the TeraCub Amended and Restated Certificate of Incorporation dated December 13, 2021, the total number of shares of all classes of stock authorized to be issued is 1,000 shares, all of which will be common stock with the par value of $0.001 per share. Prior to that date, TeraCub's authorized capital stock consisted of 100,000,000 shares of common stock, par value $0.001 per share, and 20,000,000 shares of preferred stock, par value $0.001 per share, with 2,000,000 shares of such authorized Preferred Stock designated as Series A Preferred Stock. Upon establishment of the Company,44,000,000 shares of common stock were issued to the Company's founders.

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In March 2021, TeraCub completed a private offering of 6,000,000 shares of common stock at a price per share of $5.00 to certain individuals, for an aggregate gross amount of $30.0 million (the "Common Stock Private Placement"), representing approximately 12% of the outstanding shares of the TeraCub's common stock subsequent to such issuance of shares. The applicable stockholders agreement provided for certain limitations on share transfer rights, for registration of shares in connection with an initial public offering, for execution of a lock-up agreement upon an initial public offering, for certain tag-along and drag-along rights and for certain preemptive rights upon future issuance of shares by TeraCub. The voting rights of common stockholders and certain board of director features including the number of directors, board composition and replacement of directors under certain conditions were circumscribed by certain stockholders which are controlled by certain members of the Company's board of directors. Proceeds of the Common Stock Private Placement were used primarily to fund the purchase of bitcoin mining equipment.

In December 2021, TeraCub completed a private offering of 2,261,932 shares of common stock at a price per share of $33.82 to certain institutional and individual investors, for gross proceeds of approximately $76.5 million (the "December Private Placement"). Additionally, in connection with the Term Loan offering, TeraCub issued 839,398 shares of common stock.

On December 13, 2021, the Closing was effected and the then outstanding 54,840,641 shares of TeraCub common stock converted into 97,976,728 of shares of Common Stock of TeraWulf, resulting in a total of 99,976,253 shares of Common Stock of the then publicly registered TeraWulf outstanding as of that date.

No dividends were declared for the nine months ended December 31, 2021 and for the period from February 8, 2021 (date of inception) to March 31, 2021.

NOTE 15 – STOCK BASED COMPENSATION

On May 13, 2021, the Company made effective the 2021 Omnibus Incentive Plan (the "Plan") for purpose of attracting and retaining employees, consultants and directors of the Company and its affiliates by providing each the opportunity to acquire an equity interest in the Company or other incentive compensation in order to align the interests of such individuals with those of the Company's stockholders. The Plan provides for a maximum number of shares to be issued, limitations of shares to be delivered for incentive stock options and a maximum compensation amount for any non-employee member of the board of directors, among other provisions. The form of grants under the Plan includes stock options, stock appreciation rights, restricted stock and restricted stock units. No grants have been made under the Plan as of the date the consolidated financial statements were available to be issued.

NOTE 16 – RELATED PARTY TRANSACTIONS

On April 27, 2021, the Company entered into an Administrative and Infrastructure Services Agreement (the "Services Agreement") with Beowulf Electricity & Data Inc. ("Beowulf E&D"), a related party due to control by a member of Company management. Under the Services Agreement, Beowulf E&D will provide, or cause its affiliates to provide, to TeraWulf certain services necessary to build out and operate certain bitcoin mining facilities anticipated to be developed by the Company and support the Company's ongoing business, including, among others, services related to construction, technical and engineering, operations and maintenance, procurement, information technology, finance and accounting, human resources, legal, risk management and external affairs consultation. The Services Agreement has an initial term of five years and provides for certain fixed, passthrough and incentive payments to Beowulf E&D, including issuing to certain designated employees of Beowulf E&D awards with respect to shares of TeraWulf Common Stock upon the consummation of an initial public offering of TeraWulf or the consummation of a merger following which TeraWulf is listed on a nationally recognized securities exchange and, thereafter, upon achievement of certain milestones regarding bitcoin mining capacity deployed at the bitcoin mining facilities. For the base fee, the Company has agreed to pay Beowulf E&D in monthly installments an annual fee for the first year in the amount of $7.0 million and, thereafter, an annual fee equal to the greater of $10.0 million or $0.0037 per kilowatt hour of electric load utilized by the bitcoin mining facilities. The Services Agreement also provides for reimbursement of cost and expenses incurred in connection with providing the services. For the nine months ended December 31, 2021, the Company paid Beowulf E&D $8.5 million under the Services Agreement. Selling, general and administrative – related party in the consolidated statement of operations includes $5.4 million for the nine months ended December 31, 2021 related to the base fee and reimbursement of costs and expenses. As of December 31, 2021, $583,000 is included in prepaid expenses, $647,000 is included in amounts due from related parties and $1.9 million is included in property, plant and equipment, net in the consolidated balance sheet.

TERAWULF INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Services Agreement provides for performance related milestones and related incentive compensation. In connection with the listing of its Common Stock on a nationally recognized stock exchange, the Company agreed to issue awards valued at $12.5 million with respect to shares of its Common Stock to certain designated employees of Beowulf E&D in accordance with TeraWulf's then effective Plan. This performance milestone was met on the Closing Date. However, no awards have been issued as of the date these consolidated financial statements were available for issuance. The $12.5 million performance expense is included in selling, general and administrative – related party in the consolidated statement of operations for the nine months ended December 31, 2021. As of December 31, 2021, $12.5 million is included in share based liabilities due to related party in the consolidated balance sheet. Once the mining facilities have utilized 100MW of cryptocurrency mining load in the aggregate, and for every incremental 100 MW of cryptocurrency mining load deployed by the mining facilities in the aggregate thereafter, TeraWulf agreed to issue additional awards of shares of TeraWulf Common Stock each in the amount of $2.5 million to certain designated employees of Beowulf E&D in accordance with TeraWulf's then effective Plan.

In April 2021, the Company reimbursed Heorot Power Holdings LLC, a related party due to control by a member of Company management, $1.6 million related to (i) the development of bitcoin mining facilities including services and third-party costs for transmission consulting, engineering consulting, transmission system impact study costs, electricity procurement and site development costs, (ii) joint venture investigation and negotiation and (iii) certain Company organizational and legal costs. During the nine months ended December 31, 2021 and for the period from February 8, 2021 (date of inception) to March 31, 2021, $120,000 and $577,000, respectively, was included in selling, general and administrative expense – related party in the consolidated statements of operations and $0 and $853,000, respectively, was included in operating expenses – related party in the consolidated statements of operations.

In June 2021, the Company paid a related party due to control by a member of Company management $632,000 for the purchase of certain electrical infrastructure and equipment for its planned bitcoin mining facility in New York. The certain electrical infrastructure and equipment is included in property, plant and equipment, net in the consolidated balance sheet as of December 31, 2021.

NOTE 17 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 31, 2022, which is also the date these consolidated financial statements were available to be issued, and has determined that the following subsequent events require disclosure.

Subsequent to December 31, 2021, the Company made payments totaling approximately $12.1 million to Bitmain for miner deposits related to purchase commitments under the Second Bitmain Purchase Agreement and Third Bitmain Purchase Agreement.

In February 2022, the Company entered into the an At Market Issuance Sales Agreement (the "Sales Agreement") with B. Riley Securities, Inc. and D.A. Davidson & Co. (each, individually, an "Agent" and, collectively, the "Agents"), pursuant to which the Company may offer and sell, from time to time, through or to the agents, acting as agent or principal, shares of the Company's Common Stock, par value $0.001 per share, having an aggregate offering price of up to $200.0 million (the "Shares"). The Company is not obligated to sell any Shares under the Sales Agreement. of March 28, 2022, the Company sold 521,390 shares of Common Stock for net proceeds of $4.3 million. The issuance and sale of the Shares by the Company under the ATM Offering will be made pursuant to the Company's effective registration statement on Form As S-3 (Registration Statement No. 333-262226) (as amended, the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "SEC") on January 31, 2022, and declared effective on February 4, 2022.

In March 2022, the Company issued shares of Series A Convertible Preferred Stock (the "Preferred Stock") of approximately $10 million and Common Stock of approximately $5 million (including approximately $3 million issued pursuant to the ATM Offering) primarily to existing shareholders and newly appointed directors. The Preferred Stock has no maturity date and will be entitled to cumulative non-cash dividends at the rate of 10% per annum. The initial conversion rate for the Preferred Stock is 100 shares of Common Stock per $1,000 liquidation preference. The Preferred Stock contains certain customary anti-dilution rights, adjustments to the conversion price and mandatory conversion rights, each as defined.

In February 2022, the Company entered into an agreement with the Power Authority of the State of New York for the purchase of 90 MW of electric power over a term of ten years. This agreement includes certain Company site investment commitments.

In March 2022, the Company entered into an exchange agreement with Nautilus and the Nautilus co-venturer whereby the Company purchases 2,500 of Nautilus' Bitmain miners to be received under the Bitmain Purchase Agreements in exchange for an option to either (1) deliver exchange miners, as defined, at a later date in fulfillment of the Company's obligations or (2) incur a pro forma adjustment to Nautilus' distributions such that the Nautilus co-venturer is made whole as though the miners had not been transferred to the Company.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of such period, are effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act are:

- Recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and
- Accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the nine months ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act. Those rules define internal control over financial reporting as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, the Company's management used the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on our assessment and those criteria, management believes that, as of December 31, 2021, the Company's internal control over financial reporting is effective.

Inherent Limitations of Internal Controls

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and misstatements are prevented or detected. 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.

Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B. Other Information

None.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Our board of directors has adopted a code of ethics policy that applies to all of our directors, officers, and employees, including our chief executive officer, chief financial officer, and all of the finance team. The full text of our code of ethics policy can be found on the governance page within the investors section of our website at www.terawulf.com. We intend to disclose any changes in or waivers from the codes of ethics by posting such information on our corporate website or by filing a Current Report on Form 8-K.

Information relating to this item will be included in an amendment to this Annual Report on Form 10-K or in the proxy statement for our 2022 annual stockholders' meeting and is incorporated by reference in this Annual Report on Form 10-K. Certain information concerning our executive officers is included in Item 1 of Part I of this Annual Report on Form 10-K and is hereby incorporated by reference.

ITEM 11. Executive Compensation

Information relating to this item will be included in an amendment to this Annual Report on Form 10-K or in the proxy statement for our 2022 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to this item will be included in an amendment to this Annual Report on Form 10-K or in the proxy statement for our 2022 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Information relating to this item will be included in an amendment to this Annual Report on Form 10-K or in the proxy statement for our 2022 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

ITEM 14. Principal Accounting Fees and Services

Information relating to this item will be included in an amendment to this Annual Report on Form 10-K or in the proxy statement for our 2022 annual stockholders' meeting and is hereby incorporated by reference in this Annual Report on Form 10-K.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a) **Exhibits and Financial Statement Schedules**

(1) Our Consolidated Financial Statements and Notes thereto are included in Item 8 of this Annual Report on Form 10-K. See "Financial Statements and Supplementary Data—TeraWulf Inc.—Index" for more detail.

(2) All financial schedules have been omitted either because they are not applicable or because the required information is provided in our Consolidated Financial Statements and Notes thereto, included in Item 8 of this Annual Report on Form 10-K.

(3) Index to Exhibits

Exhibit Number	Description
(2.1)	Agreement and Plan of Merger, dated as of June 24, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.2)	Amendment to the Agreement and Plan of Merger, dated as of August 5, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.3)	Amendment No. 2 to the Agreement and Plan of Merger, dated as of September 17, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Appendix A of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(2.4)	Amendment No. 3 to the Agreement and Plan of Merger, dated as of December 2, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Exhibit 2.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on December 3, 2021).
(2.5)	Amendment No. 4 to the Agreement and Plan of Merger, dated as of December 8, 2021, by and among TeraWulf Inc. (formerly known as Telluride Holdco, Inc.), IKONICS Corporation, Telluride Merger Sub I, Inc., Telluride Merger Sub II, Inc. and TeraCub Inc. (formerly known as TeraWulf Inc.) (incorporated by reference to Exhibit 2.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on December 9, 2021).
(3.1)	Amended and Restated Certificate of Incorporation of TeraWulf Inc., dated as of December 13, 2021 (incorporated by reference to Exhibit 3.1 of Form 8-K12B filed with the SEC on December 13, 2021).
(3.2)	Amended and Restated Bylaws of TeraWulf Inc., effective as of December 13, 2021 (incorporated by reference to Exhibit 3.2 of Form 8-K12B filed with the SEC on December 13, 2021).
(3.3)	TeraWulf Inc. Series A Convertible Preferred Certificate of Designations (incorporated by reference to Exhibit 3.1 of Form 8-K/A filed with the SEC on March 17, 2022).
(10.1)	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Paul B. Prager (incorporated by reference to Exhibit 10.9 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).

Exhibit Number	Description
(10.2)	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Kenneth J. Deane (incorporated by reference to Exhibit 10.10 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.3)	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Nazar M. Khan (incorporated by reference to Exhibit 10.11 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.4)	Employment Letter Agreement, dated November 4, 2021, by and between TeraWulf Inc. and Kerri M. Langlais (incorporated by reference to Exhibit 10.12 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.5)	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Paul B. Prager (incorporated by reference to Exhibit 10.13 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.6)	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Kenneth J. Deane (incorporated by reference to Exhibit 10.14 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.7)	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Nazar M. Khan (incorporated by reference to Exhibit 10.15 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.8)	Restrictive Covenant Agreement, dated as of November 4, 2021, by and between TeraWulf Inc. and Kerri M. Langlais (incorporated by reference to Exhibit 10.16 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.9)*	TeraWulf 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.17 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.11)*	Form of TeraWulf Inc. 2021 Omnibus Incentive Plan Performance-Based Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.19 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.12)	Voting and Support Agreement, dated as of June 24, 2021, by and among TeraWulf Inc. and each of the directors and executive officers of IKONICS Corporation parties thereto (incorporated by reference herein to Exhibit 10.1 to the Current Report on Form 8-K filed by IKONICS Corporation on June 25, 2021).
(10.13)	Form of Voting and Support Agreements by and among IKONICS Corporation and certain holders of TeraWulf Inc. common stock (incorporated by reference to Exhibit 10.2 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.14)	Form of Contingent Value Rights Agreement, by and among IKONICS Corporation, Telluride Holdco, Inc., the Rights Agent named therein, and the initial CVR Holders' Representative named therein ((incorporated by reference as Appendix E of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.15)	Administrative and Infrastructure Services Agreement, dated as of April 27, 2021, by and between TeraWulf Inc. and Beowulf Electricity & Data Inc (incorporated by reference to Exhibit 10.4 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.16)	Non-Fixed Price Sales and Purchase Agreement, dated as of June 15, 2021, by and between Bitmain Technologies Limited and Nautilus Cryptomine LLC (incorporated by reference to Exhibit 10.5 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).

Exhibit Number	Description
(10.17)	Non-Fixed Price Sales and Purchase Agreement, dated as of June 15, 2021, by and between Bitmain Technologies Limited and Nautilus Cryptomine LLC (incorporated by reference to Exhibit 10.6 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.18)	Equipment Purchase Agreement, dated as of March 19, 2021, by and between Minerva Semiconductor Corp. and TeraWulf Inc. (incorporated by reference to Exhibit 10.7 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.19)	Assignment and Assumption Agreement, dated as of May 13, 2021, by and between TeraWulf Inc. and Nautilus Cryptomine LLC (incorporated by reference to Exhibit 10.8 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.20)	Form of Registration Rights Agreement, by and among Telluride Holdco Inc. and TeraWulf Inc. (incorporated by reference to Exhibit 10.20 of TeraWulf Inc.'s Amendment No. 6 to the Registration Statement on Form S-4 (file no. 333-258335) filed with the SEC on November 10, 2021).
(10.21)	At Market Issuance Sales Agreement, dated as of February 11, 2022, by and between TeraWulf Inc. and B. Riley Securities, Inc. and D.A. Davidson & Co (incorporated by reference to Exhibit 1.1 of TeraWulf Inc.'s Current Report on Form 8-K filed with the SEC on February 11, 2022).
10.22	Non-Fixed Price Sales and Purchase Agreement, dated as of December 7, 2021, by and between Bitmain Technologies Limited and Lake Mariner Data LLC.
10.23	Non-Fixed Price Sales and Purchase Agreement, dated as of December 15, 2021, by and between Bitmain Technologies Limited and Lake Mariner Data LLC.
10.24	Loan, Guaranty and Security Agreement, dated as of December 1, 2021, by and among Wilmington Trust, National Association, a national banking association, in its capacity as administrative agent and collateral agent, the Lenders party thereto from time to time, the Guarantors and TeraWulf Inc., a Delaware Corporation.
21.1	List of subsidiaries.
23.1	Consent of RSM US LLP, registered public accounting firm of TeraWulf Inc.
31.1	Certification of the Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
31.2	Certification of the Principal Financial and Accounting Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
32.1	Certification of the Principal Executive Officer and the Principal Financial and Accounting Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
101	Financial statements for the period ended December 31, 2021 formatted in Inline Extensible Business Reporting Language (iXBRL); (i) Condensed Balance Sheets as of December 31, 2021, (ii) Condensed Statements of Operations for the Year Ended December 31, 2021, (iii) Statements of Stockholders' Equity for the Year Ended December 31, 2021, (iv) Condensed Statements of Cash Flows for the Year Ended December 31, 2021, and (v) Notes to Condensed Financial Statements.

( ) Exhibits previously filed in the Company's periodic filings as specifically noted.

* Executive compensation plans and arrangements.

ITEM 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERAWULF INC.
(Registrant)

March 31, 2022
(Date)

By: /s/ Paul B. Prager
Paul B. Prager
(*Chief Executive Officer*)

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Paul B. Prager Paul B. Prager	Chief Executive Officer and Chair of the Board of Directors (Principal Executive Officer and Director)
/s/ Kenneth J. Deane Kenneth J. Deane	Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ Nazar M. Khan Nazar M. Khan	Chief Operating Officer, Chief Technology Officer and Executive Director
/s/ Kerri M. Langlais Kerri M. Langlais	Chief Strategy Officer and Executive Director
/s/ Michael C. Bucella Michael C. Bucella	Director
/s/ Walter E. Carter Walter E. Carter	Director
/s/ Catherine J. Motz Catherine J. Motz	Director
/s/ Jason G. New Jason G. New	Director
/s/ Steven T. Pincus Steven T. Pincus	Director
/s/ Lisa A. Prager Lisa A. Prager	Director

Exhibit 10.22

Execution Copy

NON-FIXED PRICE

SALES AND PURCHASE AGREEMENT

BETWEEN

Bitmain Technologies Limited

("Bitmain")

AND

Lake Mariner Data LLC

("Purchaser")

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This non-fixed price sales and purchase agreement (this "Agreement") is made on December 7, 2021 by and between Bitmain Technologies Limited ("Bitmain"), with its principal place of business at Unit Al of Unit A, 11th Floor, Success Commercial Building, 245-251 Hennessy Road, Hong Kong and Lake Mariner Data LLC ("Purchaser"), with its principal place of business at 9 Federal Street, Easton, MD 21601.

Bitmain and the Purchaser shall hereinafter collectively be referred to as the "Parties", and individually as a "Party".

Whereas:

1. Purchaser and/or its affiliates has made numerous purchases of the Products through Bitmain's website (i.e.https://shop.bitmain.com/, similarly hereinafter) from time to time, and is therefore familiar with the purchase order processes of Bitmain's website.

2. Purchaser fully understands the market risks, the price-setting principles and the market fluctuations relating to the Products sold under this Agreement.

3. Based on the above consensus, the Purchaser desires to purchase, and Bitmain desires to supply, certain Products in accordance with the terms and conditions of this Agreement.

The Parties hereto agree as follows:

1. Definitions and Interpretations

The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person; "Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity (whether or not having separate legal personality); and "Control" means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, provided that, in the case of a Person that is an entity, such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the equity holders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Applicable Law" means any treaty, law, decree, order, regulation, decision, statute, ordinance, rule, directive, code or other document that has legal force under any system of law, including, without limitation, local law, law of any other state or part thereof or international law, and which creates or purports to create any requirement or rule that may affect, restrict, prohibit or expressly allow the terms of this Agreement or any activity contemplated or carried out under this Agreement.

"Bank Account" means the bank account information of Bitmain provided in Appendix A of this Agreement.

"Force Majeure" means in respect of either Party, any event or occurrence whatsoever beyond the reasonable control of that Party, which delays, prevents or hinders that Party from performing any obligation imposed upon that Party under this Agreement, including to the extent such event or occurrence shall delay, prevent or hinder such Party from performing such obligation, war (declared or undeclared), terrorist activities, acts of sabotage, blockade, fire, lightning, acts of god, national strikes, riots, insurrections, civil commotions, quarantine restrictions, epidemics, earthquakes, landslides, avalanches, floods, hurricanes, explosions and regulatory and administrative or similar action or delays to take actions of any governmental authority.

"Intellectual Property Rights" means any and all intellectual property rights, including but not limited to those concerning inventions, patents, utility models, registered designs and models, engineering or production materials, drawings, trademarks, service marks, domain names, applications for any of the foregoing (and the rights to apply for any of the foregoing), proprietary or business sensitive information and/or technical know-how, copyright, authorship, whether registered or not, and any neighbor rights.

"Order" means the Purchaser's request to Bitmain for certain Product(s) in accordance with this Agreement.

"Product(s)" means the cryptocurrency mining hardware and other equipment or merchandise that Bitmain will provide to the Purchaser in accordance with this Agreement.

"Total Purchase Price" means the aggregate amount payable by the Purchaser as set out in Appendix A of this Agreement.

"Warranty Period" means the period of time that the Product(s) are covered by the warranty granted by Bitmain or its Affiliates in accordance with Clause 7 of this Agreement.

"Warranty Start Date" means the date on which the Product(s) are delivered to the carrier.

Interpretations:

i) Words importing the singular include the plural and vice versa where the context so requires.

ii) The headings in this Agreement are for convenience only and shall not be taken into consideration in the interpretation or construction of this Agreement.

iii) References to Clauses and Appendix(es) are references to Clauses and Appendix(es) of this Agreement.

iv) Unless specifically stated otherwise, all references to days shall mean calendar days.

v) Any reference to a code, law, statute, statutory provision, statutory instrument, order, regulation or other instrument of similar effect shall include any re-enactment or amendment thereof for the time being in force.

2. Sales of Product(s)

Bitmain will provide the Product(s) set forth in Appendix A (attached hereto as part of this Agreement) to the Purchaser in accordance with provisions of Clause 2, Clause 3, Clause 4, Clause 5 and Appendix A of this Agreement, and the Purchaser shall make payment in accordance with the terms specified in this Agreement.

2.1 Both Parties agree that the Product(s) shall be sold in accordance with the following steps:

(i) The Purchaser shall place an Order through Bitmain's website or through other methods accepted by Bitmain, and such Order shall constitute an irrevocable offer to purchase specific Product(s) from Bitmain.

(ii) After receiving the Order, Bitmain will send an order receipt confirmation email to the Purchaser. The Purchaser's Order will be valid for a period of twenty-four (24) hours after its placement, and upon expiration of such period, Bitmain will have the right to cancel the Order at its sole discretion if the Purchaser fails to pay the down payment in accordance with Appendix A of this Agreement.

(iii) The Purchaser shall pay the Total Purchase Price in accordance with Appendix A of this Agreement.

(iv) Upon receipt of the Total Purchase Price, Bitmain will provide a payment receipt to the Purchaser.

(v) Bitmain will send a shipping confirmation to the Purchaser after it has delivered the Product(s) to the carrier, and the Order shall be deemed accepted by Bitmain upon Bitmain's issuance of the shipping confirmation.

2.2 Both Parties acknowledge and agree that the order receipt confirmation and the payment receipt shall not constitute nor be construed as Bitmain's acceptance of the Purchaser's Order, but mere acknowledgement of the receipt of the Order and the Total Purchase Price.

2.3 Both Parties acknowledge and agree that in case of product unavailability, Bitmain shall have the right to cancel the Order after it has issued the order receipt confirmation, the payment receipt or the shipping confirmation without any penalty or liability.

2.4 The Purchaser acknowledges and confirms that the Order is irrevocable and cannot be cancelled by the Purchaser, and that the Product(s) ordered are neither returnable nor refundable. All sums paid by the Purchaser to Bitmain shall not be subject to any abatement, set-off, claim, counterclaim, adjustment, reduction, or defense for any reason. Down payment and payment of Total Purchase Price are not refundable, save as otherwise mutually agreed by the Parties.

3. Prices and Terms of Payment

3.1 The Total Purchase Price shall be paid in accordance with the payment schedule set forth in Appendix B of this Agreement.

3.2 Default of the full payment

(1) In the event that the Purchaser fails to fully settle the respective percentage of the Total Purchase Price before the prescribed deadline(s) set forth in Appendix B, Bitmain, at its sole discretion, shall be entitled to request the Purchaser to pay, within sixty (60) days after such applicable deadline, liquidated damages equal to twenty percent (20%) of the Purchaser's payment obligations with respect to the batch of Products for which payment was not made within the prescribed deadline (with the understanding such amount is reasonable and shall not constitute a penalty as set forth in Clause 27 of this Agreement), provided, however, Purchaser shall not be required to pay such liquidated damages if it obtains Bitmain's prior written consent for an extension of its obligation to pay within five (5) business days of the prescribed deadline:

(i) Failure of payment of the liquidated damage: in the event that the Purchaser fails to pay the aforementioned amounts after the expiration of the final payment deadline, Bitmain shall be entitled to terminate this Agreement. If there are any remaining balance of the Purchaser after deducting for liquidated damages, such remaining balance shall be refunded to the Purchaser free of any interest.

(ii) Request of resumption of performance by Purchaser: if the Purchaser requests to continue to make payment of the purchase price after its initial delay, and if Bitmain has not otherwise terminated this Agreement, Bitmain shall be entitled to reject the payment of the purchase price temporarily and request the Purchaser pay the aforementioned liquidated damage. Afterwards, the Parties shall negotiate the settlement separately.

(2) Notwithstanding the foregoing, if the Purchaser fails to pay any payment on a timely basis and Bitmain has arranged production or procurement, Bitmain shall be entitled to request the Purchaser to be responsible for the loss related to such production or procurement and the liability of the Purchaser shall be no less than twenty percent (20%) of the Total Purchase Price.

3.3 The Total Purchase Price set forth in this Agreement is merely an estimate of the price and not the actual price. The actual price will be determined one month before the current batch is shipped and with reference to the market circumstances, provided that the actual price shall not be higher than the estimated price.

3.4 Upon receipt of notification of the actual price provided by Bitmain, the Purchaser shall be entitled to three options:

(i) continue to perform the Order of the current batch of the Product(s) with the original rated hashrate and pay the remaining amount at the actual price; or

(ii) request Bitmain to increase the rated hashrate by an amount that would equate to the dollar difference by which the estimated price exceeds the actual price (if any) with Bitmain having the right to negotiate with the Purchaser for the amount of the additional rated hashrate based on its then inventory; or

(iii) partially or wholly cancel the Order of the current batch of Product(s), provided, however, prior to Bitmain's notification of the actual price, the Purchaser shall make timely payments based on the estimated price as specified in Clause 3.1.

The Purchaser shall not claim any refund from Bitmain if the estimated price exceeds the actual price. Any balance resulting from the Purchaser's payment of the estimated purchase price shall be credited to the balance of Purchaser or its Affiliates. In the event the Purchaser cancels any Order for any batches of Products, the payments for those batches cannot be used as down payments for any other batch listed in this Agreement. However, the remaining balance shall be refunded to the Purchaser free of any interest no later than two years after the Order is cancelled.

Furthermore, the Purchaser shall exercise its option under this Clause 3.4 by written confirmation to Bitmain within two (2) days after Bitmain notifies the Purchaser of the actual price. If the Purchaser fails to provide confirmation of its exercise of its option and no agreement is reached between the Parties within such two (2) day period, the Purchaser shall be deemed to have voluntarily and irrevocably waived its option under this Clause 3.4 and the Parties shall continue to perform the Order of the current batch of Product(s) with the original rated hashrate and the Purchaser shall pay the remaining amount at the actual price. If the Purchaser exercises its options pursuant to this Clause 3.4, no additional changes to the payment options shall be made for the current batch of Product(s).

3.5 Before the Purchaser makes any payment on any batch of Product(s), the Parties shall confirm and agree on the batch of the Product(s) against which payment is being made. This confirmation shall be used to determine matters where different arrangements are applicable to different batches, including, but not limited to, defaults of the Purchaser and the product discount offered to the Purchaser.

3.6 Before the delivery date, Bitmain shall be entitled to request the Purchaser to sign a Sales and Purchase Agreement by sending a written notice to the Purchaser, and the Purchaser shall cooperate to sign such Sales and Purchase Agreement and pay the price of the remaining batch(s) of Products to Bitmain as specified in this Agreement. If the Purchaser refuses to sign a Sales and Purchase Agreement as required by Bitmain, Bitmain shall be entitled to request the Purchaser to perform its rights and obligations referred in this Agreement.

3.7 The Parties understand and agree that the applicable prices of the Product(s) are inclusive of applicable bank transaction fee, but are exclusive of any and all applicable import duties, taxes and governmental charges. The Purchaser shall pay or reimburse Bitmain for all taxes levied on or assessed against the amounts payable hereunder (including, without limitation, any sales, use, value added, VAT, GST, PST or other taxes of a similar nature

imposed by any federal, state or local taxing authority). If any payment is subject to withholding, the Purchaser shall pay such additional amounts as necessary, to ensure that Bitmain receives the full amount it would have received had payment not been subject to such withholding.

4. Product Discount

4.1 No discount will be offered by Bitmain to the Purchaser.

5. Shipping of Product(s)

5.1 Bitmain shall deliver the Products in accordance with the shipping schedule to the first carrier or the carrier designated by the Purchaser.

5.2 Subject to the limitations stated in Appendix A, the terms of delivery of the Product(s) shall be CIP (carriage and insurance paid to Lake Mariner Data, 7725 Lake Road, Barker, NY 14012 U.S.A) according to Incoterms 2010) to the place of delivery designated by the Purchaser. Once the Product(s) have been delivered to the carrier, Bitmain shall have fulfilled its obligation to supply the Product(s) to the Purchaser, and the title and risk of loss or damage to the Product(s) shall pass to the Purchaser. The Parties hereby acknowledge and agree that the delivery of the Product(s) to the carrier shall occur outside of the United States, and as such, the transfer of title and risk of loss or damage with respect to the Product(s) when delivered to the carrier shall pass to the Purchaser outside of the United States.

5.3 In the event of any discrepancy between this Agreement and Bitmain's cargo insurance policy regarding the insurance coverage, the then effective Bitmain cargo insurance policy shall prevail, and Bitmain shall be required to provide the then effective insurance coverage to the Purchaser.

5.4 If Bitmain fails to deliver the Products after thirty (30) days after the prescribed deadline, the Purchaser shall be entitled to cancel the Order of such batch of Products and request Bitmain to refund the price of such undelivered batch of Products together with interest of 0.0333% per day for the period beginning from the date immediately after which payment for such batch of Products was made to the date immediately prior to the Purchaser's request for refund.

5.5 If Bitmain postpones the shipping schedule of the Products and the Purchaser does not cancel the Order and requests Bitmain to perform its delivery obligation, Bitmain shall compensate the Purchaser a daily amount equal to 0.0333% of the price for such undelivered batch of Products, which compensation shall be made in the form of delivery of more rated hashrate. Amount less than one unit of Product shall be credited to the balance in the Purchaser's user system on Bitmain's official website, which shall be viewable by the Purchaser.

5.6 There are six (6) batches of Products under this Agreement and each batch shall constitute independent legal obligations of and shall be performed separately by the Parties. The

delay of a particular batch shall not constitute waiver of the payment obligation of the Purchaser in respect of other batches. The Purchaser shall not be entitled to terminate this Agreement solely on the ground of delay of delivery of a single batch of Products.

5.7 The Purchaser shall choose the following shipping method:

■ Shipping by Bitmain via FedEx/DHL/UPS/other logistics company;
☐ Self-pick

Note: Logistics costs shall be borne by the Purchaser. Bitmain may collect payments on behalf of the services providers and issue services invoices if the Purchaser requests Bitmain to send the Products.

5.8 Bitmain shall not be responsible for any delivery delay caused by the Purchaser or any third party, including but not limited to carriers, customs, and import brokers, nor shall it be liable for damages, whether direct, indirect, incidental, consequential, or otherwise, for any failure, delay or error in delivery of any Product(s) for any reason whatsoever.

5.9 Bitmain shall not be responsible and the Purchaser shall be fully and exclusively responsible for any loss of Product(s), personal injury, property damage, other damages or liability caused by the Product(s) or the transportation of the Product(s) either to the Purchaser or any third party, or theft of the Product(s) during transportation from Bitmain to the Purchaser.

5.10 Bitmain has the right to discontinue the sale of the Product(s) and to make changes to its Product(s) at any time, without prior approval from or notice to the Purchaser.

5.11 If the Product(s) is rejected and/or returned to Bitmain because of any reason and regardless of the cause of such delivery failure, the Purchaser shall be solely and exclusively liable for and shall defend, fully indemnify and hold harmless Bitmain against any and all related expenses, fees, charges and costs incurred, arising out of or incidental to such rejection and/or return (the "Return Expenses"). Furthermore, if the Purchaser requests for Bitmain's assistance to redeliver such Product(s) or assist in any other manner, and if Bitmain at its sole discretion agrees to redeliver or assist, then in addition to the Return Expenses, the Purchaser shall also pay Bitmain an administrative fee in accordance with Bitmain's then applicable internal policy.

5.12 If the Purchaser fails to provide Bitmain with the delivery place or the delivery place provided by the Purchaser is a false address or does not exist, or the Purchaser refuses to accept the Products when delivered, any related costs occurred (including storage costs, warehousing charge and labor costs) shall be borne by the Purchaser. Bitmain may issue the Purchaser a notice of self-pick-up to require the Purchaser to pick up the Products. Bitmain shall be deemed to have completed the delivery obligation under this Agreement after two (2) business days following the issue of the self-pick-up notice.

5.13 The Purchaser shall inspect the Products within two (2) days (the "Acceptance Time") after receiving the Products (the date of signature on the carrier's delivery voucher shall be the

date of receipt). If the Purchaser does not raise any written objection within the Acceptance Time, the Products delivered by Bitmain shall be deemed to be in full compliance with the provisions of this Agreement.

6. Customs

6.1 Bitmain shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances for the export of the Product(s) that are required to be obtained by Bitmain or the carrier under Applicable Laws.

6.2 The Purchaser acknowledges that it shall be the importer of record with respect to the Product(s), and shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances required for the import of the Product(s) to the country of delivery as indicated in the shipping information, that are required to be obtained by the Purchaser or the carrier under Applicable Laws, and shall be responsible for any and all additional fees, expenses and charges in relation to the import of the Product(s).

6.3 To the extent permitted by laws, except for the Warranty as set forth in Clause 7 of the Agreement, Bitmain provides no other warranty, whether explicit or implied, in any form, including but not limited to the warranty of the marketability, satisfaction of the quality, suitability for the specific purpose, not infringing third party's right, etc. In addition, Bitmain shall not be responsible for any direct, specific, incidental, accidental or indirect loss arising from the use of the Product(s), including but not limited to the loss of commercial profits.

6.4 Bitmain shall not be liable for any loss caused by:

(i) failure of the Purchaser to use the Product(s) in accordance with the manual, specifications, operation descriptions or operation conditions provided by Bitmain in writing;

(ii) the non-operation of the Product(s) during the replacement/maintenance period or caused by other reasons; or

(iii) confiscation, seizure, search or other actions taken by government agencies such as customs.

7. Warranty

7.1 The Warranty Period shall start on the Warranty Start Date and end on the 365th day after the Warranty Start Date. During the Warranty Period, the Purchaser's sole and exclusive remedy, and Bitmain's entire liability, will be to repair or replace, at Bitmain's option, the defective part/component of the Product(s) or the defective Product(s) at no charge to the Purchaser. If the Purchaser requires Bitmain to provide any warranty services, the Purchaser shall create a maintenance order on Bitmain's website during the Warranty

Period (the time of creation of the maintenance order shall be determined by the display time of such order on Bitmain's website) and send the Product to the place designated by Bitmain within the time limit required by Bitmain. Bitmain may refuse to provide the warranty service if the request for such warranty service was not made in accordance with this Clause 7.1.

7.2 The Parties acknowledge and agree that the warranty provided by Bitmain as stated in the preceding paragraph does not apply to the following:

(i) normal wear and tear;

(ii) damage resulting from accident, abuse, misuse, neglect, improper handling or improper installation;

(iii) damage or loss of the Product(s) caused by undue physical or electrical stress, including but not limited to moisture, corrosive environments, high voltage surges, extreme temperatures, shipping, or abnormal working conditions;

(iv) damage or loss of the Product(s) caused by acts of nature including, but not limited to, floods, storms, fires, and earthquakes;

(v) damage caused by operator error, or non-compliance with instructions as set out in accompanying product documentation provided by Bitmain;

(vi) alterations by persons other than Bitmain, or its associated partners or authorized service facilities;

(vii) Product(s), on which the original software has been replaced or modified by persons other than Bitmain, or its associated partners or authorized service facilities;

(viii) counterfeit products;

(ix) damage or loss of data due to interoperability with current and/or future versions of operating system, software and/or hardware;

(x) damage or loss of data caused by improper usage and behavior which is not recommended and/or permitted in the product documentation provided by Bitmain;

(xi) failure of the Product(s) caused by usage of products not supplied by Bitmain; and

(xii) hash boards or chips are burnt.

In case the warranty is voided, Bitmain may, at its sole discretion, provide repair service to the Purchaser, and the Purchaser shall bear all related expenses and costs.

7.3 Notwithstanding anything to the contrary herein, the Purchaser acknowledges and agrees that the Product(s) provided by Bitmain do not guarantee any cryptocurrency mining time and, Bitmain shall not be liable for any cryptocurrency mining time loss or cryptocurrency

mining revenue loss that are caused by downtime of any part/component of the Product(s). Bitmain does not warrant that the Product(s) will meet the Purchaser's requirements or the Product(s) will be uninterrupted or error free. Except as provided in Clause 7.1 of this Agreement, Bitmain makes no warranties of any kind with respect to the Product(s) to the Purchaser, whether written, oral, express, implied or statutory, including warranties of merchantability, fitness for a particular purpose, non-infringement, or arising from course of dealing or usage in trade.

7.4 In the event of any ambiguity or discrepancy between this Clause 7 of this Agreement and Bitmain's After-sales Service Policy from time to time, it is intended that the After-sales Service Policy shall prevail and the Parties shall comply with and give effect to the After-sales Service Policy. Please refer to the website of Bitmain for detailed terms of warranty and after-sales maintenance. Bitmain has no obligation to notify the Purchaser of the update or modification of such terms.

7.5 During the warranty period, if the hardware product needs to be repaired or replaced, the Purchaser shall bear the logistics costs of shipping the Product to the address designated by Bitmain, and Bitmain shall bear the logistics costs of shipping the repaired or replaced Product to the address designated by the Purchaser. The Purchaser shall bear all and any additional costs incurred due to incorrect or incomplete delivery information provided by the Purchaser and all and any risks of loss or damage to the Product, or the parts or components of the Products during any shipping periods.

8. Representations and Warranties

The Purchaser makes the following representations and warranties to Bitmain:

8.1 It has the full power and authority to own its assets and carry on its businesses.

8.2 The obligations expressed to be assumed by it under this Agreement are legal, valid, binding and enforceable obligations.

8.3 It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

8.4 The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:

(i) any Applicable Law;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets.

8.5 All authorizations required or desirable:

(i) to enable it to lawfully enter into, exercise its rights under and comply with its obligations under this Agreement;

(ii) to ensure that those obligations are legal, valid, binding and enforceable; and

(iii) to make this Agreement admissible in evidence in its jurisdiction of organization,

have been, or will have been by the time, obtained or effected and are, or will by the appropriate time be, in full force and effect.

8.6 It is not aware of any circumstances which are likely to lead to:

(i) any authorization obtained or effected not remaining in full force and effect;

(ii) any authorization not being obtained, renewed or effected when required or desirable; or

(iii) any authorization being subject to a condition or requirement which it does not reasonably expect to satisfy or the compliance with which has or could reasonably be expected to have a material adverse effect.

8.7 (a) It is not the target of economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury or Singapore ("Sanctions"), including by being listed on the Specially Designated Nationals and Blocked Persons (SDN) List maintained by OFAC or any other Sanctions list maintained by one of the foregoing governmental authorities, directly or indirectly owned or controlled by one or more SDNs or other Persons included on any other Sanctions list, or located, organized or resident in a country or territory that is the target of Sanctions, and (b) the purchase of the Product(s) will not violate any Sanctions or import and export control related laws and regulations.

8.8 All information supplied by the Purchaser is and shall be true and correct, and the information does not contain and will not contain any statement that is false or misleading.

9. Indemnification and Limitation of Liability

9.1 The Purchaser shall, during the term of this Agreement and at any time thereafter, indemnify and save Bitmain and/or its Affiliates harmless from and against any and all damages, suits, claims, judgments, liabilities, losses, fees, costs or expenses of any kind, including legal fees, whatsoever arising out of or incidental to the Products pursuant to this Agreement.

9.2 Notwithstanding anything to the contrary herein, Bitmain and its Affiliates shall under no circumstances, be liable to the Purchaser for any consequential damages, or any indirect,

incidental, special, exemplary or punitive damages, or any measure of damages based on diminution in value or based on any loss of goodwill, business, anticipated profits, revenue, contract, or business opportunity or similar concept, and the Purchaser hereby waives any claim it may at any time have against Bitmain and its Affiliates in respect of any such damages. The foregoing limitation of liability shall apply whether in an action at law, including but not limited to contract, strict liability, negligence, willful misconduct or other tortious action, or an action in equity.

9.3 Bitmain and its Affiliates' cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the down payment actually received by Bitmain from the Purchaser for the Product(s). The Purchaser's and its Affiliates' cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the Total Purchase Price, provided, however, that Purchaser's and its Affiliate's liability arising out of any obligations pursuant to Section 11.3 and 11.4 hereof shall be unlimited.

9.4 The Product(s) are not designed, manufactured or intended for use in hazardous or critical environments or in activities requiring emergency or fail-safe operation, such as the operation of nuclear facilities, aircraft navigation or communication systems or in any other applications or activities in which failure of the Product(s) may pose the risk of environmental harm or physical injury or death to humans. In addition to the disclaimer of warranties set forth in Clause 7.3 of this Agreement, Bitmain specifically disclaims any express or implied warranty of fitness for any of the applications described in the preceding sentence and any such use shall be at the Purchaser's sole risk.

9.5 The above limitations and exclusions shall survive and apply (1) notwithstanding any exclusive or limited remedy is found to have failed its essential purpose; and (2) whether or not Bitmain has been advised of the possibility of such damages. The Parties acknowledge the limitation of liability and the allocation of risks in this Clause 9 is an essential element of the basis of the bargain between the Parties under this Agreement and Bitmain's pricing reflects this allocation of risk and the above limitations of liability.

10. Distribution

10.1 This Agreement does not constitute a distributor agreement between Bitmain and the Purchaser. The Purchaser acknowledges that it is not an authorized distributor of Bitmain.

10.2 The Purchaser shall in no event claim or imply to a third party that it is an authorized distributor of Bitmain or Bitmain (Antminer) or their respective Affiliates, or perform any act that will cause it to be construed as an authorized distributor of Bitmain or Bitmain (Antminer) or their respective Affiliates. As between the Purchaser and Bitmain, the Purchaser shall be exclusively and fully responsible for complying with the Applicable Laws regarding repackaging the Product(s) for the Purchaser's redistribution needs, and

shall be solely liable for any and all liabilities or costs directly incurred or incidental to such redistribution.

11. Intellectual Property Rights

11.1 The Parties agree that the Intellectual Property Rights in any way contained in the Product(s), made, conceived or developed by Bitmain and/or its Affiliates for the Product(s) under this Agreement and/or, achieved, derived from, related to, connected with the provision of the Product(s) by Bitmain and/or acquired by Bitmain from any other person in performance of this Agreement shall be the exclusive property of Bitmain and/or its Affiliates.

11.2 Notwithstanding anything to the contrary herein, all Intellectual Property Rights in the Product(s) shall remain the exclusive property of Bitmain and/or its licensors. Except for licenses explicitly identified in Bitmain's shipping confirmation or in this Clause 11.2, no rights or licenses are expressly granted, or implied, whether by estoppel or otherwise, in respect of any Intellectual Property Rights of Bitmain and/or its Affiliates or any Intellectual Property residing in the Product(s) provided by Bitmain to the Purchaser, including in any documentation or any data furnished by Bitmain. Bitmain grants the Purchaser a non-exclusive, non-transferrable, royalty-free and irrevocable license of Bitmain and/or its Affiliates' Intellectual Property Rights to solely use the Product(s) delivered by Bitmain to the Purchaser for their ordinary function, and subject to the Clauses set forth herein. The Purchaser shall in no event violate the Intellectual Property Rights of Bitmain and/or its licensors.

11.3 The Purchaser shall not illegally use or infringe the Intellectual Property Rights of the Product in any other measure. Otherwise, Bitmain shall have the right to request the Purchaser to take immediate remedial measures and assume full responsibilities, including but not limited to ceasing the infringement immediately, eliminating the impact, and compensating Bitmain and/or its suppliers for all losses arising out of the illegal use or infringement, etc.

11.4 The Purchaser shall not use any technical means to disassemble, map or analyze the Products of Bitmain that the Purchaser obtains publicly, and shall not reverse engineer or otherwise attempt to derive or obtain information about the function, manufacture or operation of the Products, to retrieve relevant technical information of the Products and use it for commercial purposes. Otherwise, the Purchaser shall be liable for losses caused to Bitmain in accordance with Clause 11.3.

11.5 If applicable, payment by the Purchaser of non-recurring charges to Bitmain for any special designs, or engineering or production materials required for Bitmain's performance of Orders for customized Product(s), shall not be construed as payment for the assignment from Bitmain to the Purchaser of title to such special designs, engineering or production materials. Bitmain shall be the sole owner of such special designs, engineering or production materials.

12. Confidentiality and Communications

12.1 All information concerning this Agreement and matters pertaining to or derived from the provision of Product(s) pursuant to this Agreement between the Parties, whether in oral or written form, or in the form of drawings, computer programs or other, as well as all data derived therefrom ("Confidential Information"), shall be deemed to be confidential and, as such, may not be divulged to any unauthorized person. The Purchaser undertakes and agrees to take all reasonable and practicable steps to ensure and protect the confidentiality of the Confidential Information which cannot be passed, sold, traded, published or disclosed to any unauthorized person.

13. Injunctive Relief

13.1 The Purchaser acknowledge that monetary damages may not provide a remedy in the event of certain breach of the Purchaser's obligations to this Agreement and therefore, in addition to any other rights of Bitmain, the Purchaser grants to Bitmain the right to enforce this Agreement by means of injunction, both mandatory (specific performance) and preventive, without the necessity of obtaining any form of bond or undertaking whatsoever, and waives any claim or defense that damages may be adequate or otherwise preclude injunctive relief.

14. Term of this Agreement

14.1 The Parties agree that, unless this Agreement specifies otherwise, no Party shall terminate this Agreement in advance.

14.2 This Agreement shall be effective upon signing of this Agreement and shall remain effective up to and until the delivery of the last batch of Products.

15. Notices

15.1 All notices, requirements, requests, claims, and other communications in relation to this Agreement shall be in writing, and shall be given or made by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) or electronic mail to the respective Parties at the addresses specified below or at such other address for a Party as may be specified in a notice given in accordance with this Clause 14.1.

15.2 The Purchaser undertakes that the documents, materials, vouchers, order information, payment account information, credential numbers, mobile phone numbers, transaction instructions and so on provided by the Purchaser shall be true, correct, complete and effective, and the information does not contain any statement that is false or misleading.

15.3 If there is any suspicious transaction, illegal transaction, risky transaction or other risky events of the Purchaser's account registered on Bitmain's website, the Purchaser agrees that Bitmain shall have the right to disclose the Purchaser's registration information, transaction information, identity information, logistics information upon the request of relevant judicial agencies, regulatory agencies or third-party payment institutions for

investigation purpose. In addition, if necessary, the Purchaser shall provide further information upon Bitmain's request.

15.4 The following are the initial address of each Party:

If to the Purchaser:

Address: 9 Federal Street, Easton, MD 21601 U.S.A

Attn: Nazar Khan

Phone: (410) 770-9500

Email: khan@terawulf.com

If to Bitmain:

Address: Building #1, Courtyard #9, Fenghao East Road, Haidian District, Beijing, China

Attn: Chloe Miao

Phone:

Email: qingqing.miao@bitmain.com

15.5 All such notices and other communications shall be deemed effective in the following situations:

(i) if sent by delivery in person, on the same day of the delivery;

(ii) if sent by registered or certified mail or overnight courier service, on the same day the written confirmation of delivery is sent; and

(iii) if sent by electronic mail, at the entrance of the related electronic mail into the recipient's electronic mail server.

16. Compliance with Laws and Regulations

16.1 The Purchaser undertakes that it will fully comply with all Applicable Laws in relation to export and import control and Sanctions and shall not take any action that would cause Bitmain or any of its Affiliates to be in violation of any export and import control laws or Sanctions. The Purchaser shall also be fully and exclusively liable for and shall defend, fully indemnify and hold harmless Bitmain and/or its Affiliates from and against any and all claims, demands, actions, costs or proceedings brought or instituted against Bitmain and/or its Affiliates arising out of or in connection with any breach by the Purchaser or the carrier of any Applicable Laws in relation to export and import control or Sanction.

16.2 The Purchaser acknowledges and agrees that the Product(s) in this Agreement are subject to the export control laws and regulations of all related countries, including but not limited to the Export Administration Regulations ("EAR") of the United States. Without limiting the foregoing, the Purchaser shall not, without receiving the proper licenses or license exceptions from all related governmental authorities, including but not limited to the U.S. Bureau of Industry and Security, distribute, re-distribute, export, re-export, or transfer any Product(s) subject to this Agreement either directly or indirectly, to any national of any country identified in Country Groups D:1 or E:1 as defined in the EARs. In addition, the Product(s) under this Agreement may not be exported, re-exported, or transferred to (a) any person or entity for military purposes; (b) any person or entity listed on the "Entity List", "Denied Persons List" or the SDN List as such lists are maintained by the U.S. Government, or (c) an end-user engaged in activities related to weapons of mass destruction. Such activities include but are not necessarily limited to activities related to: (1) the design, development, production, or use of nuclear materials, nuclear facilities, or nuclear weapons; (2) the design, development, production, or use of missiles or support of missiles projects; and (3) the design, development, production, or use of chemical or biological weapons. The Purchaser further agrees that it will not do any of the foregoing in violation of any restriction, law, or regulation of the European Union or an individual EU member state that imposes on an exporter a burden equivalent to or greater than that imposed by the U.S. Bureau of Industry and Security.

16.3 The Purchaser undertakes that it will not take any action under this Agreement or use the Product(s) in a way that will be a breach of any anti-money laundering laws, any anti-corruption laws, and/or any counter-terrorist financing laws.

16.4 The Purchaser warrants that the Product(s) have been purchased with funds that are from legitimate sources and such funds do not constitute proceeds of criminal conduct, or realizable property, or proceeds of terrorism financing or property of terrorist, within the meaning given in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A) and the Terrorism (Suppression of Financing) Act (Chapter 325), respectively. If Bitmain receives, including but not limited to investigation, evidence collection, restriction and other measures, from any competent organizations or institutions, the Purchaser shall immediately cooperate with Bitmain and such competent organizations or institutions in the investigation process, and Bitmain may request the Purchaser to provide necessary security if so required. If any competent organizations or institutions request Bitmain to seize or freeze the Purchaser's Products and funds (or take any other measures), Bitmain shall be obliged to cooperate with such competent organizations or institutions, and shall not be deemed as breach of this Agreement. The Purchaser understands that if any Person resident in Singapore knows or suspects or has reasonable grounds for knowing or suspecting that another Person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the Person will be required to report such knowledge or suspicion to the Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force. The Purchaser acknowledges that such a report shall not be treated as breach of

confidence or violation of any restriction upon the disclosure of information imposed by any Applicable Law, contractually or otherwise.

17. Force Majeure

17.1 To the extent that a Party is fully or partially delayed, prevented or hindered by an event of Force Majeure from performing any obligation under this Agreement (other than an obligation to make payment), subject to the exercise of reasonable diligence by the affected Party, the failure to perform shall be excused by the occurrence of such event of Force Majeure. A Party claiming that its performance is excused by an event of Force Majeure shall, promptly after the occurrence of such event of Force Majeure, notify the other Party of the nature, date of inception and expected duration of such event of Force Majeure and the extent to which the Party expects that the event will delay, prevent or hinder the Party from performing its obligations under this Agreement. The notifying Party shall thereafter use its best effort to eliminate such event of Force Majeure and mitigate its effects.

17.2 The affected Party shall use reasonable diligence to remove the event of Force Majeure, and shall keep the other Party informed of all significant developments.

17.3 Except in the case of an event of Force Majeure, neither party may terminate this Agreement prior to its expiry date.

17.4 The Purchaser hereby acknowledges and warrants that this Agreement and the applicable orders shall not be terminated by the Purchaser for the reasons of the restrictions or prohibitions of the cryptocurrency mining activities by any applicable governments. This clause shall prevail over all other clauses herein.

18. Entire Agreement and Amendment

This Agreement, constitutes the entire agreement of the Parties hereto and can only be amended with the written consent of both Parties or otherwise as mutually agreed by both Parties.

19. Assignment

19.1 Bitmain may freely assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to its Affiliates or to any third party. The Purchaser may freely assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to its Affiliates, but the Purchaser may not assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to any other third party without Bitmain's prior written consent.

19.2 This Agreement shall be binding upon and inure to the benefit of each Party to this Agreement and its successors in title and permitted assigns.

20. Severability

To the extent possible, if any provision of this Agreement is held to be illegal, invalid or unenforceable in whole or in part by a court, the provision shall apply with whatever deletion or modification is necessary so that such provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties. The remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.

21. Personal Data

Depending on the nature of the Purchaser's interaction with Bitmain, some examples of personal data which Bitmain may collect from the Purchaser include the Purchaser's name and identification information, contact information such as the Purchaser's address, email address and telephone number, nationality, gender, date of birth, and financial information such as credit card numbers, debit card numbers and bank account information.

Bitmain generally does not collect the Purchaser's personal data unless (a) it is provided to Bitmain voluntarily by the Purchaser directly or via a third party who has been duly authorized by the Purchaser to disclose the Purchaser's personal data to Bitmain (the Purchaser's "authorized representative") after (i) the Purchaser (or the Purchaser's authorized representative) has been notified of the purposes for which the data is collected, and (ii) the Purchaser (or the Purchaser's authorized representative) has provided written consent to the collection and usage of the Purchaser's personal data for those purposes, or (b) collection and use of personal data without consent is permitted or required by related laws. Bitmain shall seek the Purchaser's consent before collecting any additional personal data and before using the Purchaser's personal data for a purpose which has not been notified to the Purchaser (except where permitted or authorized by law).

22. Conflict with the Terms and Conditions

In the event of any ambiguity or discrepancy between the Clauses of this Agreement and the Terms and Conditions from time to time, it is intended that the Clauses of this Agreement shall prevail and the Parties shall comply with and give effect to this Agreement.

23. Governing Law and Dispute Resolution

23.1 This Agreement shall be solely governed by and construed in accordance with the laws of Hong Kong.

23.2 Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination hereof or any dispute regarding non-contractual obligations arising out of or relating to this Agreement shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Center under the UNCITRAL Arbitration Rules in force when the notice of arbitration is submitted. The decision and awards of the arbitration shall be final and binding upon the parties hereto.

24. Waiver

Failure by either Party to enforce at any time any provision of this Agreement, or to exercise any election of options provided herein shall not constitute a waiver of such provision or option, nor affect the validity of this Agreement or any part hereof, or the right of the waiving Party to thereafter enforce each and every such provision or option.

25. Counterparts and Electronic Signatures

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

26. Further Assurance

Each Party undertakes to the other Party to execute or procure to be executed all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give all Parties the full benefit of this Agreement.

27. Third Party Rights

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

28. Liquidated Damages Not Penalty

It is expressly agreed that any liquidated damages payable under this Agreement do not constitute a penalty and that the Parties, having negotiated in good faith for such specific liquidated damages and having agreed that the amount of such liquidated damages is reasonable in light of the anticipated harm caused by the breach related thereto and the difficulties of proof of loss and inconvenience or nonfeasibility of obtaining any adequate remedy, are estopped from contesting the validity or enforceability of such liquidated damages.

(*The rest part of the page is intentionally left in blank*)

Signed for and on behalf of Bitmain

Bitmain Technologies Limited

Signature
Title

Signed for and on behalf of the Purchaser

Lake Mariner Data LLC

Signature /s/ Mila Barrett
Name: Mila Barrett
Title: Secretary

APPENDIX A

1. Products:

1.1. The information (including but not limited to the quantity, rated hashrate, estimated unit price **("Unit Price"),** estimated total price **("Total Price (One Item"),** total price for all the items **("Total Purchase Price")** of Products to be purchased by Party B from Party A is as follows **("Products"):**

1.1.1 Product Type

Type	Details
Product Name	HASH Super Computing Server, S19XP
Rated hashrate / unit	~140TH/s
Rated power / unit	~3010W
J/T@25°C environment temperature	~21.5
Description	1. Bitmain undertakes that the error range of "J/T@25°C environment temperature" does not exceed 10%. 2. "Rated hashrate / unit" and "rated power / unit" are for reference only and may defer from each batch or unit. Bitmain makes no representation on "Rated hashrate / unit" and "rated power / unit". 3. Purchaser shall not reject the Products on the grounds that the parameters of the delivered Products are not in consistence with the reference indicators.

1.1.2 The estimated delivery schedule, reference quantity, total rated hashrate, unit price and total price are as follows:

Batch	Product Name	Shipping Schedule	Reference Quantity	Total Rated Hashrate (T)	Estimated Price (USD/T)	Estimated Unit Price (USD)	Estimated Total Price (USD)
1	HASH Super Computing	July 2022	500	70,000	80	11,200	5,600,000

Batch	Product Name	Shipping Schedule	Reference Quantity	Total Rated Hashrate (T)	Estimated Price (US$/T)	Estimated Unit Price (US$)	Estimated Total Price (US$)
2	HASH Super Computing Server, S19 XP	August 2022	500	70,000	80	11,200	5,600,000
3	HASH Super Computing Server, S19 XP	September 2022	500	70,000	80	11,200	5,600,000
4	HASH Super Computing Server, S19 XP	October 2022	500	70,000	75	10,500	5,250,000
5	HASH Super Computing Server, S19 XP	November 2022	500	70,000	75	10,500	5,250,000
6	HASH Super Computing Server, S19 XP	December 2022	500	70,000	75	10,500	5,250,000

1.1.3 Total price of the Products listed above:

Total Purchase Price (tax exclusive): US$ 32,550,000.00

1.2. Both Parties confirm and agree that Bitmain may adjust the total quantity based on the total hashrate provided that the total hashrate of the Product(s) actually delivered by Bitmain to the Purchaser shall not be less than the total rated hashrate agreed in Article 1.1. of this Appendix A. Bitmain makes no representation that the quantity of the actually delivered Products shall be the same as the quantity set forth in Article 1.1. of this Appendix A.

1.3. In the event that Bitmain publishes any new type of products with less J/T value and suspends the production of the type of the Products as agreed in this Agreement, Bitmain shall be entitled to release itself from any future obligation to deliver any subsequent Products by 10-day prior notice to the Purchaser and continue to deliver new types of Products to the Purchaser, the total rated hashrate of which shall be no less than such subsequent Products cancelled under this Agreement and the price of which shall be adjusted in accordance with the J/T value. In the event that the Purchaser explicitly refuses to accept new types of Products, the Purchaser is entitled to request for a refund of the remaining balance of the purchase price already paid by the Purchaser together with an interest at 0.0333% per day on such balance for the period from the next day

following the payment date of such balance to the date immediately prior to the date of request of refund. If the Purchaser accepts the new types of Products delivered by Bitmain, Bitmain shall be obliged to deliver such new types of Products to fulfill its obligations under this Agreement. The Purchaser may request to lower the actual total hashrate of the Products delivered but shall not request to increase the actual total hashrate to the level exceeding the total rated hashrate as set out in this Agreement. After Bitmain publishes new types of Products and if Bitmain has not suspended the production of the types of Products under this Agreement, Bitmain shall continue to delivery such agreed types of Products in accordance with this Agreement and the Purchaser shall not terminate this Agreement or refuse to accept the Products on the grounds that Bitmain has published new type(s) of Products.

2. Cargo insurance coverage limitations:

The cargo insurance coverage provided by Bitmain is subject to the following limitations and exceptions:

Exclusions:

- loss damage or expense attributable to willful misconduct of the Assured
- ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause, "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- loss damage or expense caused by inherent vice or nature of the subject-matter insured
- loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable)
- loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
- loss, damage, or expense arising from the use of any weapon of war employing atomic or nuclear fission, and/or fusion or other like reaction or radioactive force or matter.
- Loss, damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.
- Loss, damage or expense caused by (1) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, (2) capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt threat, (3) derelict mines, torpedoes, bombs, or other derelict weapons of war.

– Loss, damage, or expense caused by strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotion, resulting from strikes, lock-outs, labor disturbances, riots or civil commotions, caused by any terrorist or any person acting from a political motive.

3. Bitmain's BANK ACCOUNT info:

Company Name: Bitmain Technologies Limited

Company address: FLAT/RM Al 11/F SUCCESS COMMERCIAL BUILDING 245-251 HENNESSY ROAD HK

Account No.: 1503225561

Bank name: Signature Bank Bank address: 565 Fifth Avenue New York NY 10017, US

Swift Code: SIGNUS33XXX

ABA CODE: 026013576 (for US local payment)

4. The payment shall be arranged by the Purchaser as Appendix B.

5. At any time prior to the delivery, Bitmain is entitled to, by written notice, request the Purchaser to enter into a separate purchase agreement with Bitmain, and the Purchaser, if so requested, shall cooperate with Bitmain to enter into such purchase agreement and shall pay the outstanding price for the Products in accordance with the terms and conditions of this Agreement, failing which Bitmain is entitled to request the Purchaser to continue to perform its obligations under this Agreement.

6. The Purchaser shall pay 35% of the Total Purchase Price as down payment to Bitmain within seven (2) days after the signing of this Agreement, with the remaining being settled in accordance with the payment schedule set forth in this Agreement.

7. Without prejudice to the above, the unit price and the Total Purchase Price of the Product(s) and any amount paid by the Purchaser shall be all denominated in USD. Where the Parties agree that the payments shall be made in cryptocurrencies, the exchange rate between the USD and the cryptocurrency selected shall be determined and calculated as follows: (1) in the event that the Purchaser pays for any order placed on Bitmain's official website (the "Website", http://www.bitmain.com) which is valid and has not been fully paid yet, the exchange rate between the USD and the cryptocurrency fixed in such placed Order shall apply, or (2) in any other case, the real time exchange rate between the USD and the cryptocurrency displayed on the Website upon payment shall apply. The exchange rate between the USD and the cryptocurrency shall be fixed according to this provision. In any circumstance, the Purchaser shall not ask for any refund due to the change of exchange rate.

APPENDIX B

Payment Percentage	Payment Date	Note
At least 35%	Two (2) days after signing of this Agreement	35% of the Total Purchase Price
At least 35%	six (6) months prior to the shipment	35% per month of a single batch
The remaining 30%	one (1) month prior to the shipment	30% per month of a single batch

Exhibit 10.23

Execution Copy

NON-FIXED PRICE

SALES AND PURCHASE AGREEMENT

BETWEEN

Bitmain Technologies Limited
("Bitmain")

AND

Lake Mariner Data LLC

("Purchaser")

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This non-fixed price sales and purchase agreement (this "Agreement") is made on December 15, 2021 by and between Bitmain Technologies Limited ("Bitmain"), with its principal place of business at Unit Al of Unit A, 11th Floor, Success Commercial Building, 245-251 Hennessy Road, Hong Kong and Lake Mariner Data LLC ("Purchaser"), with its principal place of business at 9 Federal Street, Easton, MD 21601.

Bitmain and the Purchaser shall hereinafter collectively be referred to as the "Parties", and individually as a "Party".

Whereas:

1. Purchaser and/or its affiliates has made numerous purchases of the Products through Bitmain's website (i.e.https://shop.bitmain.com/, similarly hereinafter) from time to time, and is therefore familiar with the purchase order processes of Bitmain's website.

2. Purchaser fully understands the market risks, the price-setting principles and the market fluctuations relating to the Products sold under this Agreement.

3. Based on the above consensus, the Purchaser desires to purchase, and Bitmain desires to supply, certain Products in accordance with the terms and conditions of this Agreement.

The Parties hereto agree as follows:

1. Definitions and Interpretations

The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person; "Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity (whether or not having separate legal personality); and "Control" means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, provided that, in the case of a Person that is an entity, such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the equity holders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Applicable Law" means any treaty, law, decree, order, regulation, decision, statute, ordinance, rule, directive, code or other document that has legal force under any system of law, including, without limitation, local law, law of any other state or part thereof or international law, and which creates or purports to create any requirement or rule that may affect, restrict, prohibit or expressly allow the terms of this Agreement or any activity contemplated or carried out under this Agreement.

"Bank Account" means the bank account information of Bitmain provided in Appendix A of this Agreement.

"Force Majeure" means in respect of either Party, any event or occurrence whatsoever beyond the reasonable control of that Party, which delays, prevents or hinders that Party from performing any obligation imposed upon that Party under this Agreement, including to the extent such event or occurrence shall delay, prevent or hinder such Party from performing such obligation, war (declared or undeclared), terrorist activities, acts of sabotage, blockade, fire, lightning, acts of god, national strikes, riots, insurrections, civil commotions, quarantine restrictions, epidemics, earthquakes, landslides, avalanches, floods, hurricanes, explosions and regulatory and administrative or similar action or delays to take actions of any governmental authority.

"Intellectual Property Rights" means any and all intellectual property rights, including but not limited to those concerning inventions, patents, utility models, registered designs and models, engineering or production materials, drawings, trademarks, service marks, domain names, applications for any of the foregoing (and the rights to apply for any of the foregoing), proprietary or business sensitive information and/or technical know-how, copyright, authorship, whether registered or not, and any neighbor rights.

"Order" means the Purchaser's request to Bitmain for certain Product(s) in accordance with this Agreement.

"Product(s)" means the cryptocurrency mining hardware and other equipment or merchandise that Bitmain will provide to the Purchaser in accordance with this Agreement.

"Total Purchase Price" means the aggregate amount payable by the Purchaser as set out in Appendix A of this Agreement.

"Warranty Period" means the period of time that the Product(s) are covered by the warranty granted by Bitmain or its Affiliates in accordance with Clause 7 of this Agreement.

"Warranty Start Date" means the date on which the Product(s) are delivered to the carrier.

Interpretations:

i) Words importing the singular include the plural and vice versa where the context so requires.

ii) The headings in this Agreement are for convenience only and shall not be taken into consideration in the interpretation or construction of this Agreement.

iii) References to Clauses and Appendix(es) are references to Clauses and Appendix(es) of this Agreement.

iv) Unless specifically stated otherwise, all references to days shall mean calendar days.

v) Any reference to a code, law, statute, statutory provision, statutory instrument, order, regulation or other instrument of similar effect shall include any re-enactment or amendment thereof for the time being in force.

2. Sales of Product(s)

Bitmain will provide the Product(s) set forth in Appendix A (attached hereto as part of this Agreement) to the Purchaser in accordance with provisions of Clause 2, Clause 3, Clause 4, Clause 5 and Appendix A of this Agreement, and the Purchaser shall make payment in accordance with the terms specified in this Agreement.

2.1 Both Parties agree that the Product(s) shall be sold in accordance with the following steps:

(i) The Purchaser shall place an Order through Bitmain's website or through other methods accepted by Bitmain, and such Order shall constitute an irrevocable offer to purchase specific Product(s) from Bitmain.

(ii) After receiving the Order, Bitmain will send an order receipt confirmation email to the Purchaser. The Purchaser's Order will be valid for a period of twenty-four (24) hours after its placement, and upon expiration of such period, Bitmain will have the right to cancel the Order at its sole discretion if the Purchaser fails to pay the down payment in accordance with Appendix A of this Agreement.

(iii) The Purchaser shall pay the Total Purchase Price in accordance with Appendix A of this Agreement.

(iv) Upon receipt of the Total Purchase Price, Bitmain will provide a payment receipt to the Purchaser.

(v) Bitmain will send a shipping confirmation to the Purchaser after it has delivered the Product(s) to the carrier, and the Order shall be deemed accepted by Bitmain upon Bitmain's issuance of the shipping confirmation.

2.2 Both Parties acknowledge and agree that the order receipt confirmation and the payment receipt shall not constitute nor be construed as Bitmain's acceptance of the Purchaser's Order, but mere acknowledgement of the receipt of the Order and the Total Purchase Price.

2.3 Both Parties acknowledge and agree that in case of product unavailability, Bitmain shall have the right to cancel the Order after it has issued the order receipt confirmation, the payment receipt or the shipping confirmation without any penalty or liability.

2.4 The Purchaser acknowledges and confirms that the Order is irrevocable and cannot be cancelled by the Purchaser, and that the Product(s) ordered are neither returnable nor refundable. All sums paid by the Purchaser to Bitmain shall not be subject to any abatement, set-off, claim, counterclaim, adjustment, reduction, or defense for any reason. Down payment and payment of Total Purchase Price are not refundable, save as otherwise mutually agreed by the Parties.

3. Prices and Terms of Payment

3.1 The Total Purchase Price shall be paid in accordance with the payment schedule set forth in Appendix B of this Agreement.

3.2 Default of the full payment

(1) In the event that the Purchaser fails to fully settle the respective percentage of the Total Purchase Price before the prescribed deadline(s) set forth in Appendix B, Bitmain, at its sole discretion, shall be entitled to request the Purchaser to pay, within sixty (60) days after such applicable deadline, liquidated damages equal to twenty percent (20%) of the Purchaser's payment obligations with respect to the batch of Products for which payment was not made within the prescribed deadline (with the understanding such amount is reasonable and shall not constitute a penalty as set forth in Clause 27 of this Agreement), provided, however, Purchaser shall not be required to pay such liquidated damages if it obtains Bitmain's prior written consent for an extension of its obligation to pay within five (5) business days of the prescribed deadline:

(i) Failure of payment of the liquidated damage: in the event that the Purchaser fails to pay the aforementioned amounts after the expiration of the final payment deadline, Bitmain shall be entitled to terminate this Agreement. If there are any remaining balance of the Purchaser after deducting for liquidated damages, such remaining balance shall be refunded to the Purchaser free of any interest.

(ii) Request of resumption of performance by Purchaser: if the Purchaser requests to continue to make payment of the purchase price after its initial delay, and if Bitmain has not otherwise terminated this Agreement, Bitmain shall be entitled to reject the payment of the purchase price temporarily and request the Purchaser pay the aforementioned liquidated damage. Afterwards, the Parties shall negotiate the settlement separately.

(2) Notwithstanding the foregoing, if the Purchaser fails to pay any payment on a timely basis and Bitmain has arranged production or procurement, Bitmain shall be entitled to request the Purchaser to be responsible for the loss related to such production or procurement and the liability of the Purchaser shall be no less than twenty percent (20%) of the Total Purchase Price.

3.3 The Total Purchase Price set forth in this Agreement is merely an estimate of the price and not the actual price. The actual price will be determined one month before the current batch is shipped and with reference to the market circumstances, provided that the actual price shall not be higher than the estimated price.

3.4 Upon receipt of notification of the actual price provided by Bitmain, the Purchaser shall be entitled to three options:

(i) continue to perform the Order of the current batch of the Product(s) with the original rated hashrate and pay the remaining amount at the actual price; or

(ii) request Bitmain to increase the rated hashrate by an amount that would equate to the dollar difference by which the estimated price exceeds the actual price (if any) with Bitmain having the right to negotiate with the Purchaser for the amount of the additional rated hashrate based on its then inventory; or

(iii) partially or wholly cancel the Order of the current batch of Product(s), provided, however, prior to Bitmain's notification of the actual price, the Purchaser shall make timely payments based on the estimated price as specified in Clause 3.1.

The Purchaser shall not claim any refund from Bitmain if the estimated price exceeds the actual price. Any balance resulting from the Purchaser's payment of the estimated purchase price shall be credited to the balance of Purchaser or its Affiliates. In the event the Purchaser cancels any Order for any batches of Products, the payments for those batches cannot be used as down payments for any other batch listed in this Agreement. However, the remaining balance shall be refunded to the Purchaser free of any interest no later than two years after the Order is cancelled.

Furthermore, the Purchaser shall exercise its option under this Clause 3.4 by written confirmation to Bitmain within two (2) days after Bitmain notifies the Purchaser of the actual price. If the Purchaser fails to provide confirmation of its exercise of its option and no agreement is reached between the Parties within such two (2) day period, the Purchaser shall be deemed to have voluntarily and irrevocably waived its option under this Clause 3.4 and the Parties shall continue to perform the Order of the current batch of Product(s) with the original rated hashrate and the Purchaser shall pay the remaining amount at the actual price. If the Purchaser exercises its options pursuant to this Clause 3.4, no additional changes to the payment options shall be made for the current batch of Product(s).

3.5 Before the Purchaser makes any payment on any batch of Product(s), the Parties shall confirm and agree on the batch of the Product(s) against which payment is being made. This confirmation shall be used to determine matters where different arrangements are applicable to different batches, including, but not limited to, defaults of the Purchaser and the product discount offered to the Purchaser.

3.6 Before the delivery date, Bitmain shall be entitled to request the Purchaser to sign a Sales and Purchase Agreement by sending a written notice to the Purchaser, and the Purchaser shall cooperate to sign such Sales and Purchase Agreement and pay the price of the remaining batch(s) of Products to Bitmain as specified in this Agreement. If the Purchaser refuses to sign a Sales and Purchase Agreement as required by Bitmain, Bitmain shall be entitled to request the Purchaser to perform its rights and obligations referred in this Agreement.

3.7 The Parties understand and agree that the applicable prices of the Product(s) are inclusive of applicable bank transaction fee, but are exclusive of any and all applicable import duties, taxes and governmental charges. The Purchaser shall pay or reimburse Bitmain for all taxes levied on or assessed against the amounts payable hereunder (including, without limitation, any sales, use, value added, VAT, GST, PST or other taxes of a similar nature

imposed by any federal, state or local taxing authority). If any payment is subject to withholding, the Purchaser shall pay such additional amounts as necessary, to ensure that Bitmain receives the full amount it would have received had payment not been subject to such withholding.

4. Product Discount

4.1 No discount will be offered by Bitmain to the Purchaser.

5. Shipping of Product(s)

5.1 Bitmain shall deliver the Products in accordance with the shipping schedule to the first carrier or the carrier designated by the Purchaser.

5.2 Subject to the limitations stated in Appendix A, the terms of delivery of the Product(s) shall be CIP (carriage and insurance paid to Lake Mariner Data, 7725 Lake Road, Barker, NY 14012 U.S.A according to Incoterms 2010) to the place of delivery designated by the Purchaser. Once the Product(s) have been delivered to the carrier, Bitmain shall have fulfilled its obligation to supply the Product(s) to the Purchaser, and the title and risk of loss or damage to the Product(s) shall pass to the Purchaser. The Parties hereby acknowledge and agree that the delivery of the Product(s) to the carrier shall occur outside of the United States, and as such, the transfer of title and risk of loss or damage with respect to the Product(s) when delivered to the carrier shall pass to the Purchaser outside of the United States.

5.3 In the event of any discrepancy between this Agreement and Bitmain's cargo insurance policy regarding the insurance coverage, the then effective Bitmain cargo insurance policy shall prevail, and Bitmain shall be required to provide the then effective insurance coverage to the Purchaser.

5.4 If Bitmain fails to deliver the Products after thirty (30) days after the prescribed deadline, the Purchaser shall be entitled to cancel the Order of such batch of Products and request Bitmain to refund the price of such undelivered batch of Products together with interest of 0.0333% per day for the period beginning from the date immediately after which payment for such batch of Products was made to the date immediately prior to the Purchaser's request for refund.

5.5 If Bitmain postpones the shipping schedule of the Products and the Purchaser does not cancel the Order and requests Bitmain to perform its delivery obligation, Bitmain shall compensate the Purchaser a daily amount equal to 0.0333% of the price for such undelivered batch of Products, which compensation shall be made in the form of delivery of more rated hashrate. Amount less than one unit of Product shall be credited to the balance in the Purchaser's user system on Bitmain's official website, which shall be viewable by the Purchaser.

5.6 There are six (6) batches of Products under this Agreement and each batch shall constitute independent legal obligations of and shall be performed separately by the Parties. The

delay of a particular batch shall not constitute waiver of the payment obligation of the Purchaser in respect of other batches. The Purchaser shall not be entitled to terminate this Agreement solely on the ground of delay of delivery of a single batch of Products.

5.7 The Purchaser shall choose the following shipping method:

■ Shipping by Bitmain via FedEx/DHL/UPS/other logistics company;

☐ Self-pick

Note: Logistics costs shall be borne by the Purchaser. Bitmain may collect payments on behalf of the services providers and issue services invoices if the Purchaser requests Bitmain to send the Products.

5.8 Bitmain shall not be responsible for any delivery delay caused by the Purchaser or any third party, including but not limited to carriers, customs, and import brokers, nor shall it be liable for damages, whether direct, indirect, incidental, consequential, or otherwise, for any failure, delay or error in delivery of any Product(s) for any reason whatsoever.

5.9 Bitmain shall not be responsible and the Purchaser shall be fully and exclusively responsible for any loss of Product(s), personal injury, property damage, other damages or liability caused by the Product(s) or the transportation of the Product(s) either to the Purchaser or any third party, or theft of the Product(s) during transportation from Bitmain to the Purchaser.

5.10 Bitmain has the right to discontinue the sale of the Product(s) and to make changes to its Product(s) at any time, without prior approval from or notice to the Purchaser.

5.11 If the Product(s) is rejected and/or returned to Bitmain because of any reason and regardless of the cause of such delivery failure, the Purchaser shall be solely and exclusively liable for and shall defend, fully indemnify and hold harmless Bitmain against any and all related expenses, fees, charges and costs incurred, arising out of or incidental to such rejection and/or return (the "Return Expenses"). Furthermore, if the Purchaser requests for Bitmain's assistance to redeliver such Product(s) or assist in any other manner, and if Bitmain at its sole discretion agrees to redeliver or assist, then in addition to the Return Expenses, the Purchaser shall also pay Bitmain an administrative fee in accordance with Bitmain's then applicable internal policy.

5.12 If the Purchaser fails to provide Bitmain with the delivery place or the delivery place provided by the Purchaser is a false address or does not exist, or the Purchaser refuses to accept the Products when delivered, any related costs occurred (including storage costs, warehousing charge and labor costs) shall be borne by the Purchaser. Bitmain may issue the Purchaser a notice of self-pick-up to require the Purchaser to pick up the Products. Bitmain shall be deemed to have completed the delivery obligation under this Agreement after two (2) business days following the issue of the self-pick-up notice.

5.13 The Purchaser shall inspect the Products within two (2) days (the "Acceptance Time") after receiving the Products (the date of signature on the carrier's delivery voucher shall be the

date of receipt). If the Purchaser does not raise any written objection within the Acceptance Time, the Products delivered by Bitmain shall be deemed to be in full compliance with the provisions of this Agreement.

6. Customs

6.1 Bitmain shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances for the export of the Product(s) that are required to be obtained by Bitmain or the carrier under Applicable Laws.

6.2 The Purchaser acknowledges that it shall be the importer of record with respect to the Product(s), and shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances required for the import of the Product(s) to the country of delivery as indicated in the shipping information, that are required to be obtained by the Purchaser or the carrier under Applicable Laws, and shall be responsible for any and all additional fees, expenses and charges in relation to the import of the Product(s).

6.3 To the extent permitted by laws, except for the Warranty as set forth in Clause 7 of the Agreement, Bitmain provides no other warranty, whether explicit or implied, in any form, including but not limited to the warranty of the marketability, satisfaction of the quality, suitability for the specific purpose, not infringing third party's right, etc. In addition, Bitmain shall not be responsible for any direct, specific, incidental, accidental or indirect loss arising from the use of the Product(s), including but not limited to the loss of commercial profits.

6.4 Bitmain shall not be liable for any loss caused by:

(i) failure of the Purchaser to use the Product(s) in accordance with the manual, specifications, operation descriptions or operation conditions provided by Bitmain in writing;

(ii) the non-operation of the Product(s) during the replacement/maintenance period or caused by other reasons; or

(iii) confiscation, seizure, search or other actions taken by government agencies such as customs.

7. Warranty

7.1 The Warranty Period shall start on the Warranty Start Date and end on the 365th day after the Warranty Start Date. During the Warranty Period, the Purchaser's sole and exclusive remedy, and Bitmain's entire liability, will be to repair or replace, at Bitmain's option, the defective part/component of the Product(s) or the defective Product(s) at no charge to the Purchaser. If the Purchaser requires Bitmain to provide any warranty services, the Purchaser shall create a maintenance order on Bitmain's website during the Warranty

Period (the time of creation of the maintenance order shall be determined by the display time of such order on Bitmain's website) and send the Product to the place designated by Bitmain within the time limit required by Bitmain. Bitmain may refuse to provide the warranty service if the request for such warranty service was not made in accordance with this Clause 7.1.

7.2 The Parties acknowledge and agree that the warranty provided by Bitmain as stated in the preceding paragraph does not apply to the following:

(i) normal wear and tear;

(ii) damage resulting from accident, abuse, misuse, neglect, improper handling or improper installation;

(iii) damage or loss of the Product(s) caused by undue physical or electrical stress, including but not limited to moisture, corrosive environments, high voltage surges, extreme temperatures, shipping, or abnormal working conditions;

(iv) damage or loss of the Product(s) caused by acts of nature including, but not limited to, floods, storms, fires, and earthquakes;

(v) damage caused by operator error, or non-compliance with instructions as set out in accompanying product documentation provided by Bitmain;

(vi) alterations by persons other than Bitmain, or its associated partners or authorized service facilities;

(vii) Product(s), on which the original software has been replaced or modified by persons other than Bitmain, or its associated partners or authorized service facilities;

(viii) counterfeit products;

(ix) damage or loss of data due to interoperability with current and/or future versions of operating system, software and/or hardware;

(x) damage or loss of data caused by improper usage and behavior which is not recommended and/or permitted in the product documentation provided by Bitmain;

(xi) failure of the Product(s) caused by usage of products not supplied by Bitmain; and

(xii) hash boards or chips are burnt.

In case the warranty is voided, Bitmain may, at its sole discretion, provide repair service to the Purchaser, and the Purchaser shall bear all related expenses and costs.

7.3 Notwithstanding anything to the contrary herein, the Purchaser acknowledges and agrees that the Product(s) provided by Bitmain do not guarantee any cryptocurrency mining time and, Bitmain shall not be liable for any cryptocurrency mining time loss or cryptocurrency

mining revenue loss that are caused by downtime of any part/component of the Product(s). Bitmain does not warrant that the Product(s) will meet the Purchaser's requirements or the Product(s) will be uninterrupted or error free. Except as provided in Clause 7.1 of this Agreement, Bitmain makes no warranties of any kind with respect to the Product(s) to the Purchaser, whether written, oral, express, implied or statutory, including warranties of merchantability, fitness for a particular purpose, non-infringement, or arising from course of dealing or usage in trade.

7.4 In the event of any ambiguity or discrepancy between this Clause 7 of this Agreement and Bitmain's After-sales Service Policy from time to time, it is intended that the After-sales Service Policy shall prevail and the Parties shall comply with and give effect to the After-sales Service Policy. Please refer to the website of Bitmain for detailed terms of warranty and after-sales maintenance. Bitmain has no obligation to notify the Purchaser of the update or modification of such terms.

7.5 During the warranty period, if the hardware product needs to be repaired or replaced, the Purchaser shall bear the logistics costs of shipping the Product to the address designated by Bitmain, and Bitmain shall bear the logistics costs of shipping the repaired or replaced Product to the address designated by the Purchaser. The Purchaser shall bear all and any additional costs incurred due to incorrect or incomplete delivery information provided by the Purchaser and all and any risks of loss or damage to the Product, or the parts or components of the Products during any shipping periods.

8. Representations and Warranties

The Purchaser makes the following representations and warranties to Bitmain:

8.1 It has the full power and authority to own its assets and carry on its businesses.

8.2 The obligations expressed to be assumed by it under this Agreement are legal, valid, binding and enforceable obligations.

8.3 It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

8.4 The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:

(i) any Applicable Law;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets.

8.5 All authorizations required or desirable:

(i) to enable it to lawfully enter into, exercise its rights under and comply with its obligations under this Agreement;

(ii) to ensure that those obligations are legal, valid, binding and enforceable; and

(iii) to make this Agreement admissible in evidence in its jurisdiction of organization,

have been, or will have been by the time, obtained or effected and are, or will by the appropriate time be, in full force and effect.

8.6 It is not aware of any circumstances which are likely to lead to:

(i) any authorization obtained or effected not remaining in full force and effect;

(ii) any authorization not being obtained, renewed or effected when required or desirable; or

(iii) any authorization being subject to a condition or requirement which it does not reasonably expect to satisfy or the compliance with which has or could reasonably be expected to have a material adverse effect.

8.7 (a) It is not the target of economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury or Singapore ("Sanctions"), including by being listed on the Specially Designated Nationals and Blocked Persons (SDN) List maintained by OFAC or any other Sanctions list maintained by one of the foregoing governmental authorities, directly or indirectly owned or controlled by one or more SDNs or other Persons included on any other Sanctions list, or located, organized or resident in a country or territory that is the target of Sanctions, and (b) the purchase of the Product(s) will not violate any Sanctions or import and export control related laws and regulations.

8.8 All information supplied by the Purchaser is and shall be true and correct, and the information does not contain and will not contain any statement that is false or misleading.

9. Indemnification and Limitation of Liability

9.1 The Purchaser shall, during the term of this Agreement and at any time thereafter, indemnify and save Bitmain and/or its Affiliates harmless from and against any and all damages, suits, claims, judgments, liabilities, losses, fees, costs or expenses of any kind, including legal fees, whatsoever arising out of or incidental to the Products pursuant to this Agreement.

9.2 Notwithstanding anything to the contrary herein, Bitmain and its Affiliates shall under no circumstances, be liable to the Purchaser for any consequential damages, or any indirect,

incidental, special, exemplary or punitive damages, or any measure of damages based on diminution in value or based on any loss of goodwill, business, anticipated profits, revenue, contract, or business opportunity or similar concept, and the Purchaser hereby waives any claim it may at any time have against Bitmain and its Affiliates in respect of any such damages. The foregoing limitation of liability shall apply whether in an action at law, including but not limited to contract, strict liability, negligence, willful misconduct or other tortious action, or an action in equity.

9.3 Bitmain and its Affiliates' cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the down payment actually received by Bitmain from the Purchaser for the Product(s). The Purchaser's and its Affiliates' cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the Total Purchase Price, provided, however, that Purchaser's and its Affiliate's liability arising out of any obligations pursuant to Section 11.3 and 11.4 hereof shall be unlimited.

9.4 The Product(s) are not designed, manufactured or intended for use in hazardous or critical environments or in activities requiring emergency or fail-safe operation, such as the operation of nuclear facilities, aircraft navigation or communication systems or in any other applications or activities in which failure of the Product(s) may pose the risk of environmental harm or physical injury or death to humans. In addition to the disclaimer of warranties set forth in Clause 7.3 of this Agreement, Bitmain specifically disclaims any express or implied warranty of fitness for any of the applications described in the preceding sentence and any such use shall be at the Purchaser's sole risk.

9.5 The above limitations and exclusions shall survive and apply (1) notwithstanding any exclusive or limited remedy is found to have failed its essential purpose; and (2) whether or not Bitmain has been advised of the possibility of such damages. The Parties acknowledge the limitation of liability and the allocation of risks in this Clause 9 is an essential element of the basis of the bargain between the Parties under this Agreement and Bitmain's pricing reflects this allocation of risk and the above limitations of liability.

10. Distribution

10.1 This Agreement does not constitute a distributor agreement between Bitmain and the Purchaser. The Purchaser acknowledges that it is not an authorized distributor of Bitmain.

10.2 The Purchaser shall in no event claim or imply to a third party that it is an authorized distributor of Bitmain or Bitmain (Antminer) or their respective Affiliates, or perform any act that will cause it to be construed as an authorized distributor of Bitmain or Bitmain (Antminer) or their respective Affiliates. As between the Purchaser and Bitmain, the Purchaser shall be exclusively and fully responsible for complying with the Applicable Laws regarding repackaging the Product(s) for the Purchaser's redistribution needs, and shall be solely liable for any and all liabilities or costs directly incurred or incidental to such redistribution.

11. Intellectual Property Rights

11.1 The Parties agree that the Intellectual Property Rights in any way contained in the Product(s), made, conceived or developed by Bitmain and/or its Affiliates for the Product(s) under this Agreement and/or, achieved, derived from, related to, connected with the provision of the Product(s) by Bitmain and/or acquired by Bitmain from any other person in performance of this Agreement shall be the exclusive property of Bitmain and/or its Affiliates.

11.2 Notwithstanding anything to the contrary herein, all Intellectual Property Rights in the Product(s) shall remain the exclusive property of Bitmain and/or its licensors. Except for licenses explicitly identified in Bitmain's shipping confirmation or in this Clause 11.2, no rights or licenses are expressly granted, or implied, whether by estoppel or otherwise, in respect of any Intellectual Property Rights of Bitmain and/or its Affiliates or any Intellectual Property residing in the Product(s) provided by Bitmain to the Purchaser, including in any documentation or any data furnished by Bitmain. Bitmain grants the Purchaser a non-exclusive, non-transferrable, royalty-free and irrevocable license of Bitmain and/or its Affiliates' Intellectual Property Rights to solely use the Product(s) delivered by Bitmain to the Purchaser for their ordinary function, and subject to the Clauses set forth herein. The Purchaser shall in no event violate the Intellectual Property Rights of Bitmain and/or its licensors.

11.3 The Purchaser shall not illegally use or infringe the Intellectual Property Rights of the Product in any other measure. Otherwise, Bitmain shall have the right to request the Purchaser to take immediate remedial measures and assume full responsibilities, including but not limited to ceasing the infringement immediately, eliminating the impact, and compensating Bitmain and/or its suppliers for all losses arising out of the illegal use or infringement, etc.

11.4 The Purchaser shall not use any technical means to disassemble, map or analyze the Products of Bitmain that the Purchaser obtains publicly, and shall not reverse engineer or otherwise attempt to derive or obtain information about the function, manufacture or operation of the Products, to retrieve relevant technical information of the Products and use it for commercial purposes. Otherwise, the Purchaser shall be liable for losses caused to Bitmain in accordance with Clause 11.3.

11.5 If applicable, payment by the Purchaser of non-recurring charges to Bitmain for any special designs, or engineering or production materials required for Bitmain's performance of Orders for customized Product(s), shall not be construed as payment for the assignment from Bitmain to the Purchaser of title to such special designs, engineering or production materials. Bitmain shall be the sole owner of such special designs, engineering or production materials.

12. Confidentiality and Communications

12.1 All information concerning this Agreement and matters pertaining to or derived from the provision of Product(s) pursuant to this Agreement between the Parties, whether in oral or written form, or in the form of drawings, computer programs or other, as well as all data derived therefrom ("Confidential Information"), shall be deemed to be confidential and, as such, may not be divulged to any unauthorized person. The Purchaser undertakes and agrees to take all reasonable and practicable steps to ensure and protect the confidentiality of the Confidential Information which cannot be passed, sold, traded, published or disclosed to any unauthorized person.

13. Injunctive Relief

13.1 The Purchaser acknowledge that monetary damages may not provide a remedy in the event of certain breach of the Purchaser's obligations to this Agreement and therefore, in addition to any other rights of Bitmain, the Purchaser grants to Bitmain the right to enforce this Agreement by means of injunction, both mandatory (specific performance) and preventive, without the necessity of obtaining any form of bond or undertaking whatsoever, and waives any claim or defense that damages may be adequate or otherwise preclude injunctive relief.

14. Term of this Agreement

14.1 The Parties agree that, unless this Agreement specifies otherwise, no Party shall terminate this Agreement in advance.

14.2 This Agreement shall be effective upon signing of this Agreement and shall remain effective up to and until the delivery of the last batch of Products.

15. Notices

15.1 All notices, requirements, requests, claims, and other communications in relation to this Agreement shall be in writing, and shall be given or made by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) or electronic mail to the respective Parties at the addresses specified below or at such other address for a Party as may be specified in a notice given in accordance with this Clause 14.1.

15.2 The Purchaser undertakes that the documents, materials, vouchers, order information, payment account information, credential numbers, mobile phone numbers, transaction instructions and so on provided by the Purchaser shall be true, correct, complete and effective, and the information does not contain any statement that is false or misleading.

15.3 If there is any suspicious transaction, illegal transaction, risky transaction or other risky events of the Purchaser's account registered on Bitmain's website, the Purchaser agrees that Bitmain shall have the right to disclose the Purchaser's registration information, transaction information, identity information, logistics information upon the request of relevant judicial agencies, regulatory agencies or third-party payment institutions for

investigation purpose. In addition, if necessary, the Purchaser shall provide further information upon Bitmain's request.

15.4 The following are the initial address of each Party:

If to the Purchaser:

Address: 9 Federal Street, Easton, MD 21601 U.S.A

Attn: Nazar Khan

Phone: (410) 770-9500

Email: khan@terawulf.com

If to Bitmain:

Address: Building #1, Courtyard #9, Fenghao East Road, Haidian District, Beijing, China

Attn: Chloe Miao

Phone: +86 15842495691

Email: qingqing.miao@bitmain.com

15.5 All such notices and other communications shall be deemed effective in the following situations:

(i) if sent by delivery in person, on the same day of the delivery;

(ii) if sent by registered or certified mail or overnight courier service, on the same day the written confirmation of delivery is sent; and

(iii) if sent by electronic mail, at the entrance of the related electronic mail into the recipient's electronic mail server.

16. Compliance with Laws and Regulations

16.1 The Purchaser undertakes that it will fully comply with all Applicable Laws in relation to export and import control and Sanctions and shall not take any action that would cause Bitmain or any of its Affiliates to be in violation of any export and import control laws or Sanctions. The Purchaser shall also be fully and exclusively liable for and shall defend, fully indemnify and hold harmless Bitmain and/or its Affiliates from and against any and all claims, demands, actions, costs or proceedings brought or instituted against Bitmain and/or its Affiliates arising out of or in connection with any breach by the Purchaser or the carrier of any Applicable Laws in relation to export and import control or Sanction.

16.2 The Purchaser acknowledges and agrees that the Product(s) in this Agreement are subject to the export control laws and regulations of all related countries, including but not limited to the Export Administration Regulations ("EAR") of the United States. Without limiting the foregoing, the Purchaser shall not, without receiving the proper licenses or license exceptions from all related governmental authorities, including but not limited to the U.S. Bureau of Industry and Security, distribute, re-distribute, export, re-export, or transfer any Product(s) subject to this Agreement either directly or indirectly, to any national of any country identified in Country Groups D:1 or E:1 as defined in the EARs. In addition, the Product(s) under this Agreement may not be exported, re-exported, or transferred to (a) any person or entity for military purposes; (b) any person or entity listed on the "Entity List", "Denied Persons List" or the SDN List as such lists are maintained by the U.S. Government, or (c) an end-user engaged in activities related to weapons of mass destruction. Such activities include but are not necessarily limited to activities related to: (1) the design, development, production, or use of nuclear materials, nuclear facilities, or nuclear weapons; (2) the design, development, production, or use of missiles or support of missiles projects; and (3) the design, development, production, or use of chemical or biological weapons. The Purchaser further agrees that it will not do any of the foregoing in violation of any restriction, law, or regulation of the European Union or an individual EU member state that imposes on an exporter a burden equivalent to or greater than that imposed by the U.S. Bureau of Industry and Security.

16.3 The Purchaser undertakes that it will not take any action under this Agreement or use the Product(s) in a way that will be a breach of any anti-money laundering laws, any anti-corruption laws, and/or any counter-terrorist financing laws.

16.4 The Purchaser warrants that the Product(s) have been purchased with funds that are from legitimate sources and such funds do not constitute proceeds of criminal conduct, or realizable property, or proceeds of terrorism financing or property of terrorist, within the meaning given in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A) and the Terrorism (Suppression of Financing) Act (Chapter 325), respectively. If Bitmain receives, including but not limited to investigation, evidence collection, restriction and other measures, from any competent organizations or institutions, the Purchaser shall immediately cooperate with Bitmain and such competent organizations or institutions in the investigation process, and Bitmain may request the Purchaser to provide necessary security if so required. If any competent organizations or institutions request Bitmain to seize or freeze the Purchaser's Products and funds (or take any other measures), Bitmain shall be obliged to cooperate with such competent organizations or institutions, and shall not be deemed as breach of this Agreement. The Purchaser understands that if any Person resident in Singapore knows or suspects or has reasonable grounds for knowing or suspecting that another Person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the Person will be required to report such knowledge or suspicion to the Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force. The Purchaser acknowledges that such a report shall not be treated as breach of confidence or violation of any restriction upon the disclosure of information imposed by any Applicable Law, contractually or otherwise.

17. Force Majeure

17.1 To the extent that a Party is fully or partially delayed, prevented or hindered by an event of Force Majeure from performing any obligation under this Agreement (other than an obligation to make payment), subject to the exercise of reasonable diligence by the affected Party, the failure to perform shall be excused by the occurrence of such event of Force Majeure. A Party claiming that its performance is excused by an event of Force Majeure shall, promptly after the occurrence of such event of Force Majeure, notify the other Party of the nature, date of inception and expected duration of such event of Force Majeure and the extent to which the Party expects that the event will delay, prevent or hinder the Party from performing its obligations under this Agreement. The notifying Party shall thereafter use its best effort to eliminate such event of Force Majeure and mitigate its effects.

17.2 The affected Party shall use reasonable diligence to remove the event of Force Majeure, and shall keep the other Party informed of all significant developments.

17.3 Except in the case of an event of Force Majeure, neither party may terminate this Agreement prior to its expiry date.

17.4 The Purchaser hereby acknowledges and warrants that this Agreement and the applicable orders shall not be terminated by the Purchaser for the reasons of the restrictions or prohibitions of the cryptocurrency mining activities by any applicable governments. This clause shall prevail over all other clauses herein.

18. Entire Agreement and Amendment

This Agreement, constitutes the entire agreement of the Parties hereto and can only be amended with the written consent of both Parties or otherwise as mutually agreed by both Parties.

19. Assignment

19.1 Bitmain may freely assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to its Affiliates or to any third party. The Purchaser may freely assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to its Affiliates, but the Purchaser may not assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to any other third party without Bitmain's prior written consent.

19.2 This Agreement shall be binding upon and inure to the benefit of each Party to this Agreement and its successors in title and permitted assigns.

20. Severability

To the extent possible, if any provision of this Agreement is held to be illegal, invalid or unenforceable in whole or in part by a court, the provision shall apply with whatever deletion or modification is necessary so that such provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties. The remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.

21. Personal Data

Depending on the nature of the Purchaser's interaction with Bitmain, some examples of personal data which Bitmain may collect from the Purchaser include the Purchaser's name and identification information, contact information such as the Purchaser's address, email address and telephone number, nationality, gender, date of birth, and financial information such as credit card numbers, debit card numbers and bank account information.

Bitmain generally does not collect the Purchaser's personal data unless (a) it is provided to Bitmain voluntarily by the Purchaser directly or via a third party who has been duly authorized by the Purchaser to disclose the Purchaser's personal data to Bitmain (the Purchaser's "authorized representative") after (i) the Purchaser (or the Purchaser's authorized representative) has been notified of the purposes for which the data is collected, and (ii) the Purchaser (or the Purchaser's authorized representative) has provided written consent to the collection and usage of the Purchaser's personal data for those purposes, or (b) collection and use of personal data without consent is permitted or required by related laws. Bitmain shall seek the Purchaser's consent before collecting any additional personal data and before using the Purchaser's personal data for a purpose which has not been notified to the Purchaser (except where permitted or authorized by law).

22. Conflict with the Terms and Conditions

In the event of any ambiguity or discrepancy between the Clauses of this Agreement and the Terms and Conditions from time to time, it is intended that the Clauses of this Agreement shall prevail and the Parties shall comply with and give effect to this Agreement.

23. Governing Law and Dispute Resolution

23.1 This Agreement shall be solely governed by and construed in accordance with the laws of Hong Kong.

23.2 Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination hereof or any dispute regarding non-contractual obligations arising out of or relating to this Agreement shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Center under the UNCITRAL Arbitration Rules in force when the notice of arbitration is submitted. The decision and awards of the arbitration shall be final and binding upon the parties hereto.

24. Waiver

Failure by either Party to enforce at any time any provision of this Agreement, or to exercise any election of options provided herein shall not constitute a waiver of such provision or option, nor affect the validity of this Agreement or any part hereof, or the right of the waiving Party to thereafter enforce each and every such provision or option.

25. Counterparts and Electronic Signatures

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

26. Further Assurance

Each Party undertakes to the other Party to execute or procure to be executed all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give all Parties the full benefit of this Agreement.

27. Third Party Rights

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

28. Liquidated Damages Not Penalty

It is expressly agreed that any liquidated damages payable under this Agreement do not constitute a penalty and that the Parties, having negotiated in good faith for such specific liquidated damages and having agreed that the amount of such liquidated damages is reasonable in light of the anticipated harm caused by the breach related thereto and the difficulties of proof of loss and inconvenience or nonfeasibility of obtaining any adequate remedy, are estopped from contesting the validity or enforceability of such liquidated damages.

(The rest part of the page is intentionally left in blank)

Signed for and on behalf of Bitmain

Bitmain Technologies Limited

Signature 

Title:

Signed for and on behalf of the Purchaser

Lake Mariner Data LLC

Signature /s/ Mila Barrett
Name: Mila Barrett
Title: Secretary

APPENDIX A

1. Products:

1.1 The information (including but not limited to the quantity, rated hashrate, estimated unit price ("**Unit Price**"), estimated total price("**Total Price (One Item)**"), total price for all the items ("**Total Purchase Price**") of Products to be purchased by Party B from Party A is as follows ("**Products**"):

1.1.1 Product Type

Type	Details
Product Name	HASH Super Computing Server, S19XP
Rated hashrate / unit	140TH/
Rated power / unit	3010W
J/T@25°C environment temperature	21.5
Description	1. Bitmain undertakes that the error range of "J/T@25°C environment temperature" does not exceed 10%. 2. "Rated hashrate / unit" and "rated power / unit" are for reference only and may defer from each batch or unit. Bitmain makes no representation on "Rated hashrate / unit" and "rated power / unit". 3. Purchaser shall not reject the Products on the grounds that the parameters of the delivered Products are not in consistence with the reference indicators.

1.1.2 The estimated delivery schedule, reference quantity, total rated hashrate, unit price and total price are as follows:

Batch	Product Name	Shipping Schedule	Reference Quantity	Total Rated Hashrate (T)	Estimated Price	Estimated Unit Price	Estimated Total Price
1	HASH Super Computing Server, S19 XP	July 2022	2,500	350,000	83	11,620	29,050,000

Batch	Product Name	Shipping Schedule	Reference Quantity	Total Rated Hashrate (T)	Estimated Price (US$/T)	Estimated Unit Price (US$)	Estimated Total Price (US$)
2	HASH Super Computing Server, S19 XP	August 2022	2,500	350,000	83	11,620	29,050,000
3	HASH Super Computing Server, S19 XP	September 2022	2,500	350,000	83	11,620	29,050,000
4	HASH Super Computing Server, S19 XP	October 2022	2,500	350,000	78	10,920	27,300,000
5	HASH Super Computing Server, S19 XP	November 2022	2,500	350,000	78	10,920	27,300,000
6	HASH Super Computing Server, S19 XP	December 2022	2,500	350,000	78	10,920	27,300,000

1.1.3 Total price of the Products listed above:

Total Purchase Price (tax exclusive): US$ 169,050,000.00

1.2. Both Parties confirm and agree that Bitmain may adjust the total quantity based on the total hashrate provided that the total hashrate of the Product(s) actually delivered by Bitmain to the Purchaser shall not be less than the total rated hashrate agreed in Article 1.1. of this Appendix A. Bitmain makes no representation that the quantity of the actually delivered Products shall be the same as the quantity set forth in Article 1.1. of this Appendix A.

1.3. In the event that Bitmain publishes any new type of products with less J/T value and suspends the production of the type of the Products as agreed in this Agreement, Bitmain shall be entitled to release itself from any future obligation to deliver any subsequent Products by 10-day prior notice to the Purchaser and continue to deliver new types of Products to the Purchaser, the total rated hashrate of which shall be no less than such subsequent Products cancelled under this Agreement and the price of which shall be adjusted in accordance with the J/T value. In the event that the Purchaser explicitly refuses to accept new types of Products, the Purchaser is entitled to request for a refund of the remaining balance of the purchase price already paid by the Purchaser together with an interest at 0.0333% per day on such balance for the period from the next day

following the payment date of such balance to the date immediately prior to the date of request of refund. If the Purchaser accepts the new types of Products delivered by Bitmain, Bitmain shall be obliged to deliver such new types of Products to fulfill its obligations under this Agreement. The Purchaser may request to lower the actual total hashrate of the Products delivered but shall not request to increase the actual total hashrate to the level exceeding the total rated hashrate as set out in this Agreement. After Bitmain publishes new types of Products and if Bitmain has not suspended the production of the types of Products under this Agreement, Bitmain shall continue to delivery such agreed types of Products in accordance with this Agreement and the Purchaser shall not terminate this Agreement or refuse to accept the Products on the grounds that Bitmain has published new type(s) of Products.

2. Cargo insurance coverage limitations:

The cargo insurance coverage provided by Bitmain is subject to the following limitations and exceptions:

Exclusions:

- loss damage or expense attributable to willful misconduct of the Assured
- ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause, "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- loss damage or expense caused by inherent vice or nature of the subject-matter insured
- loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable)
- loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
- loss, damage, or expense arising from the use of any weapon of war employing atomic or nuclear fission, and/or fusion or other like reaction or radioactive force or matter.
- Loss, damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.
- Loss, damage or expense caused by (1)war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, (2) capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt threat, (3) derelict mines, torpedoes, bombs, or other derelict weapons of war.

- Loss, damage, or expense caused by strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotion, resulting from strikes, lock-outs, labor disturbances, riots or civil commotions, caused by any terrorist or any person acting from a political motive.

3. **Bitmain's BANK ACCOUNT info:**

Company Name:	Bitmain Technologies Limited
Company address:	FLAT/RM Al 11/F SUCCESS COMMERCIAL BUILDING 245-251 HENNESSY ROAD HK
Account No.:	1503225561
Bank name:	Signature Bank Bank address : 565 Fifth Avenue New York NY 10017, US
Swift Code:	SIGNUS33XXX
ABA CODE:	026013576 (for US local payment)

4. The payment shall be arranged by the Purchaser as Appendix B.

5. At any time prior to the delivery, Bitmain is entitled to, by written notice, request the Purchaser to enter into a separate purchase agreement with Bitmain, and the Purchaser, if so requested, shall cooperate with Bitmain to enter into such purchase agreement and shall pay the outstanding price for the Products in accordance with the terms and conditions of this Agreement, failing which Bitmain is entitled to request the Purchaser to continue to perform its obligations under this Agreement.

6. The Purchaser shall pay 35% of the Total Purchase Price as down payment to Bitmain within seven (2) days after the signing of this Agreement, with the remaining being settled in accordance with the payment schedule set forth in this Agreement.

7. Without prejudice to the above, the unit price and the Total Purchase Price of the Product(s) and any amount paid by the Purchaser shall be all denominated in USD. Where the Parties agree that the payments shall be made in cryptocurrencies, the exchange rate between the USD and the cryptocurrency selected shall be determined and calculated as follows: (1) in the event that the Purchaser pays for any order placed on Bitmain's official website (the "Website", http://www.bitmain.com) which is valid and has not been fully paid yet, the exchange rate between the USD and the cryptocurrency fixed in such placed Order shall apply, or (2) in any other case, the real time exchange rate between the USD and the cryptocurrency displayed on the Website upon payment shall apply. The exchange rate between the USD and the cryptocurrency shall be fixed according to this provision. In any circumstance, the Purchaser shall not ask for any refund due to the change of exchange rate.

APPENDIX B

Payment Percentage	Payment Date	Note
At least 35%	Two (2) days after signing of this Agreement	35% of the Total Purchase Price
At least 35%	six (6) months prior to the shipment	35% per month of a single batch
The remaining 30%	one (1) month prior to the shipment	30% per month of a single batch

Exhibit 10.24

Execution Version

LOAN, GUARANTY AND SECURITY AGREEMENT

THIS LOAN, GUARANTY AND SECURITY AGREEMENT (this "**Agreement**") dated as of December 1, 2021 (the "**Closing Date**"), among Wilmington Trust, National Association, a national banking association, in its capacity as administrative agent and collateral agent (in such capacities, and together with its successors and assigns in such capacities, "**Agent**"), the Lenders (as defined below) party hereto from time to time, the Guarantors (as defined below) and **TERAWULF INC.** , a Delaware corporation ("**Borrower**"), provides the terms on which the Lenders shall lend to Borrower, Borrower shall repay the Lenders, the Guarantors shall guarantee Borrower's obligations hereunder and the Loan Parties (as defined below) shall grant security interests in their assets to secure the obligations hereunder. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by Borrower to the Lenders pursuant to Sections 7.2(a) and (b) shall be prepared in accordance with GAAP as in effect at the time of such preparation and, except as otherwise expressly provided herein, calculations and other determinations under the Loan Documents shall be made in accordance with GAAP; provided that, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower, Agent or the Required Lenders shall so request, Borrower, Agent and the Required Lenders shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided, further, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower shall provide Agent and the Lenders with financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings, and all terms contained in the Loan Documents shall be subject to the rules of construction, set forth in Section 15 of this Agreement. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay to each Lender the outstanding principal amount of the Term Loan advanced to Borrower by such Lender and accrued and unpaid interest thereon, together with any fees and premiums (including any Prepayment Fee) as and when due in accordance with this Agreement.

2.2 Term Loan.

(a) Availability. Subject to the terms and conditions of this Agreement, Borrower shall request, and the Lenders, severally and not jointly, agree to make one (1) term loan advance (the "**Term Loan**") to Borrower on the Closing Date in an aggregate original principal amount of $123,500,000.00 according to each Lender's Term Loan Commitment Percentage. After repayment or prepayment, no portion of the Term Loan may be reborrowed.

(b) Procedures for Borrowing. To request the borrowing of the Term Loan, Borrower shall notify Agent by electronic mail or facsimile by 1:00 p.m. (Eastern time) at least one

(1) Business Day prior to the funding of the Term Loan on the Closing Date (or such later time as the Lenders and Agent may agree). Together with any such electronic or facsimile notification, Borrower shall deliver to Agent by electronic mail or facsimile a completed Borrowing Request executed by an Authorized Signer. Agent shall provide notice of such request promptly to each Lender. Subject to the prior satisfaction of the conditions set forth in Section 3.01, on the Closing Date (or such later date as such conditions are satisfied), each Lender shall make its portion of the Term Loan by wire transfer of immediately available funds by 11:00 a.m. (Eastern time) to the account of Agent designated by it for such purpose by notice to the Lenders. Agent will make the Term Loan available to Borrower by promptly crediting the amounts so received, in like funds, to the Designated Deposit Account.

(c) Interest Payments. Commencing on the first Payment Date following the Closing Date and continuing on each Payment Date thereafter, Borrower shall make quarterly payments of interest to the Lenders in arrears on the outstanding principal amount of the Term Loan at the rate set forth in Section 2.3(a).

(d) Repayment of the Term Loan. Borrower shall repay the outstanding principal balance of the Term Loan in quarterly installments on each Payment Date, beginning with April 7, 2023, equal to 12.50% of the original principal amount of Term Loan advanced hereunder. All outstanding principal and accrued and unpaid interest with respect to the Term Loan are due and payable in full on the Maturity Date.

(e) Voluntary Prepayment. Borrower shall have the option to prepay all or any portion of the Term Loan; provided that (i) any partial prepayments shall be in increments of at least $5,000,000, (ii) Borrower delivers written notice to Agent of its election to prepay all or such portion of the Term Loan by 1:00 p.m. (Eastern time) at least three (3) Business Days prior to such prepayment; provided that such notice may state that it is conditioned upon the effectiveness of other credit facilities or similar agreements or other transactions, in which case such notice may be revoked by Borrower (by notice to Agent on or prior to the specified date for prepayment) if such condition is not satisfied or waived by Borrower in its sole discretion, and (iii) Borrower pays to Agent for the account of each Lender on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the prepaid portion of Term Loan, in accordance with each Lender's Pro Rata Share and (B) the Prepayment Fee with respect to the principal amount of the Term Loan prepaid. Any partial prepayments of principal with respect to the Term Loan made under this Section 2.2(e) will be applied to the remaining installments of the principal balance of the Term Loan *pro rata* to such installments.

(f) Mandatory Prepayments Upon Certain Events. Borrower shall apply an amount equal to all Net Proceeds promptly, but in any event within five (5) Business Days, after receipt thereof to prepay the Term Loan, together with the Prepayment Fee with respect to the principal amount of the Term Loan prepaid. Borrower shall notify Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to this Section 2.2(f) by 1:00 p.m. (Eastern time) at least one (1) Business Day prior to the date of such prepayment. Any partial prepayments of principal with respect to the Term Loan made under this Section 2.2(f) will be applied to the remaining installments of the principal balance of the Term Loan *pro rata* to such installments.

(g) Mandatory Prepayment Upon an Acceleration. If the Term Loan is accelerated by Agent at the direction of the Required Lenders following the occurrence and during the continuance of an Event of Default, Borrower shall promptly pay to Agent for the account of the Lenders an amount equal to the sum of (i) all outstanding principal plus accrued and unpaid

interest with respect to the Term Loan, (ii) the Prepayment Fee with respect to the then outstanding principal amount of the Term Loan and (iii) all other Obligations, if any, that shall have become due and payable with respect to the Term Loan.

(h) Several Obligations of Lenders. The obligations of the Lenders hereunder to make the Term Loan and to make payments pursuant to Section 13.3(c) are several and not joint. The failure of any Lender to make its portion of the Term Loan or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its portion of the Term Loan or to make its payment under Section 13.3(c).

2.3 Payment of Interest on the Term Loan.

(a) Interest Rate. Subject to Section 2.3(b), the Term Loan shall bear interest on the outstanding principal amount thereof from time to time at a per annum rate equal to the Applicable Rate, which interest shall be payable quarterly in arrears in accordance with Section 2.3(c) below.

(b) Default Rate. Upon the occurrence and during the continuance of an Event of Default, at the election of the Required Lenders, the Obligations shall bear interest at a rate per annum which is two percent (2.0%) above the Applicable Rate (the "**Default Rate**"). Fees and expenses which are required to be paid by any Loan Party pursuant to the Loan Documents but are not paid when due shall bear interest until paid at a rate equal to the highest rate then applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Agent or any Lender.

(c) Payment; Interest Computation. Interest is payable quarterly in arrears on each Payment Date and on the Maturity Date; provided that (i) interest accrued pursuant to Section 2.3(b) is payable on demand and (ii) in the event of any repayment or prepayment of the Term Loan, accrued and unpaid interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. Interest shall be computed on the basis of a 365-day year or 366-day year, as the case may be, for the actual number of days elapsed. In computing interest, (i) all payments received after 2:00 p.m. (Eastern time) on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of the Term Loan shall be included and the date of payment shall be excluded; provided that if the Term Loan that is repaid on the same day on which it is borrowed, it shall bear interest for one (1) day. Each determination by Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Maximum Lawful Rate. Anything herein to the contrary notwithstanding, the obligations of Borrower hereunder shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by the respective Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest which may be lawfully contracted for, charged or received by such Lender, and in such event Borrower shall pay such Lender interest at the highest rate permitted by applicable law ("**Maximum Lawful Rate**"); provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of Lenders, is equal to the total interest that would have been received had the interest

payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement.

2.4 Fees. Borrower shall pay to the Lenders:

(a) Upfront Fee. On the Closing Date, a fully earned, non-refundable upfront fee equal to 1.00% of the aggregate principal amount of Term Loan funded on such date, to be paid to Agent for the account of the Lenders in accordance with their respective Term Loan Commitment Percentages; and

(b) Prepayment Fee. The Prepayment Fee, when due hereunder, to be paid to Agent for the account of the Lenders in accordance with their respective Pro Rata Shares.

In addition, Borrower shall pay to Agent for its own account fees in the amounts and at the times specified in the Fee Letter entered into between Borrower and Agent in connection herewith.

2.5 Payments; Pro Rata Treatment; Application of Payments.

(a) All payments (including prepayments) to be made by Borrower under any Loan Document shall be made to Agent for the account of each Lender in immediately available funds in Dollars, without setoff or counterclaim, before 2:00 p.m. (Eastern time) on the date when due. Payments of principal and/or interest received after 2:00 p.m. (Eastern time) are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Except as otherwise provided herein, including in Section 14.2(f), each payment (including each prepayment) by Borrower on account of principal or interest on the Term Loan shall be made to Agent on account of each Lender according to such Lender's Pro Rata Share of the outstanding principal amount of the Term Loan. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its portion of the Term Loan or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its portion of the Term Loan and accrued interest thereon or other such Obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify Agent of such fact, and (b) purchase (for cash at face value) participations in the Term Loan and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective portion of the Term Loan and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its portion of the Term Loan to any assignee or participant.

Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrower in the amount of such participation.

(c) Except when such allocation or application is specified elsewhere in this Agreement, the Lenders have the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied and Borrower shall have no right to specify the order or the accounts to which the Lenders shall allocate or apply any payments required to be made by Borrower to Agent or the Lenders or otherwise received by Agent or any Lender under this Agreement.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender resulting from the portion of the Term Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(e) Agent shall maintain accounts in which it shall record (i) the amount of the Term Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder and (iii) any amount received by Agent hereunder for the account of the Lenders and each Lender's share thereof.

(f) The entries made in the accounts maintained pursuant to this Section 2.5 shall be prima facie evidence (absent manifest error) of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrower to repay the Term Loan in accordance with the terms of this Agreement.

(g) Any Lender may request that the portion of the Term Loan made by it be evidenced by a promissory note (a "**Note**"). In such event, Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender or its registered assigns and in a form attached hereto as Exhibit H. Thereafter, unless otherwise agreed to by the applicable Lender, the portion of the Term Loan evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 14.2) be represented by one or more promissory notes in such form payable to the payee named therein or its registered assigns.

2.6 Settlement Procedures. If Agent receives any payment for the account of Lenders and such payment is received on or prior to 2:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on such Business Day. If Agent receives any payment for the account of Lenders and such payment is received after 2:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on the next Business Day.

2.7 Taxes.

(a) Payments made by any Loan Party under the Loan Documents will be made free and clear of and without deduction for any and all Taxes, except as required by applicable law. If at any time any Governmental Authority (including guidance therefrom), applicable law, regulation or international agreement requires Borrower to make any withholding or deduction of Indemnified Taxes from any such payment or other sum payable hereunder to a Lender or Agent,

Borrower hereby covenants and agrees that the sum payable by Borrower with respect to such payment will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction of Indemnified Taxes (including such deductions and withholdings applicable to additional sums payable under this sentence), such Lender or Agent receives a net sum equal to the sum which it would have received had no withholding or deduction of Indemnified Taxes been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish such Lender with proof reasonably satisfactory to such Lender or Agent indicating that Borrower has made such withholding payment.

(b) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement shall deliver to Borrower and Agent, at the time or times reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, on or before the date hereof, and at such times thereafter as may be reasonably requested by Borrower or Agent:

(i) each Lender (and any assignee or successor thereof) that is a U.S. Person shall deliver, to Borrower and Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(ii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

(A) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(B) executed copies of IRS Form W-8ECI;

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, a "10 percent shareholder" of

Borrower within the meaning of Section 871(h)(3)(B) of the IRC, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E;

(D) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(iii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Agent to determine the withholding or deduction required to be made; and

(iv) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (iv), "**FATCA**" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(c) Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of such Lender or Agent, as applicable, timely reimburse it for the payment of Other Taxes.

(d) Borrower shall indemnify each Lender and Agent, as applicable, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including

Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.7) payable or paid by such Lender or Agent, or required to be withheld or deducted from a payment to such Lender or Agent, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by the applicable Lender shall be conclusive absent manifest error.

(e) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.7 (including by the payment of additional amounts pursuant to this Section 2.7), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.7 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (e) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(f) If Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to this Section 2.7, then (i) such Lender shall (at the request of Borrower) use reasonable efforts to assign its rights and obligations hereunder to another of its offices, branches or affiliates, to the extent such assignment would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or (ii) if such Lender is unable or unwilling to make such assignment, Borrower may, at its sole expense and effort, upon notice to such Lender and Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 14.2), all of its interests, rights (other than its existing rights to payments pursuant to this Section 2.7) and obligations under this Agreement, if, in connection with such assignment, such Lender receives payment in an amount equal to its Pro Rata Share of the outstanding principal and accrued and unpaid interest with respect to the Term Loan, accrued fees thereon and all amounts otherwise payable to it hereunder (including any amounts due under this Section 2.7), in each case of clauses (i) and (ii), if such assignment would eliminate or reduce amounts payable pursuant to this Section 2.7 in the future. Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(g) The agreements and obligations contained in this Section 2.7 shall survive the termination of this Agreement or the resignation or replacement of Agent.

(h) The Lenders and Borrower have determined that the issue price of the investment unit is $122,265,000 within the meaning of Treasury Regulations Section 1.1273-2(h)

and that such issue price should be allocated $99,225,946.58 to the Term Loan and $23,039,053.42 to the Common Shares in Terawulf Inc. issued to each Lender on the Closing Date.

2.8 Treatment of Prepayment Fee. Except as otherwise required by applicable tax law, Borrower agrees that any Prepayment Fee payable hereunder shall be presumed to be the liquidated damages sustained by each Lender as the result of the applicable voluntary prepayment, and Borrower agrees that it is reasonable under the circumstances currently existing and existing as of the Closing Date. Borrower agrees (to the fullest extent that each may lawfully do so): (a) the Prepayment Fee is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (b) the Prepayment Fee shall be payable notwithstanding the then prevailing market rates at the time payment is made; (c) there has been a course of conduct between the Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Fee as a charge (and not interest) in the event of voluntary prepayment; and (d) Borrower shall be estopped from claiming differently than as agreed to in this paragraph. Borrower expressly acknowledges that its agreement to pay the Prepayment Fee to the Lenders as herein described was on the Closing Date and continues to be a material inducement to the Lenders to provide the Term Loan.

3. CONDITIONS PRECEDENT

3.1 Conditions Precedent to Term Loan. Each Lender's obligation to make the Term Loan hereunder on the Closing Date is subject to the condition precedent that Agent and the Lenders shall have received, in form and substance reasonably satisfactory to Agent and the Lenders, each of the following:

(a) from each party thereto, a counterpart of this Agreement and the other Loan Documents to be executed and delivered as of the Closing Date, signed and delivered on behalf of such party;

(b) duly executed subscription agreements between Borrower and each Lender for, and the issuance to each Lender of, the shares of common stock, par value $0.001 per share, of Borrower described on Schedule 3 hereto (the "**Subscription Agreements**");

(c) the Operating Documents and good standing certificate of each Loan Party certified by the Secretary of State of Delaware as of a recent date;

(d) a secretary's certificate of each Loan Party with respect to such Loan Party's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(e) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each Loan Party and in the jurisdiction of its chief executive office, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens and tax lien, judgment and bankruptcy searches;

(f) the Perfection Certificate of the Loan Parties, together with the duly executed signatures thereto;

(g) UCC financing statements in appropriate form for filing each appropriate jurisdiction as is necessary to perfect the Agent's Lien in the Collateral;

(h) a legal opinion of counsel to the Loan Parties dated the Closing Date;

(i) certificates evidencing liability, casualty and property insurance meeting the requirements set forth herein or in the other Loan Documents;

(j) a solvency certificate signed by a Responsible Officer of Borrower that, after giving effect to the borrowing of the Term Loan on the Closing Date and the other transactions contemplated by the Loan Documents, the Loan Parties, taken as a whole, are Solvent;

(k) payment of the fees then due and expenses (including any Lenders' expenses) payable in accordance with Section 14.3 for which an invoice has been provided to Borrower at least one (1) Business Day prior to the Closing Date;

(l) in addition to the subscription agreements described in clause (b) above, (i) executed subscription agreements subscribing for the issuance of shares of common stock, par value $0.001 per share, of Borrower for aggregate proceeds of not less than $50,000,000 and (ii) evidence (in the form of a summary report from Bank of America, N.A. of incoming wires to Borrower's account at Bank of America, N.A.) of the receipt by Borrower of aggregate proceeds of not less than $44,498,495.90 in relation to such subscription agreements;

(m) upon the reasonable request of any Lender made at least five (5) Business Days prior the Closing Date, Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act, and any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party;

(n) a duly executed Borrowing Request; and

(o) a certificate of a Responsible Officer of Borrower certifying that, at the time of and immediately after giving effect to such borrowing of the Term Loan on the Closing Date, (i) the representations and warranties of each Loan Party in this Agreement and each other Loan Document to which it is a party are true and correct in all material respects on the Closing Date; provided that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further, that those representations and warranties expressly referring to a specific date are true, accurate and complete in all material respects as of such date and (ii) no Default or Event of Default shall have occurred and be continuing.

4. GUARANTY

4.1 The Guaranty. Each of the Guarantors hereby jointly and severally guarantees to Agent for the benefit of the Lenders as hereinafter provided, as primary obligor and not as surety, the prompt payment of all Obligations in full when due (whether at stated maturity, by acceleration or otherwise) strictly in accordance with the terms thereof. Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, by acceleration or otherwise), Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of

the Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law.

4.2 Obligations Unconditional. The Obligations of the Guarantors under Section 4.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor (other than payment in full of the Obligations), it being the intent of this Section 4.2 that the Obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that any right of subrogation, indemnity, reimbursement or contribution it may have against Borrower or any other Guarantor for amounts paid under this Section 4 shall be subordinate and subject in right of payment to the Obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of subrogation, indemnity, reimbursement or contribution until the Termination Date shall have occurred. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above: (a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived; (b) any of the acts mentioned in any of the provisions of any of the Loan Documents or any other agreement or instrument referred to in the Loan Documents shall be done or omitted; (c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or any other agreement or instrument referred to in the Loan Documents shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with; (d) any Lien granted to, or in favor of, Agent or any Lender as security for any of the Obligations shall fail to attach or be perfected; or (e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its Obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other agreement or instrument referred to in the Loan Documents, or against any other Person under any other guarantee of, or security for, any of the Obligations.

The guarantee in Section 4.1 is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

4.3 Reinstatement.

The Obligations of the Guarantors under this Section 4 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any Insolvency Proceeding or otherwise.

4.4 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 10.1 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 10.1) for purposes of Section 4.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.1. The Guarantors acknowledge and agree that their Obligations hereunder are secured in accordance with the terms of this Agreement and the other Loan Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

4.5 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law. Such contribution rights shall be subordinate and subject in right of payment to the Obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until the Termination Date shall have occurred.

5. COLLATERAL

5.1 Grant of Security Interest. Each Loan Party hereby grants Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest (the "**Security Interest**") in, and pledges to Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising. For clarity, any reference to "Agent's Lien" or any granting of collateral to Agent in this Agreement or any Loan Document means the Lien granted to Agent for the benefit of Agent and the Lenders.

5.2 Perfection of Security Interest. Subject to the limitations set forth herein and in the other Loan Documents, each Loan Party shall take all action that Agent (acting at the direction of the Required Lenders) may reasonably request, to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral to the extent such perfection and priority are contemplated herein or under any other Loan Document, or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, executing and delivering Account Control Agreements, financing statements, instruments of pledge and other documents as Agent (acting at the direction of the Required Lenders) may reasonably request, in each case in form and substance reasonably satisfactory to Agent (acting at the direction of the Required Lenders), relating to the creation, validity, perfection, maintenance or continuation of Agent's Lien granted hereunder under the Code or other applicable

to the extent contemplated by this Agreement and the other Loan Documents. By its signature hereto, each Loan Party hereby authorizes Agent to file against such Loan Party, one or more financing, continuation or amendment statements pursuant to the Code in form and substance reasonably satisfactory to Agent (acting at the direction of the Required Lenders) (which statements may have a description of collateral which is broader than that set forth herein, including without limitation a description of Collateral as "all assets" and/or "all personal property" of any Loan Party). Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office the Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as Exhibit E and such other documents as may be reasonably necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Loan Party in such Loan Party's United States Patents, United Stated Trademarks and United States Copyrights, without the signature of such Loan Party, and naming such Loan Party or the Loan Parties, as debtors and Agent as secured party. Notwithstanding anything to the contrary herein, no Loan Party shall be required to take any action under the laws of any jurisdiction other than the United States (or any political subdivision thereof) and their territories and possessions for the purpose of perfecting the Agent's Lien in any Collateral of such Loan Party constituting Patents, Trademarks or Copyrights or any other assets. Notwithstanding anything else herein, Agent shall not be liable for the preparation, filing, recording, registration or maintenance of any financing statements or any instruments, agreements or other documents.

5.3 Chattel Paper. To the extent any Loan Party holds or obtains any chattel paper with an amount payable thereunder or in connection therewith in excess of $500,000, the applicable Loan Party will promptly (i) deliver to Agent all such tangible chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment and (ii) upon Agent's request (acting at the direction of the Required Lenders), take commercially reasonable steps necessary to provide Agent with "control" as defined in the Code of all such electronic chattel paper, by having Agent identified as the assignee of the records(s) (as defined in the Code) pertaining to the single authoritative copy thereof and otherwise complying with the applicable elements of control set forth in the Code; provided, that unless Agent has so requested at the direction of the Required Lenders while an Event of Default has occurred and be continuing, the Loan Parties shall not be obligated to deliver to Agent, or provide Agent with control with respect to, any such chattel paper held by any Loan Party for collection in the ordinary course of business and, in the case of any such chattel paper, payable within ninety (90) days. Upon Agent's written request (acting at the direction of the Required Lenders), each Loan Party will mark conspicuously all such chattel paper with a legend indicating that such chattel paper is subject to the Agent's Lien.

5.4 Instruments. Each Loan Party will promptly deliver to Agent all instruments with an amount payable thereunder in excess of $500,000 it holds or obtains, duly endorsed and accompanied by duly executed instruments of transfer or assignment.

5.5 Pledged Equity Interests.

(a) Each Loan Party will promptly deliver to Agent all Equity Interests included in the Collateral that are evidenced by a certificate it holds or obtains, accompanied by duly executed stock powers or instruments of transfer in blank. Each Loan Party that is an issuer of the Equity Interests pledged hereunder confirms that it has received notice of the security interest granted hereunder and consents to such security interest and agrees to transfer record ownership of the securities issued by it in connection with any request by Agent (acting at the direction of the Required Lenders) if an Event of Default has occurred and is continuing.

(b) Unless and until an Event of Default shall have occurred and be continuing and Agent (acting at the direction of the Required Lenders) shall have given not less than one (1) Business Days' prior written notice to the relevant Loan Parties of Agent's intention to exercise its rights hereunder:

(i) Each Loan Party shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of such Equity Interests or any part thereof for any purpose not prohibited by the terms of this Agreement or the other Loan Documents or which does not otherwise impair the rights and remedies of any Lender hereunder or thereunder.

(ii) Agent shall promptly execute and deliver to each Loan Party, or cause to be executed and delivered to such Loan Party, all such proxies, powers of attorney and other instruments as such Loan Party may reasonably request for the purpose of enabling such Loan Party to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Each Loan Party shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Equity Interests pledged hereunder (and any Equity Interests in the Nautilus JV) to the extent and only to the extent that such dividends, interest, principal and other distributions are not prohibited by, and otherwise paid or distributed in accordance with, the terms and conditions of the Loan Documents and applicable law; provided that any noncash dividends, interest, principal or other distributions (including noncash dividends, interest, principal or other distributions actually received by a Loan Party from the Nautilus JV) that would constitute Collateral whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Equity Interests pledged hereunder, received in exchange therefor or any part thereof, or in redemption thereof or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Collateral, and, if received by any Loan Party, shall be promptly delivered to Agent, for the benefit of the Lenders, in the same form as so received (endorsed in a manner reasonably satisfactory to Agent).

5.6 Letters of Credit. Each Loan Party will provide Agent with prompt notice if it shall obtain any letter-of-credit rights in excess of $500,000 and, upon Agent's written request (acting at the direction of the Required Lenders), use commercially reasonable efforts to cause Agent to obtain "control" (as defined in the Code) of such letter-of-credit-rights constituting Collateral (excluding any letter-of-credit rights that are supporting obligations in which a security interest may be perfected by filing a Uniform Commercial Code financing statement) in a manner reasonably acceptable to Agent.

5.7 Intellectual Property. If any Loan Party acquires ownership of any new or additional issued or applied for United States federal Patent, registered or applied for United States Trademark or registered United States federal Copyright that constitutes Intellectual Property Collateral, such Loan Party shall give to Agent written notice thereof following the end of the fiscal quarter in which such new or additional issued or applied for United States federal Patent, registered or applied for United States Trademark or registered United States federal Copyright was acquired not later than the day on which financial statements are delivered with respect to such fiscal quarter pursuant to Section 7.2(a) or (b), and shall deliver a Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as Exhibit E to include any such

Intellectual Property Collateral (provided that no Loan Party shall be obligated to notify Agent upon the issuance of a Patent or registration with respect to any Patent application or Trademark application against which a security interest in favor of Agent has already been recorded). Notwithstanding anything to the contrary herein, no Loan Party shall be required to make any filings or take any other actions to perfect the Lien on and security interest in any Intellectual Property except for in the United States Patent and Trademark Office and United States Copyright Office, or to reimburse Agent for any costs incurred in connection with the same. Each Loan Party shall: (a) prosecute diligently any copyright, patent or trademark application at any time pending in the name of such Loan Party; (b) make application for registration or issuance of all new copyrights, patents and trademarks owned by such Loan Party as reasonably deemed appropriate by such Loan Party; and (c) preserve and maintain all rights in the Intellectual Property owned by such Loan Party, in each case, where such copyright, patent or trademark is reasonably necessary for the ownership and operation of the business of the Loan Parties and the Collateral. For the purpose of enabling Agent to exercise rights and remedies under this Agreement at such time as Agent shall be lawfully entitled to exercise such rights and remedies, each Loan Party hereby grants to Agent a nonexclusive license (exercisable without payment of royalty or other compensation to any such Loan Party) to use or sublicense any of the Collateral now owned or hereafter acquired by such Loan Party that constitutes Intellectual Property and license rights included in the General Intangibles, wherever the same may be located, and including in such license, solely to the extent necessary to exercise such rights and remedies, reasonable access to media in which any of the licensed items may be recorded or stored and to all computer software used for the compilation or printout thereof. Agent shall not exercise any rights under the foregoing license unless and until an Event of Default shall have occurred and be continuing. Such license shall terminate upon the earlier to occur of the Termination Date and the termination of this Agreement.

5.8 Commercial Tort Claims. If any Loan Party shall at any time hold or acquire a commercial tort claim in an amount reasonably estimated by such Loan Party to be equal to or exceed $500,000, such Loan Party shall promptly notify Agent thereof in a writing signed by such Loan Party, including a summary description of such claim, and grant to Agent in writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to include a supplement to Schedule 2 hereto and be in form and substance reasonably satisfactory to Agent.

5.9 Deposit Accounts and Securities Accounts. Each Loan Party shall enter into a customary account control agreement, in a form reasonably satisfactory to Agent and Borrower (each, an "**Account Control Agreement**"), with Agent and any bank or securities intermediary with which such Loan Party maintains a deposit account or securities account on the Closing Date with respect to each such deposit account (other than any Excluded Account) within thirty (30) days after the Closing Date (or such longer period as Agent (acting at the direction of the Required Lenders) may agree). In addition, each Loan Party shall enter into an Account Control Agreement with respect to any new deposit account opened or acquired after the Closing Date that is not an Excluded Account (a) concurrently with the establishment or acquisition of such account if such account is at a bank with whom the parties have an existing Account Control Agreement for other accounts or (b) otherwise, thirty (30) days (or such longer period as Agent (acting at the direction of the Required Lenders) may agree) after such account is established or acquired. Agent agrees that it will not deliver an activation notice or notice of exclusive control or similar term used in the applicable Account Control Agreement) under any Account Control Agreement unless an Event of Default shall have occurred and be continuing. For the avoidance of doubt, each Wallet Security

Agreement, including the Digital Asset Control Account Agreement, is an Account Control Agreement.

5.10 Crypto Assets. Loan Parties shall maintain all Crypto Assets owned by any Loan Party in a Wallet in the custody and control of a Person that is not a Loan Party or a Subsidiary or an Affiliate of a Loan Party and such Person shall authenticate a writing whereby it acknowledges that it has custody and control of such Crypto Assets and Wallet for the benefit of the Agent, and agrees that it shall comply with all instructions of Agent without further consent of any Loan Party and subordinate any lien it may have in the Crypto Assets or Wallet to the Agent's security interest therein. Such Wallet shall at all times be subject to a Wallet Security Agreement in favor of Agent.

5.11 Real Property. (a) The applicable Loan Party shall provide to Agent with respect to each Material Real Property, promptly and in any event within one hundred and twenty (120) days (or such longer period as Agent (acting at the direction of the Required Lenders) may agree in its reasonable discretion) after the later of the Closing Date and the date of acquisition thereof (each, a "**Mortgaged Property**" and together, the " **Mortgaged Properties**") (i) a Mortgage duly executed and delivered by the record owner of such Mortgaged Property; provided that (A) for any Mortgaged Property located in a jurisdiction which imposes a tax, fee or other charge on the recording of a security instrument, the Mortgage shall be in an amount not to exceed the fair market value of such Mortgaged Property as reasonably determined by Borrower and (B) for any Mortgaged Property in which Borrower holds a leasehold interest, a memorandum of lease containing a description of the leased premises acceptable to the recording office in the county where the Mortgaged Property is located shall have been recorded, (ii) a title insurance policy for each Mortgaged Property or the equivalent or other form (if applicable) available in each applicable jurisdiction in an amount not to exceed the fair market value of such Mortgaged Property as reasonably determined by the Borrower and Agent (acting at the direction of the Required Lenders) (collectively, the "**Mortgage Policies**") insuring the Lien of each such Mortgage as a valid Lien on the Mortgaged Property described therein, free of any other Liens except Permitted Liens, together with such endorsements, coinsurance and reinsurance as Agent (acting at the direction of the Required Lenders) may reasonably request, (iii) a completed "Life of Loan Federal Emergency Management Agency Standard Flood Hazard Determination" with respect to each Mortgaged Property (together with a notice about Special Flood Hazard Area status and flood disaster assistance duly executed by the Borrower and each of its Subsidiaries relating thereto) and if any improvements on any Mortgaged Property are located in an area designated as a Special Flood Hazard Area, evidence of such Flood Insurance as may be required under Section 7.4(c), (iv) either a current ALTA survey (or survey equivalent, such as an Express Map) in form and substance reasonably satisfactory to Agent, certified to Agent and to the issuer of the Mortgage Policy with respect thereto by a professional surveyor licensed in the state in which such Mortgaged Property is located or a prior survey (or survey equivalent, such as an Express Map), together with an affidavit from the record owner of such Mortgaged Property certified to the issuer of the Mortgage Policy with respect thereto that there has been no material change to such Mortgaged Property as shown thereon since the date thereof, if applicable, all in form and substance reasonably satisfactory to the issuer of the Mortgage Policy to remove the standard printed survey exception from any Mortgage Policy and (v) a legal opinion of counsel regarding the enforceability of the Mortgage with respect to such Mortgaged Property, in form and substance reasonably satisfactory to Agent and the Required Lenders.

(c) In the case of any personal property Collateral with a value in excess of $500,000 located at any premises leased by a Loan Party or pursuant to a bailment agreement, the Loan Parties will provide Agent with such customary estoppel letters, consents and waivers from the landlords or bailees, as applicable, with respect to such premises to the extent (A) requested by

Agent (acting at the direction of the Required Lenders) and (B) the Loan Parties are able to secure such letters, consents and waivers after using commercially reasonable efforts (such letters, consents and waivers to be substantially in the form of Exhibit K or otherwise in form and substance reasonably satisfactory to Agent (acting at the direction of the Required Lenders)).

5.12 Further Assurances. Each Loan Party shall execute any further instruments and take further action as Agent (acting at the direction of the Required Lenders) reasonably requests to perfect or continue Agent's first priority Lien in the Collateral to the extent contemplated hereunder or to effect the purposes of this Agreement.

6. REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants as follows:

6.1 Due Organization, Authorization, Power and Authority.

(a) Such Loan Party (i) is duly organized, validly existing and in good standing as a Registered Organization in its jurisdiction of formation and (ii) has all requisite power and authority and all requisite governmental licenses, permits, registrations, authorizations, consents and approvals to (x) own or lease its assets and carry on its business, and (y) execute, deliver and perform its obligations under the Loan Documents to which it is a party, except for and filings necessary to perfect the security interests granted hereunder, and (iii) is duly qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property and other assets or business which it is engaged in requires that it be qualified except, in the case of clauses (ii) and (iii), where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) The execution, delivery and performance by such Loan Party of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of such Loan Party's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any Requirement of Law, (iii) contravene, conflict with or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Loan Party or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect and filings necessary to perfect the security interests granted hereunder), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which such Loan Party is bound, except, in the case of clauses (ii) through (iv), where such contravention, conflict, default, breach, violation, termination, acceleration or failure to take such action, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Such Loan Party is not in default under any agreement to which it is a party or by which it is bound in which the default would reasonably be expected to have a Material Adverse Effect.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (i) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect, (ii) approvals, consents, exemptions, authorizations, actions or notices the

failure of which to be obtained, taken or made would not reasonably be expected to have a Material Adverse Effect and (iii) filings to perfect the Liens created by the Loan Documents.

(d) This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so executed and delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

6.2 Collateral.

(a) Each Loan Party has good title to, rights in, and the power to pledge each item of the Collateral upon which it purports to grant a Lien under this Agreement and the other Loan Documents, free and clear of Liens except Permitted Liens. Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, in each case free and clear of Liens except Permitted Liens.

(b) On the Closing Date, each Loan Party has delivered to Agent and each Lender a completed Perfection Certificate signed by such Loan Party. As of the date hereof (i) such Loan Party's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof, (ii) such Loan Party is an organization of the type and is organized or incorporated in the jurisdiction set forth in the Perfection Certificate, (iii) the Perfection Certificate accurately sets forth such Loan Party's organizational identification number or accurately states that such Loan Party has none, (iv) the Perfection Certificate accurately sets forth such Loan Party's place of business, or, if more than one, its chief executive office as well as such Loan Party's mailing address (if different than its chief executive office), (v) such Loan Party (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction and (vi) all other information set forth on the Perfection Certificate pertaining to such Loan Party is true and correct in all material respects.

(c) The Uniform Commercial Code financing statements or other appropriate filings, recordings or registrations containing a description of the Collateral have been prepared based upon the information set forth in the Perfection Certificate and constitute all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Collateral consisting of United States Patents, United States Trademarks and United States registered Copyrights) that are necessary as of the Closing Date to establish a valid and first priority perfected security interest in favor of Agent, for the benefit of the Lenders, in respect of the Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof). The Notices of Grant of Security Interest in Intellectual Property executed by the applicable Loan Parties containing descriptions of all Collateral that consists of material United States federally issued Patents (and material Patents for which United States federal registration applications are pending), material United States federally registered Trademarks (and material Trademarks for which United States federal registration applications are pending) and material United States federally registered Copyrights (i) have been delivered to Agent for recording with the United States Patent and Trademark Office and the United States Copyright Office, and (ii) are sufficient to protect the validity of and to establish a legal,

valid and perfected security interest (or, in the case of Patents and Trademarks, notice thereof) in favor of Agent, for the benefit of the Lenders, in respect of all Collateral consisting of such Intellectual Property as of the Closing Date in which a security interest may be perfected by recording with the United States Patent and Trademark Office and the United States Copyright Office.

(d) The Security Interest constitutes (i) a legal and valid security interest in the Collateral securing the payment and performance of the Obligations, (ii) subject to the filings described in Section 6.2(c), a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording or registering a Uniform Commercial Code financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) subject to the filings described in Section 6.2(c), a security interest that shall be perfected in all Collateral in which a security interest may be perfected upon the receipt and recording of the Notices of Grant of Security Interest in Intellectual Property with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Collateral other than Permitted Liens.

(e) As of the date hereof, none of the Loan Parties holds any commercial tort claim , in the aggregate, reasonably estimated to be equal to or in excess of $500,000 except as set forth on Schedule 2 hereto.

6.3 Litigation. Except as set forth on Schedule 6.3, there are no actions, suits, investigations or proceedings pending or, to the knowledge of any Responsible Officer of any Loan Party, threatened at law, in equity, in arbitration or before any Governmental Authority by or against such Loan Party or any of its Subsidiaries with an amount in controversy in excess of $5,000,000.

6.4 Financial Statements. The consolidated financial statements for Borrower delivered to Agent in connection with the Loan Documents or pursuant to Section 7.2(a) or 7.2(b) were (a) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and, in the case of interim financial statements, subject to the absence of footnotes and normal year-end audit adjustments, and (b) fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations and cash flows as of the dates and for the periods presented.

6.5 Solvency. On the Closing Date, Borrower, on a consolidated basis with its Subsidiaries, both before and after giving effect to the borrowing of the Term Loan on the Closing Date and the application of the proceeds thereof, is Solvent.

6.6 Regulatory Compliance. Neither any Loan Party nor any of its Subsidiaries is an "investment company" required to be registered under the Investment Company Act of 1940, as amended. Neither any Loan Party nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations U and X of the Federal Reserve Board of Governors). Each Loan Party has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, except to the extent such failure to so obtain, make or give such consents, approvals, authorizations, declarations, filings or notices would not reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties has complied with all Requirements of Law, except where such failure to comply would not

reasonably be expected to have a Material Adverse Effect. Except with respect to any matters that, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, neither any Loan Party nor any of its Subsidiaries (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of any Loan Party, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could reasonably be expected to give rise to any basis for any Environmental Liability of any Loan Party or any of its Subsidiaries. No Loan Party is an Affected Financial Institution. No Loan Party is a Covered Entity. As of the Closing Date, the information included in the Beneficial Ownership Certification, if any, is true and correct in all respects.

6.7 Tax Returns and Payments. Each Loan Party and its Subsidiaries has timely filed all required income and other material tax returns and reports or extensions thereof, and each Loan Party has timely paid all foreign, federal, state and local taxes and assessments owed by such Loan Party or its Subsidiaries except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor (such taxes, "**Contested Taxes**"), or (b) if such taxes and assessments would not reasonably be expected to have a Material Adverse Effect.

6.8 Use of Proceeds. Borrower shall use the proceeds of the Term Loan (i) to fund capital expenditures on mining equipment and infrastructure made by the Loan Parties or the Nautilus JV, (ii) to pay fees and expenses in connection with the transactions contemplated hereunder and in connection with the Subscription Agreements, (iii) for working capital and other general corporate purposes of the Loan Parties or the Nautilus JV and (iv) fees and expenses incurred in connection with the transactions contemplated by the Merger Agreement.

6.9 Disclosure. The Loan Parties have disclosed to each Lender all material agreements, instruments and corporate or other restrictions to which any Loan Party is subject. No written representation, warranty or other statement of any Loan Party in any certificate or written statement submitted to Agent or any Lender in connection with the Loan Documents (other than any projections, forecasts, other forward looking information and information of a general or industry specific nature), as of the date such representation, warranty, or other statement was made, taken together with all other such written representations, warranties, certificates and written statements submitted to Agent or any Lender, contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein taken as a whole not materially misleading in light of the circumstances under which they were made (provided that with respect to projections and forecasts provided by any Loan Party, the Loan Parties represent only that they were prepared in good faith based upon assumptions believe to be reasonable at the time made; it being recognized by Agent and each Lender that such projections and forecasts are

not viewed as facts and that actual results during the period or periods covered thereby may differ from the projected or forecasted results).

6.10 Environmental Law. Except as could not, individually or in the aggregate, reasonably be expected to result in any Material Adverse Effect:

(a) (i) Hazardous Materials have not been released on, at, under or from) any property currently or formerly owned, leased or operated by any Loan Party or any of its Subsidiaries; and (ii) no Loan Party or any of its Subsidiaries is subject to any Environmental Liability or knows of any facts or circumstances that could reasonably be expected to give rise to any Environmental Liability;

(b) All Hazardous Materials generated, used, treated, handled or stored at, or transported by any Loan Party to or from, any property currently or formerly owned, leased or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner which could not reasonably expected to result in liability to any Loan Party or any of its Subsidiaries; and

(c) The Loan Parties and their respective Subsidiaries are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws and have not incurred any liability under any Environmental Laws.

6.11 Foreign Assets Control Regulations, Etc.

(a) No Loan Party or any of its Subsidiaries or, to the knowledge of the any Loan Party, any director, officer, employee or agent of Borrower or any of its Subsidiaries is an individual or an entity that is a Sanctioned Person. Borrower and each of its Subsidiaries have conducted their businesses in compliance with all applicable Sanctions. No Loan Party nor any Subsidiary of a Loan Party (i) has violated or been charged with or convicted of a violation of, any applicable Sanctions or (ii) to the knowledge of the Loan Parties, has received any written notice that any Loan Party or any of their Subsidiaries is under investigation by any Governmental Authority relating to a violation of any applicable Sanctions. The Term Loan and the use of proceeds thereof will not violate applicable Sanctions.

(b) The Loan Parties and their Subsidiaries have conducted their business in compliance with Anti-Corruption Laws and Anti-Money Laundering Laws. No Loan Party nor any Subsidiary of any Loan Party (i) has violated or been charged with or convicted of a violation of, any applicable Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the knowledge of the Loan Parties and their Subsidiaries, has received any written notice that any Loan Party or their Subsidiaries is under investigation by any Governmental Authority relating to a violation of any applicable Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of the proceeds from the Term Loan:

(i) constitutes or will constitute funds obtained on behalf of any Sanctioned Person or will otherwise be used by the Loan Parties or their Subsidiaries, directly or, knowingly, indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Sanctioned Person, (B) for any purpose that would cause any Lender to be in violation of any applicable Sanctions or (C) otherwise in violation of any applicable Sanctions;

(ii) will be used, directly or, knowingly, indirectly, in violation of, or cause any Lender to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or, knowingly, indirectly, for the purpose of making any improper payments, including bribes, to any official of any Governmental Authority or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Lender to be in violation of, any applicable Anti-Corruption Laws.

6.12 Compliance with ERISA; Labor Matters.

(a) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan and Foreign Plan is in compliance with the applicable provisions of ERISA, the IRC and other federal or state Requirements of Law and applicable foreign laws, respectively.

(b) (i) No ERISA Event or similar event with respect to a Foreign Plan has occurred or is reasonably expected to occur; (ii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 et seq. with respect to a Multiemployer Plan; and (iii) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that would be subject to Section 4069 or 4212(c) of ERISA, except, with respect to each of the foregoing clauses of this Section 3.10(b), as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(c) There are no collective bargaining agreements or Multiemployer Plans covering the employees of Borrower or any of its Subsidiaries as of the Closing Date and neither Borrower nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five (5) years preceding the Closing Date.

7. AFFIRMATIVE COVENANTS

Until the Termination Date, each Loan Party shall do all of the following:

7.1 Existence; Business and Properties.

(a) Maintain its and its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation except in a transaction permitted by Section 8.1 or, other than with respect to any Loan Party, to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect. Each Loan Party shall, and cause each Subsidiary to, maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Effect.

(b) Obtain all of the Governmental Approvals necessary for the performance by such Loan Party of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Agent, for the ratable benefit of the Lenders, in the Collateral.

(c) Comply, and cause its Subsidiaries to comply, with all Requirements of Law except in such instances in which (i) such Requirement of Law is being contested in good faith by appropriate proceedings diligently conducted, or (ii) the failure to comply therewith, either

individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(d) Do or cause to be done all things necessary to (i) lawfully obtain, preserve, renew, extend and keep in full force and effect the material permits, franchises, authorizations, licenses and rights with respect thereto necessary to the normal conduct of its business, (ii) at all times maintain, protect and preserve all property necessary to the normal conduct of its business and keep such property in good repair, working order and condition (ordinary wear and tear excepted) in all material respects and (iii) from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith, if any, may be properly conducted at all times in all material respects (in each case except as expressly permitted by the Loan Documents).

(e) Except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect, each Loan Party will, and will cause each of its Subsidiaries to, (i) comply with all Environmental Laws, (ii) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required pursuant to Environmental Laws for the facilities or operations of the Loan Parties or any of their Subsidiaries, and (iii) to the extent required by Environmental Laws, conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of any Loan Party or any of its Subsidiaries, except in the case of each of clauses (i), (ii) and (iii), in such instances in which such Environmental Law, permit, license or approval, or investigative or remedial action is being contested in good faith by appropriate proceedings diligently conducted.

(f) Conduct its business in compliance in all material respects with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions and will, within 90 days of the date of Closing Date, adopt and maintain policies and procedures designed to promote compliance with such applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(g) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be.

(h) If any additional Subsidiary (other than a Subsidiary of the Borrower that is not a Subsidiary of any other Loan Party (or, after the Successor Borrower becomes the Borrower, other than a Subsidiary of the Borrower that is not a Subsidiary of any other Loan Party other than TeraCub Inc. (f/k/a TeraWulf Inc.)) is formed or acquired after the Closing Date, as promptly as practicable and, in any event, within 30 days after such Subsidiary is formed or acquired, notify the Agent thereof and cause such Subsidiary to become a Loan Party by executing a joinder to this Agreement, a supplement to the Perfection Certificate and any other applicable Loan Document, in each case, in form and substance reasonably satisfactory to the Agent. For the avoidance of doubt, (i) after consummation of the mergers contemplated by the Merger Agreement, TeraCub Inc. (f/k/a TeraWulf Inc.), shall continue to constitute a Loan Party and shall execute any further instruments and take further action as may be required to evidence such continuation and (ii) IKONICS Corporation shall not be required to become a Loan Party.

7.2 Financial Statements, Reports and Notices. Provide Agent (for prompt distribution to the Lenders) with the following:

(a) Quarterly Financial Statements. As soon as available and in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each Fiscal Year (i) beginning with the fiscal quarter ending March 31, 2022, an unaudited consolidated balance sheet of Borrower as of the end of such fiscal quarter and consolidated statements of operations and cash flow and shareholders' or members' equity of Borrower for such fiscal quarter, certified by a Responsible Officer of Borrower as presenting fairly in all material respects the financial condition and results of operation of Borrower on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes) and (ii) beginning with the financial statements delivered as of and for the fiscal quarter ending March 31, 2023, for each such fiscal quarter, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous Fiscal Year;

(b) Annual Financial Statements. As soon as available and in any event within ninety (90) days after the end of each Fiscal Year commencing with the Fiscal Year ending December 31, 2021, a copy of the audited consolidated balance sheet of Borrower, and the related audited consolidated statements of operations and cash flow and shareholders' or members' equity of Borrower for such Fiscal Year and, beginning with the Fiscal Year ending December 31, 2023, setting forth in each case in comparative form the figures for the previous Fiscal Year, prepared in accordance with GAAP, consistently applied, together with an unqualified opinion (other than a "going concern" emphasis of matter typical for venture-backed companies similar to Borrower or a "going concern" emphasis of matter based on Borrower having negative profits, based on a determination that Borrower has fewer than twelve (12) months of liquidity or resulting from an impending maturity of Indebtedness under this Agreement or any breach of a financial maintenance covenant under this Agreement or any actual or potential inability to satisfy a financial maintenance covenant under this Agreement on a future date) from RSM US LLP or other independent public accountants reasonably acceptable to Agent (acting at the direction of the Required Lenders);

(c) Compliance Certificate. Concurrently with the delivery of the financial information pursuant to Sections 7.2(a) and (b), a Compliance Certificate (i) certifying that no Default or Event of Default has occurred and is continuing (or, if a Default or Event of Default has occurred, specifying the details of such Default or Event of Default and the action that the applicable Loan Party has taken or proposes to take with respect thereto) and (ii) if applicable, attaching unaudited financial information that explains in reasonable detail the differences between the information relating to Borrower and its Subsidiaries, on the one hand, and the information relating to the Loan Parties on a standalone basis, on the other hand, which information shall be certified by a Responsible Officer of Borrower as having been fairly presented in all material respects;

(d) Annual Operating Budget. As soon as available, and in any event no later than ninety (90) days after the end of each Fiscal Year commencing with the Fiscal Year ending December 31, 2021, an annual operating budget for the following fiscal year detailed quarterly and otherwise prepared in a manner consistent with the projections provided to the Lenders prior to the Closing Date;

(e) Other Statements. Promptly after delivery, copies of all material statements, reports and notices (other than administrative communications) made available to Borrower's security holders;

(f) SEC Filings. Promptly after the same become publicly available, copies of all periodic and other publicly available reports or proxy statements publicly filed with the SEC; provided, that such reports or proxy statements shall be deemed delivered for purposes of this Agreement when posted to the website of Borrower (or any Parent Company referred to in the last paragraph of this Section 7.2, or the website of the SEC);

(g) Legal Action Notice; Material Adverse Events . Promptly after knowledge thereof by a Responsible Officer of any Loan Party, notice of (i) any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that would reasonably be expected to have a Material Adverse Effect, (ii) the occurrence of any ERISA Event or similar event with respect to a Foreign Plan that would reasonably be expected to have a Material Adverse Effect and (iii) the occurrence of any other event that would reasonably be expected to have a Material Adverse Effect;

(h) Notice of Default. Promptly after knowledge thereof by a Responsible Officer of any Loan Party, notice of the occurrence of any Default or Event of Default setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto;

(i) Beneficial Ownership Information. Prompt written notice of any changes to the beneficial ownership information provided to the Lenders prior to the Closing Date. Borrower understands and acknowledges that each Lender relies on such true and accurate beneficial ownership information to meet such Lender's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers;

(j) Changes in Information. Prompt written notice to Agent and the Lenders of (i) any change of its jurisdiction of organization, (ii) any change of its organizational type, (iii) any change of its legal name, or (iv) any change in any organizational number (if any) assigned by its jurisdiction of organization;

(k) Perfection Certificate. Together with each delivery made of the annual financial statements as set forth in Section 7.2(b), a Perfection Certificate updated to indicate any changes to the most recently delivered Perfection Certificate or an Officer's Certificate certifying that there have been no changes to the most recently delivered Perfection Certificate; and

(l) Other Information. Promptly, from time to time, such other customary information regarding the operations, business affairs and financial condition of any Loan Party (including without limitation with respect to compliance with the USA PATRIOT Act or other applicable anti-money laundering laws), or compliance with the terms of any Loan Document, as in each case Agent may reasonably request (for itself or on behalf of the Lenders).

Notwithstanding the foregoing, the obligations in Sections 7.2(a) and (b) may be satisfied by furnishing (A) the applicable financial statements or other information required by such paragraphs of a Parent Company and/or (B) Borrower's or a Parent Company's, as applicable, Form 10-K or 10-Q or a registration statement on Form S-1 or Form S-4, as applicable, filed with the SEC or otherwise made available to Agent and the Lenders, in each case, within the time periods specified in such paragraphs; provided that with respect to each of the foregoing clauses (A) and (B), (i) to the extent that such financial statements relate to a Parent Company, the Compliance Certificate delivered in connection with such financial statements shall be accompanied by unaudited financial information that explains in reasonable detail the differences between the information relating to such Parent Company, on the one hand, and the information relating to Borrower and its

Subsidiaries on a standalone basis, on the other hand, which information shall be certified by a Responsible Officer of Borrower as having been fairly presented in all material respects and (ii) to the extent such financial statements are in lieu of financial statements required to be provided under Section 7.2(b), the Compliance Certificate delivered in connection with such financial statements shall be accompanied by a report of an independent certified public accounting firm of nationally recognized standing with respect to such entity, which statements, report and opinion may be subject to the same exceptions and qualifications as contemplated in Section 7.2(b).

7.3 Taxes. Pay, and require each of its Subsidiaries to pay, all federal, state, local and foreign Taxes owed by Borrower and each of its Subsidiaries before the same shall become delinquent, except (i) for deferred payment of any Contested Taxes or (ii) to the extent the failure to pay such Taxes would not reasonably be expected to have a Material Adverse Effect.

7.4 Insurance.

(a) At their sole cost and expense, maintain, with financially sound and reputable insurance companies, insurance (subject to customary deductibles and retentions) in such amounts (giving effect to self-insurance) and against such risks as are customarily maintained by similarly situated companies engaged in the same or similar businesses, and cause Agent to be listed as a co-loss payee on property policies with respect to Collateral and as an additional insured on general liability policies. Each policy will, to the extent available, provide for not less than thirty (30) days' prior written notice to Agent (or such shorter number of days as may be agreed to by the Agent or as may be required by the insurer), of cancellation of coverage. At its sole cost and expense, the Borrower agrees to deliver to Agent evidence of compliance with this Section 7.4(a), including any requested copies of policies, certificates and endorsements, on an annual basis and from time to time upon Agent's request (acting at the direction of the Required Lenders). If Borrower fails to obtain insurance as required under this Section 7.4 or to pay any amount or furnish any required proof of payment to third persons and the Lenders, Agent may make all or part of such payment or obtain such insurance policies required in this Section 7.4, and take any action under such policies Agent (acting at the direction of the Required Lenders) deems prudent and consistent with the provisions of the Loan Documents, in each case, at Borrower's expense.

(b) Bear the entire risk of loss, theft, damage to or destruction of the Collateral (including any condemnation, seizure, or requisition of title or use) (collectively, a "**Casualty Event**"). No Casualty Event shall relieve Borrower from any Obligation hereunder. At its sole cost and expense, Borrower shall promptly notify Agent and each Lender of any insurance claim or any Casualty Event resulting in $500,000 or more of damage to Collateral, and inform them of the circumstances and extent of the Casualty Event. Any Net Proceeds received by any Loan Party as the result of a Casualty Event with respect to any item of Collateral (including insurance proceeds and proceeds of condemnation or requisition) shall be applied to prepay the Term Loan in accordance with Section 2.2(g) and the definition of "Net Proceeds", subject to Borrower's election to use such Net Proceeds to repair, restore or replace such Collateral subject to and in accordance with the definition of "Net Proceeds".

(c) If any portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then Borrower, at its sole cost and expense, shall, or shall cause the applicable Loan Party to, (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to

the Flood Insurance Laws and (ii) deliver to Agent and the Lenders evidence of such compliance in form and substance reasonably acceptable to Agent (acting at the direction of the Required Lenders). The Borrower shall promptly notify Agent of any Mortgaged Property that is, or becomes, a Flood Hazard Property.

7.5 Mining Equipment. Cause all mining equipment, once put into use or otherwise operational, to remain operational and fully utilized at its rated "hash rate" and "rated power" at all times, subject to normal breakdown events, maintenance and repair. Such mining equipment shall not constitute, and the Loan Parties shall ensure that it shall not constitute, real property or fixtures and the parties agree that such mining equipment is and shall be removable from, and is not essential to, the premises where such mining equipment is located. In addition to the foregoing, the Loan Parties agree to (a) provide Agent with (a) API (Application Programming Interface) and/or read access to the Loan Parties' Bitcoin or other Cryptocurrency mining pool account or similar arrangement that shows the status and hash rate of the applicable mining equipment, and (b) account access to Borrower's Bitcoin or other Cryptocurrency exchange or brokerage account, which provides transaction details including Bitcoin or Cryptocurrency revenue and trades. Agent (acting at the direction of the Required Lenders) will have the right to approve, in its reasonable discretion, any mining pool, exchange or brokerage account and applicable Wallets to be utilized by the Loan Parties.

7.6 Inspections. Permit any representative that Agent (or, if an Event of Default has occurred and is continuing, any Lender) authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Loan Parties at reasonable times and upon reasonable notice during normal business hours, subject to reasonable limitations placed on entry by the owner of the premises, if different from applicable Loan Party and at Borrower's expense; provided that notwithstanding the foregoing, the authorized representatives of Agent or any Lender shall comply with the Loan Parties' and/or the applicable owner's COVID-19 and other health and safety protocols, policies and procedures when accessing such location; provided, further, that, so long as no Event of Default has occurred and is continuing, such examinations shall be limited to no more often than once per fiscal year. In addition, any such representative shall have the right to meet with management and officers of the Loan Parties to discuss such books of account and records. In addition, Agent and the Lenders shall be entitled at reasonable times and intervals to consult with and advise the management and officers of the Loan Parties concerning significant business issues affecting the Loan Parties. Such consultations shall not unreasonably interfere with the Loan Parties' business operations.

7.7 Nautilus JV. TeraWulf (Thales) LLC shall comply in all material respects with its obligations under (i) the limited liability company agreement of the Nautilus JV and (ii) any other material agreement related to the Nautilus JV to which it is a party.

7.8 Post-Closing Requirement. (i) Take all necessary actions to satisfy the items described on Schedule 4 within the applicable period of time specified in such Schedule (or such longer period as Agent (acting at the direction of the Required Lenders) may agree in its reasonable discretion) and (ii) provide evidence, in the form of a summary report from Bank of America, N.A. of incoming wires to Borrower's account at Bank of America, N.A., of receipt by Borrower of

aggregate proceeds of not less than $5,501,504.10 in relation to the subscription agreements described in Section 3.1(l) within four (4) Business Days after the Closing Date.

8. NEGATIVE COVENANTS

Until the Termination Date, each Loan Party shall not do any of the following without the prior written consent of the Required Lenders:

8.1 Changes in Business; Liquidations and Dissolutions. (a) Engage in or permit any of its Subsidiaries to engage in any material respect in any business or business activity that is substantially different for any business or business activity engaged in by Borrower and its Subsidiaries as of the Closing Date, or reasonably related thereto or a reasonable extension development or expansion or development thereof; or (b) liquidate or dissolve, except a Subsidiary may liquidate or dissolve if Borrower determines in good faith that such liquidation or dissolution is advisable or in the best interests of the Loan Parties and is not materially disadvantageous to the Lenders; provided, that, in the case of the liquidation or dissolution of a Loan Party, its assets shall be distributed to another Loan Party.

8.2 Mergers or Consolidations. Merge or consolidate with any other Person unless the Loan Party is the surviving Person or the surviving Person becomes a Loan Party concurrently with the consummation of such merger or consolidation; provided that (i) if the merger or consolidation involves Borrower, Borrower shall be the surviving Person and (ii) the merger of Telluride Merger Sub II, Inc., a Delaware corporation, with and into Borrower, with Borrower as the surviving Person, pursuant to the Merger Agreement is expressly permitted.

8.3 Incurrence of Liens. Create, incur, allow, or suffer any Lien on any of the Collateral that is pari passu with or senior in priority to the Agent's Lien thereon, except for Permitted Liens.

8.4 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any transaction, or series of related transactions, with any Affiliate of a Loan Party, except for (a) transactions that are upon fair and reasonable terms that are no less favorable to the applicable Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person, (b) transactions among the Loan Parties, (c) reasonable and customary employment and compensation arrangements and benefit plans for officers, consultants and other employees of the Loan Parties and their Subsidiaries or any Parent Company entered into or maintained in the ordinary course of business, (d) reasonable and customary fees and expenses paid to directors in the ordinary course of business, (e) the transactions contemplated by the Merger Agreement and (v) Investments permitted under Section 8.5 and Restricted Payments permitted under Section 8.6. For the avoidance of doubt, any Net Proceeds received by a Loan Party from an Asset Sale to an Affiliate that is not a Loan Party shall be subject to the provisions of Section 2.2(f).

8.5 Investments. Make any Investment except (a) Investments in another Loan Party or the Nautilus JV, (b) guarantees of obligations of other Loan Parties, (c) Permitted Investments and Investments that were Permitted Investments when made, (d) advances to officers, directors and employees of a Loan Party in an aggregate amount not exceeding $500,000 at any time outstanding, for travel, entertainment, relocation and similar ordinary business purposes, (e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, (f) Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors, (g) Investments consisting of the indorsement by any Loan Party of negotiable instruments payable to

such Person for deposit or collection in the ordinary course of business, (h) to the extent such merger and the transactions contemplated thereby constitute an Investment, the merger of Telluride Merger Sub II, Inc., a Delaware corporation, with and into Borrower, pursuant to the Merger Agreement, (i) Investments made in connection with the repurchase and/or cancellation of outstanding restricted stock units issued by IKONICS Corporation at or prior to the closing of the transactions under the Merger Agreement in an aggregate amount, when taken together with the aggregate amount of Restricted Payments made pursuant to Section 8.6(c), not to exceed $3,500,000, (j) other Investments in an aggregate outstanding amount not exceeding $500,000 and (k) Investments made after the Investment/Restricted Payment Condition has been satisfied; provided that no Investment made pursuant to this clause (k) shall be in the form of Collateral or the proceeds obtained from the sale of Collateral (other than cash Collateral, including cash Collateral obtained from the conversion of Cryptocurrency); provided further that until the Termination Date shall have occurred, no Investment may be made pursuant to this clause (k) in any Permitted Holder, Parent Company or other shareholder, member or other equity interest owner of the Borrower.

8.6 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, (a) except in respect of Group Tax Payments, (b) except in respect of (i) general corporate operating and overhead, legal, accounting and other professional fees and expenses of any Parent Company not to exceed $500,000 per fiscal year, (ii) subject to Section 6.8, fees and expenses related to the transactions contemplated by the Merger Agreement or any public offering or private placement of Equity Interests or Indebtedness of any Parent Company whether or not consummated, (iii) fees and expenses (including franchise or similar Taxes) in connection with the maintenance of any Parent Company's existence and any Parent Company's direct or indirect ownership of Borrower, (c) except for Restricted Payments made in connection with the repurchase and/or cancellation of outstanding restricted stock units issued by IKONICS Corporation at or prior to the closing of the transactions under the Merger Agreement in an aggregate amount, when taken together with the aggregate amount of Investments made pursuant to Section 8.5(i), not to exceed $3,500,000 or (d) unless (i) the Investment/Restricted Payment Condition has been satisfied and (ii) no Default or Event of Default exists or would result from the making of such Restricted Payment; provided that no Restricted Payment made pursuant to this clause (d) shall be in the form of Collateral or the proceeds obtained from the sale of Collateral (other than cash Collateral, including cash Collateral obtained from the conversion of Cryptocurrency); provided further that until the Termination Date shall have occurred, no Restricted Payment may be made pursuant to this clause (d) to any Permitted Holder, Parent Company or other shareholder, member or other equity interest owner of the Borrower.

8.7 Compliance. Become required to be registered as an "investment company" under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of the Term Loan in a manner that would violate Regulation U or X of the Board of Governors of the Federal Reserve System; fail to comply with any Requirement of Law, if the violation would reasonably be expected to have a Material Adverse Effect, or permit any of its Subsidiaries to do so; or fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or non-exempt Prohibited Transaction, as defined in ERISA, to occur or withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan, in each case, which would reasonably be expected to have a Material Adverse Effect. The Loan Parties will not, directly or, knowingly, indirectly, use the proceeds of the Term Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person,

(i) for any purpose which would violate any Anti-Money Laundering Laws or any Anti-Corruption Laws, or (ii) to fund any activities or business of or with any Sanctioned Person, or in any Designated Jurisdiction, in each case, in any manner that will result in violation by any Person (including any Person participating in the transactions contemplated by this Agreement, whether as Agent, Lender, underwriter, advisor, investor, or otherwise) of applicable Sanctions.

8.8 Organizational Documents; Fiscal Year; Changes to Certain Agreements.

(a) Amend, modify or change its organizational documents in a manner materially adverse to the Lenders when taken as a whole.

(b) Change its fiscal year from the fiscal year as in effect on the Closing Date without prior written notice to Agent and the Lenders, in which case, Borrower and Agent will, and are hereby authorized to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

(c) Amend, modify or change (i) Nautilus JV's limited liability company agreement or (ii) the Merger Agreement, in each case, in a manner materially adverse to the Lenders when taken as a whole.

8.9 Nautilus JV. Permit at any time (a) Borrower to own, directly or indirectly, less than 50% of the aggregate Equity Interests of the Nautilus JV, (b) any Equity Interest of the Nautilus JV held by any Loan Party to be subject to any Lien (other than Liens arising by operation of law) other than in favor of the Agent or (c) TeraWulf (Thales) LLC to engage in any type of business activity other than the ownership of the Equity Interests of the Nautilus JV, the taking of action reasonably incidental thereto and performance of its obligations under Operating Documents and the Loan Documents to which it is a party.

8.10 Sanctions.

(a) Directly or, knowingly, indirectly, use the Term Loan or any proceeds of the Term Loan, or lend, contribute or otherwise make available the Term Loan or any proceeds of the Term Loan to any Person, to fund any activities of or business with any Person, that, at the time of such funding, is the target of applicable Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Agent, or otherwise) of applicable Sanctions.

(b) Permit any Loan Party or Subsidiary to (i) become a Sanctioned Person (including by virtue of being owned 50 percent or more in the aggregate by a Sanctioned Person) or (ii) directly or, knowingly, indirectly have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving any proceeds of the Term Loan) with any Person if such investment, dealing or transaction would be in violation of or would cause any Lender (or any affiliate thereof) to be in violation of applicable Sanctions.

8.11 Anti-Corruption and Anti-Money Laundering Laws. Directly or, knowingly, indirectly, use any Loan or any proceeds of the Term Loan for any purpose which would breach Anti-Corruption Laws or Anti-Money Laundering Laws.

8.12 Indebtedness. Incur or guaranty any Indebtedness other than Permitted Indebtedness.

8.13 Asset Sales; Collateral.

(a) Enter into or consummate any Asset Sale comprised of Collateral other than Asset Sales for fair market value upon fair and reasonable terms that are no less favorable to the applicable Loan Party than would be obtained in an arm's length transaction; provided that (x) with respect to any Asset Sale (or series of related Asset Sales) with an aggregate purchase price of less than $5,000,000, the fair market value shall be reasonably determined by Borrower in good faith, (y) with respect to any Asset Sale (or series of related Asset Sales) with an aggregate purchase price of $2,500,000 or greater and less than $5,000,000, Borrower shall deliver a certificate of a Responsible Officer confirming that the condition set forth in clause (x) is satisfied and (z) with respect to any Asset Sale (or series of related Asset Sales) with an aggregate purchase price equal to or greater than $5,000,000, the fair market value shall be reasonably determined by Borrower in good faith in consultation with the Required Lenders.

(b) Sell, transfer, convey or assign any Collateral to any Person that is not a Loan Party, other than in accordance with clause (a), and, for purposes of clarity, subject to Section 2.2(f), except for cash Collateral, including cash Collateral obtained from the conversion of Cryptocurrency which may be used to make payments in transactions otherwise permitted hereunder.

9. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

9.1 Payment Default. Borrower fails to (a) make any payment of principal on the Term Loan when due, (b) pay any interest on the Term Loan within three (3) Business Days after the same becomes due or (iii) pay any other Obligations within five (5) Business Days after such Obligations are due and payable (which cure periods shall not apply to payments due on the Maturity Date);

9.2 Misrepresentations. Any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other

Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;

9.3 Covenant Default.

(a) Any Loan Party fails or neglects to perform any obligation in Sections 7.1(a) (with respect to Borrower's existence), 7.2(h), 7.4, or 7.8 or violates any covenant in Section 8;

(b) Any Loan Party fails or neglects to perform any obligation in Section 7.2 (other than Section 7.2(h)) and such failure shall continue unremedied for a period of five (5) or more days;

(c) Any Loan Party fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any other Loan Document (other than those specified in Section 9.1, 9.2, 9.3(a) or 9.3(b)) and such failure shall continue unremedied for a period of 30 or more days after notice thereof by Agent (acting at the direction of the Required Lenders) to Borrower;

9.4 Insolvency.

(a) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(b) any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 9.4(a), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(c) any Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

9.5 Other Indebtedness. Any Loan Party shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than $5,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) any Loan Party shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or

to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such Indebtedness;

9.6 Judgments. Any judgment or order for the payment of money, individually or in the aggregate, in excess of $5,000,000 (exclusive of any amounts fully covered by insurance (less any applicable deductible) and as to which the insurer has not disclaimed its responsibility to cover such judgment or order) or for injunctive relief that has resulted in a Material Adverse Effect shall be rendered against any Obligor and such judgment shall not have been vacated or discharged or stayed or bonded pending appeal within sixty (60) days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment or order;

9.7 Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or Borrower or any other Loan Party contests in writing the validity or enforceability of any provision of any Loan Document; or Borrower or any other Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

9.8 ERISA. (i) An ERISA Event occurs with respect to a Plan, Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of any Loan Party or ERISA Affiliate under Title IV of ERISA which would reasonably be expected to result in a Material Adverse Effect, (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its Withdrawal Liability under Section 4201 of ERISA under a Multiemployer Plan and a Material Adverse Effect would reasonably be expected to result, (iii) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent or is being terminated, within the meaning of Title IV of ERISA, and as a result of such insolvency or termination the aggregate annual contributions of the Credit Parties and the ERISA Affiliates to all Multiemployer Plans that are then insolvent or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such insolvency or termination occurs and a Material Adverse Effect would reasonably be expected to result; or (iv) a termination, withdrawal or noncompliance with applicable law or plan terms or termination, withdrawal or other event similar to an ERISA Event occurs with respect to a Plan or Foreign Plan that would reasonably be expected to result in a Material Adverse Effect; or

9.9 Change in Control. There occurs any Change in Control.

9.10 Subscription Agreement. Any Loan Party materially breaches its respective obligations under any Subscription Agreements.

10. AGENT AND LENDERS' RIGHTS AND REMEDIES

10.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, (i) Agent, as directed by the Required Lenders, may and (ii) with respect to clause (e), Agent and/or any Lender may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 9.4 occurs all Obligations are immediately due and payable without any action by Agent or any Lender);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement among Borrower, Agent, and/or any Lenders;

(c) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Agent and/or the Lenders consider advisable, and notify any Person owing any Loan Party money of Agent's security interest in such funds. Each Loan Party shall collect all payments in trust for Agent, for the ratable benefit of the Lenders and, if requested by Agent, immediately deliver the payments to Agent, for the ratable benefit of the Lenders in the form received from the Account Debtor, with proper endorsements for deposit;

(d) make any payments and do any acts Agent considers necessary or reasonable to protect the Collateral and/or Agent's security interest in the Collateral. Each Loan Party shall assemble the Collateral if Agent requests and make it available as Agent designates. Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Loan Party grants Agent a license to enter and occupy any of its premises, without charge, to exercise any of Agent's rights or remedies;

(e) apply to the Obligations (i) any balances and deposits of any Loan Party it holds, or (ii) any amount held by Agent owing to or for the credit or the account of Borrower;

(f) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Agent, for the benefit of the Lenders is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, solely in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Section 10.1, Borrower's rights under all licenses inure to Agent, for the ratable benefit of the Lenders;

(g) demand and receive possession of the Loan Parties' Books; and

(h) exercise all rights and remedies available to Agent and the Lenders under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof and exercise of control pursuant to any Account Control Agreement) or other applicable law.

10.2 Application of Payments. Notwithstanding anything herein to the contrary, any amount received by Agent from any Loan Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 9.4, in each case that is continuing, shall be applied by Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 14.3 and amounts payable under the Fee Letter) payable to Agent in its capacity as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel payable under Section 14.3) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Loan, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Term Loan ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Obligations, in each case ratably among Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by applicable law.

10.3 Power of Attorney. Each Loan Party hereby irrevocably appoints Agent, for the benefit of the Lenders, as its lawful attorney-in-fact, exercisable solely upon the occurrence and during the continuance of an Event of Default, to: (a) endorse such Loan Party's name on any checks or other forms of payment or security; (b) sign such Loan Party's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Agent (acting at the direction of the Required Lenders) determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Agent or a third party as the Code permits. Agent's foregoing appointment as the Loan Parties' attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable the Termination Date shall have occurred.

10.4 Protective Payments. If any Loan Party fails to obtain the insurance called for by Section 7.4 or fails to pay any premium thereon or fails to pay any other amount which such Loan Party is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Agent or any Lender, with the consent of the Required Lenders, may obtain such insurance or make such payment, and all amounts so paid by Agent or such Lender are Obligations and shall be due and payable on demand and accrue interest at the Default Rate,

and are secured by the Collateral. Agent or the Lenders will make reasonable efforts to provide Borrower with notice of Agent or any Lender obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent or any Lender hereunder are deemed an agreement to make similar payments in the future or Agent's and/or Lender's waiver of any Event of Default.

10.5 Liability for Collateral. So long as Agent and Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in their possession or under the control of Agent and/or Lenders, Agent and Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Furthermore, except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not any Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. Borrower bears all risk of loss, damage or destruction of the Collateral.

10.6 No Waiver; Remedies Cumulative. Agent's and any Lender's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Agent's and each Lender's rights and remedies under this Agreement and the other Loan Documents are cumulative. Agent and each Lender have all rights and remedies provided under the Code, by law, or in equity. Agent's or any Lender's exercise of one right or remedy is not an election and shall not preclude Agent or any Lender from exercising any other remedy under this Agreement or any other Loan Document or other remedy available at law or in equity, and Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

10.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Agent on which Borrower is liable.

10.8 Erroneous Payments.

(a) If Agent (x) notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient (and each of their respective successors and assigns), a "**Payment Recipient**") that Agent has determined in its reasonable discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from Agent) received by such Payment Recipient from Agent or any of its Related Persons were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment

Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of Agent pending its return or repayment as contemplated below in this Section 10.8 and held in trust for the benefit of Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as Agent may, in its sole discretion, specify in writing), return to Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in immediately available funds (in the currency so received), together with interest thereon (except to the extent waived in writing by Agent in its sole discretion) in respect of each day from and including the date that is two Business Days after such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to Agent in immediately available funds at a rate determined by Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from Agent (or any of its Related Persons) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by Agent (or any of its Related Persons) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by Agent (or any of its Related Persons), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall use commercially reasonable efforts to (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying Agent pursuant to this Section 10.8(b).

(c) Each Lender hereby authorizes Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by Agent to such Lender under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that Agent has demanded to be returned under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) The parties hereto agree that (x) irrespective of whether Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any

Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender, to the rights and interests of such Lender, as the case may be) under the Loan Documents with respect to such amount, and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by Borrower or any other Loan Party; *provided* that this Section 10.8 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of Borrower relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by Agent; *provided*, *further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by Agent from Borrower for the purpose of making such Erroneous Payment. Notwithstanding anything to the contrary contained herein, and for the avoidance of doubt, in no event shall the occurrence of an erroneous payment (or any subrogation or other rights of Agent in respect of an erroneous payment) result in Agent becoming, or being deemed to be, a Lender hereunder or the holder of any Loans hereunder.

(e) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(f) Each party's obligations, agreements and waivers under this Section 10.8 shall survive the resignation or replacement of Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

11. NOTICES

(a) Notices. All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (i) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (ii) upon transmission, when sent by electronic mail or facsimile transmission; (iii) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (iv) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Agent, Borrower, any Loan Party or any Lender may change its mailing or electronic mail address or facsimile number by giving the other parties written notice thereof in accordance with the terms of this Section 11.

If to Borrower or any other Loan Party:	TeraWulf, Inc. 9 Federal Street Easton, MD 21601 Attention: Kenneth Deane, Chief Financial Officer Facsimile: 410-770-9705 Email: deane@terawulf.com

with a copy (which shall not constitute notice) to:	TeraWulf, Inc. 9 Federal Street Easton, MD 21601 Attention: Chief Legal Officer Facsimile: 410-770-9705 Email: legal@terawulf.com
with a copy to:	Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, NY 10019-6064 Attention: David Tarr Facsimile: 212-492-0375 Email: dtarr@paulweiss.com
If to Agent:	Wilmington Trust, National Association 1100 North Market Street Wilmington, DE 19890 Attention: TeraWulf Loan Administrator Email: jfeil@wilmingtontrust.com Telephone: 302-636-6466
with a copy to:	Covington & Burling LLP The New York Times Building 620 8th Avenue New York, NY 10018 Attention : Ronald A. Hewitt email: rhewitt@cov.com Telephone: 212-841-1220
If to a Lender:	To its address set forth on its signature page to this Agreement or in its Assignment and Assumption

(b) Platform.

(i) Borrower agrees that Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on IntraLinks, Syndtrak, ClearPar, Debtdomain or another similar electronic system (the "**Platform**"). Borrower acknowledges and agrees that the DQ List shall be deemed suitable for posting and may be posted by Agent on the Platform, including the portion of the Platform that is designated for "public side" Lenders.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Communications or the adequacy of the Platform and expressly disclaim liability for errors in or omissions from the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrower, any

Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of Borrower's or Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(c) Public Information. Borrower hereby acknowledges that certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of Borrower hereunder and under the other Loan Documents (collectively, "**Borrower Materials**") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of U.S. federal and state securities Laws (provided, however, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 14.7); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (iv) Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders.

12. CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, New York law (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York) governs the Loan Documents without regard to principles of conflicts of law. Borrower, Guarantors, Agent, and Lenders each submit to the exclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof; provided that nothing in this Agreement shall be deemed to operate to preclude Agent or any Lender from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Agent or any Lender. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 11 of this Agreement and that service so made

shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, AGENT AND EACH LENDER EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 12 shall survive the termination of this Agreement.

13. AGENCY PROVISIONS

13.1 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Wilmington Trust, National Association to act on its behalf as Agent hereunder and under the other Loan Documents and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Agent and the Lenders, and Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. Agent shall be entitled to request and receive written instructions from the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.1 and 14.5) and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by Agent in accordance with the written direction of such Lenders.

13.2 Rights as a Lender. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Borrower or any Subsidiary or other Affiliate thereof as if such Person were not Agent hereunder and without any duty to account therefor to the Lenders.

13.3 Exculpatory Provisions.

(a) Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Agent's duties hereunder shall be administrative in nature, and Agent shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Agreement against Agent. Without limiting the generality of the foregoing, Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document, Requirement of Law, or with respect to any Crypto Assets, to Agent's internal policies, procedures and regulations in respect of such Collateral, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.

(b) Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.1 and 14.5), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.1 and 14.5), pursuant to the provisions of this Agreement, unless such Lenders shall have offered to Agent security or indemnity (satisfactory to Agent in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. Agent shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts. Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to Agent in writing by Borrower or a Lender. The permissive rights of Agent to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, Agent shall not be answerable for other than its gross negligence or willful misconduct. Nothing in this Agreement shall require Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder.

(c) In the case of any Collateral constituting Crypto Assets, Agent (whether or not a Default or Event of Default has occurred and is continuing) shall not be required to (i) take possession of any Crypto Assets, including any passwords to such Crypto Assets or Wallets holding Crypto Assets, by holding such Crypto Assets or Wallets within an account, system or vault of Agent, or (ii) determine or opine on the value of any such Crypto Assets, or (iii) exercise any discretion as to the timing of the sale, trade, or exchange of any Crypto Assets. Agent shall only be required to take any action with respect to the sale, trade or exchange of any Crypto Assets upon written direction from the Required Lenders, and with suitable security or indemnity (satisfactory to Agent in its sole and absolute discretion) from such Required Lenders against the costs, expenses

and liabilities which may be incurred by it in compliance with such direction in accordance with Section 13.3(b) of this Agreement.

(d) Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 3.1 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Agent. Neither Agent nor any of its Related Persons shall be responsible for nor have any duty to monitor the performance or any action of Borrower or any other Loan Party, or any of their Related Persons, nor shall Agent or its Related Persons have any liability in connection with the malfeasance or nonfeasance by such party. Agent may assume performance by all such Persons of their respective obligations. Agent shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. Agent shall not be charged with knowledge of (A) any events or other information, or (B) any default under this Agreement or any other agreement unless a Responsible Officer of Agent shall have actual knowledge thereof.

(e) Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, Agent shall not (i) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (ii) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

(f) Notwithstanding anything herein to the contrary, Agent shall not be liable for the preparation, filing, recording, registration, re-filing, re-recording or maintenance of any financing statements or continuation statements, amendments, charges, mortgages or any other such instruments, agreements or other documents or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Loan Document), or any other actions necessary to enable Agent to exercise and enforce its rights under this Agreement with respect to such pledge and security interest and such responsibility shall be solely that of Borrower and the other Loan Parties. In addition, Agent shall have no responsibility or liability (i) for acts or omissions of Borrower or the other Loan Parties in respect of the foregoing or (ii) for or with respect to the legality, validity and enforceability of any security interest created in the Collateral or the perfection and priority of such security interest.

(g) Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

13.4 Reliance by Agent. Agent shall be entitled to conclusively rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, order, judgment, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, presented, sent or otherwise authenticated by the proper Person, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, Agent may presume that such condition is satisfactory to such Lender unless Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. In the event that any Collateral shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Collateral, Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

13.5 Delegation of Duties. Each Agent may from time to time, when it deems it to be necessary or desirable, appoint one or more trustees, co-trustees, collateral co-agents, collateral subagents or attorneys-in-fact (each, a "**Subagent**") with respect to all or any part of the Collateral; provided that no such Subagent shall be authorized to take any action with respect to any Collateral unless and except to the extent expressly authorized in writing by Agent. Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof)) by or through any Subagents and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. Agent and any of its Subagents may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such Subagent and to the Related Parties of Agent and any Subagent to their respective activities as Agent. Agent shall not be responsible for the acts or omissions of any Subagents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Agent acted with gross negligence or willful misconduct in the selection of such Subagents.

13.6 Resignation of Agent.

(a) Agent may at any time give notice of its resignation to the Lenders and Borrower by giving no less than thirty (30) calendar days' (or such earlier day as shall be agreed by the Required Lenders) prior written notice of such resignation, specifying the date when such resignation shall take effect (the "**Resignation Effective Date**"). Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment by the Resignation Effective Date,

then the retiring Agent may in its sole discretion (but shall not be obligated to), at the sole cost and expense of the Loan Parties, including with respect to reasonable and documented attorneys' fees and expenses of outside counsel, apply to a court of competent jurisdiction to appoint a successor or for other appropriate relief, and any such resulting appointment or relief shall be binding upon all of the Parties. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (i) the retiring or removed Agent shall be discharged from its duties, responsibilities and obligations hereunder and under the other Loan Documents, (ii) shall be entitled to deliver any Collateral held hereunder to the Required Lenders, and (iii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments owed to the retiring or removed Agent), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Section 13 and Section 14.3 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

(c) Any corporation or association into which Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which Agent is a party, will be and become the successor Agent under this Agreement and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

13.7 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans set forth herein as may be applicable to such Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire or hold commercial loans, as may be applicable to such Lender, and either it, or the Person exercising

discretion in making its decision to make, acquire or hold such commercial loans, is experienced in making, acquiring or holding such commercial loans.

13.9 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to Borrower, Agent (irrespective of whether the principal of the Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loan and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and Agent and their respective agents and counsel and all other amounts due the Lenders and Agent under Section 14.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent under Section 14.3.

13.10 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent and not, for the avoidance of doubt, to or for the benefit of Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise for purposes of Title I of ERISA or Section 4975 of the IRC) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Term Loan, the Term Loan Commitments or this Agreement,

(ii) the prohibited transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable so as to exempt from the prohibitions of Section 406 of ERISA and Section 4975 of the IRC such Lender's entrance into, participation in, administration of and performance of Term Loan, the Term Loan Commitments or this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform Term Loan, the Term Loan Commitments or this Agreement, (C) the entrance into, participation in, administration of and performance of the Term Loan, the Term Loan Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84- 14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Term Loan, the Term Loan Commitments or this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between Agent, in its sole discretion, and such Lender.

In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Agent and not, for the avoidance of doubt, to or for the benefit of Borrower, that Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of Term Loan, the Term Loan Commitments or this Agreement (including in connection with the reservation or exercise of any rights by Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

14. GENERAL PROVISIONS

14.1 Termination Prior to Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until the Termination Date shall occur. So long as Borrower has satisfied the Obligations (other than contingent indemnification and expense reimbursement claims not then due and payable, and any other obligations which, by their terms, are to survive the termination of this Agreement), this Agreement may be terminated prior to the Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Agent and the Lenders. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. No termination of this Agreement shall in any way affect or impair any right or remedy of Agent or any Lender, nor shall any such termination relieve Borrower of any Obligation to any Lender, until all of the Obligations have been paid and performed in full. Those Obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination and payment in full of the Obligations then outstanding.

14.2 Successors and Assigns.

(a) This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Except as provided in Section 14.2(g), Borrower may not assign this Agreement or any rights or obligations under it without the prior written consent of Agent and each Lender (which may be granted or withheld in each Lender's sole discretion). Each Lender has the right to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any

interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof) in accordance with this Section 14.2.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Term Loan Commitment or the Term Loan at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts. (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Term Loan Commitment or portion of the Term Loan at the time owing to it or contemporaneous assignments to or by related Approved Funds (determined after giving effect to such assignments) that equal at least $1,000,000 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned and (B) in any other case, the aggregate amount of the principal outstanding balance of the portion of the Term Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $1,000,000, unless, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Term Loan Commitment or portion of the Term Loan and rights and obligations under this Agreement with respect to.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) The consent of Borrower (such consent (x) not to be unreasonably withheld or delayed and (y) to be deemed granted ten (10) Business Days after Borrower's receipt of any such request) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) the consent of Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500.00; provided that Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment**.** The assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire.

(v) Tax Forms. The assignee Lender shall, prior to execution of the Assignment and Assumption, deliver to Borrower and Agent the withholding tax forms and any other tax forms required to be delivered by a Lender under Section 2.7(b).

(vi) No Assignment to Certain Persons. No such assignment shall be made to a natural person or a Disqualified Institution.

(c) Register. Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in the United States a copy of each assignment and assumption pursuant to Section 14.2(a) delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Term Loan Commitments of, and principal amounts (and stated interest) of the Term Loan owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Borrower, each Guarantor, Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, Borrower or Agent, sell participations to any Person (other than a natural person, a Disqualified Institution (to the extent that the DQ List has been made available to all Lenders; provided, that regardless of whether the DQ List has been made available to all Lenders, no Lender may sell participations in the Term Loan or Term Loan Commitments to a Disqualified Institution without the consent of Borrower if DQ List has been made available to such Lender), or Borrower or any of Borrower's Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Term Loan Commitment or the Term Loan owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) Borrower, Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 14.3(b) with respect to any payments made by such Lender to its Participant(s). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) though (iv) of Section 14.5(b) that affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.7 (subject to the requirements and limitations therein) (it being understood that the documentation required under Section 2.7 shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 14.2(b); provided that such Participant shall not be entitled to receive any greater payment under Section 2.7, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.9 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loan or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that

such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Assignment to Borrower and its Subsidiaries. Notwithstanding anything in this Agreement to the contrary, any Lender (other than a Lender who is an Affiliate of any Loan Party) may, at any time, assign all or a portion of its Term Loan on a non-pro rata basis to Borrower or its Subsidiaries; provided that (i) any portion of the Term Loan so repurchased shall be immediately cancelled and (ii) no Event of Default would result therefrom.

(g) Assumption by Parent Company. After consummation of the mergers contemplated by the Merger Agreement, the direct Parent Company of Borrower after giving effect to the consummation of such mergers, TeraWulf Inc. (currently known as Telluride Holco, Inc.), a Delaware corporation (the "**Successor Borrower**"), shall assume all of Borrower's Obligations under this Agreement pursuant to assumption documentation reasonably satisfactory to Agent (acting at the direction of the Required Lenders), upon which the Successor Borrower shall be deemed to be Borrower for all purposes under this Agreement and the other Loan Documents and Borrower as of the Closing Date shall be deemed to be a Guarantor for all purposes under this Agreement and the other Loan Documents. In connection with such assumption, the Successor Borrower shall deliver a certificate substantially in the form of the Perfection Certificate for itself and its assets and shall comply with the requirements of Sections 5.2 through 5.8 of such assumption. Borrower, Agent and the Required Lenders shall negotiate in good faith to amend this Agreement to reflect the foregoing modifications (subject to the approval of the Required Lenders).

(h) Replacement of Non-Consenting Lender. If any Lender (a "**Non-Consenting Lender**") has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 14.5 requires the consent of all of the Lenders affected and with respect to which the Required Lenders shall have granted their consent, then Borrower shall have the right (unless such Non-Consenting Lender grants such consent) at its sole expense to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to (and any such Non-Consenting Lender agrees that it shall, upon Borrower's request) assign its portion of the Term Loan and/or its Term Loan Commitments hereunder to one or more assignees reasonably acceptable to Agent (unless such assignee is a Lender or an, an Affiliate of a Lender or an Approved Fund); provided, that: (a) all Obligations of Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, together with the Prepayment Fee with respect to the principal amount so paid, (b) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon and the replacement Lender, and (c) the replacement Lender shall grant its consent with respect to the applicable proposed amendment, waiver, discharge or termination. No action by or consent of the Non-Consenting Lender shall be necessary in connection with such assignment, which shall be immediately and automatically effective upon payment of such purchase price. In connection with

any such assignment Borrower, Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 14.2; provided that if such Non-Consenting Lender does not comply with Section 14.2 within one (1) Business Day Borrower's request, compliance with Section 14.2 shall not be required to effect such assignment.

(i) Disqualified Institutions. Agent shall have the right, and the Borrower hereby expressly authorizes Agent, to (A) post the list of Disqualified Institutions provided by Borrower and any updates thereto from time to time; provided, however, that the list and any updates thereto must be reasonably tailored to the nature of Borrower's business and may not be so overly broad as to unreasonably burden any one Lender individually or the Lenders collectively (collectively, the "**DQ List**") on the Platform, including that portion of the Platform that is designated for "public side" Lenders or (B) provide the DQ List to each Lender requesting the same.

14.3 Expenses; Indemnification.

(a) Costs and Expenses. Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by Agent and its Affiliates and the Lenders (including reasonable attorneys' fees and expenses, limited to one firm of counsel, and, if necessary, a single local counsel in each appropriate jurisdiction, for each of the (x) Agent and its respective Related Persons as a whole, and (y) the Lenders and their respective Related Persons as a whole (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Person)), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by Agent or any Lender in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Term Loan, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Loans (including reasonable attorneys' fees and expenses, limited to one firm of counsel, and, if necessary, a single local counsel in each appropriate jurisdiction for each of the (x) Agent and its respective Related Persons as a whole, and (y) the Lenders and their respective Related Persons as a whole (and, in the case of an actual or perceived conflict of interest where the Person affected by such conflict informs Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Person) (collectively, the "**Lenders' Expenses**").

(b) Indemnification. Borrower agrees to indemnify Agent, each Lender, each of their respective Affiliates, successors and assigns, and each of their respective directors, officers, employees, agents, trustees, advisors and members (each such Person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable and documented counsel fees, charges and disbursements (limited to one firm of counsel, and, if necessary, a single local counsel in each appropriate jurisdiction, for each of the (x) Agent and its respective Related Persons as a whole, and (y) the Lenders and their respective Related Persons as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnitee affected by such conflict informs Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee)), incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the

parties hereto and thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Term Loan or the use of the proceeds of the Term Loan, (iii) any violation of or liability under Environmental Laws by Borrower or any Subsidiary, (iv) any actual or alleged presence, Release or threatened Release of or exposure to Hazardous Materials at, under, on, from or to any property owned, leased or operated by Borrower or any Subsidiary or (v) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto and regardless of whether such matter is initiated by a third party or by Borrower or any of its Subsidiaries or Affiliates; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct, or, except with respect to Agent and its Related Parties, bad faith, of such Indemnitee or any of its Related Parties, (y) except with respect to Agent and its Related Parties, arose from a material breach of such Indemnitee's or any of its Related Parties' obligations under any Loan Document (as determined by a court of competent jurisdiction in a final, non-appealable judgment) or (z) arose from any claim, actions, suits, inquiries, litigation, investigation or proceeding that does not involve an act or omission of Borrower or any of its Affiliates and is brought by an Indemnitee against another Indemnitee (other than any claim, actions, suits, inquiries, litigation, investigation or proceeding against Agent in its capacity as such).

(c) Reimbursement by Lenders. To the extent that Borrower for any reason fails to pay any amount required under paragraph (a) or (b) of this Section to be paid by it to Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Pro Rata Share at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for Agent (or any such sub-agent) in connection with such capacity. The failure of any Lender to reimburse Agent promptly upon demand for its Pro Rata Share of any amount required to be paid by the Lenders to Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse Agent for its Pro Rata Share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse Agent for such other Lender's Pro Rata Share of such amount. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to be indemnified pursuant to this Agreement, this Section 14.3(c) applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) General. The provisions of this Section 14.3 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the resignation or removal of Agent, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of Agent or any Lender. All amounts due under this Section 14.3 shall be payable within 30 days after written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested. This Section 14.3 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

14.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

14.5 Waivers; Amendments.

(a) No failure or delay by Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing executed by Borrower and the Required Lenders, and acknowledged by Agent, or by Borrower and Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase the Term Loan Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Section 3.1 or the waiver of any Default shall not constitute an extension or increase of the Term Loan Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on the Term Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of Borrower to pay interest at the Default Rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on the Term Loan or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, the Term Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.5(b) in a manner that would alter the pro rata sharing of payments required thereby, in each case, without the written consent of each Lender directly and adversely affected thereby;

(v) waive any condition set forth in Section 3.1 without the written consent of each Lender;

(vi) change any provision of this Section or the percentage or proviso in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(vii) other than in connection with a debtor-in-possession financing or except as otherwise expressly permitted by this Agreement or the other Loan Documents, (A) subordinate any Obligations in right of payment to any other Indebtedness of the Loan Parties or (B) subordinate the Liens securing the Obligations to Liens securing any other Indebtedness or other obligation; or

(viii) discharge any of the Loan Parties from their respective payment Obligations under the Loan Documents, or release all or any portion of the Collateral (other than Collateral that is no longer used or useful in the ordinary course of the Loan Parties' business), except as otherwise may be provided in this Agreement or the other Loan Documents;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights, protections, immunities, indemnities, duties or obligations of, or any fees or other amounts payable to Agent hereunder or under any other Loan Document, unless in writing executed by Agent, in each case in addition to Borrower and the Lenders required above. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Loan Parties.

14.6 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.1, this Agreement shall become effective when it shall have been executed by Agent and when Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

14.7 Confidentiality. Agent and the Lenders agree to maintain the confidentiality of Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) subject to an agreement containing provisions substantially the same as (or no less restrictive than) those of this Section 14.7, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement; (c) as required by law, regulation, subpoena, or similar legal process; (d) to Agent's or any Lender's

regulators or as otherwise required in connection with Agent's or any Lender's examination or audit; (e) as Agent or any Lender considers appropriate in exercising remedies under the Loan Documents; (f) to third-party service providers of Agent and/or any Lender so long as such service providers have executed a confidentiality agreement with Agent or the Lenders, as applicable, with terms no less restrictive than those contained herein; and (g) to the extent consisting of general portfolio information that does not identify any Loan Party, Parent Company or Permitted Holder; provided, that notwithstanding anything in the foregoing, Information may not be disclosed to any Disqualified Institution. For purposes of this Section, "**Information**" means all information received from Borrower or any of its Subsidiaries relating to Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to Agent or any Lender on a nonconfidential basis prior to disclosure by Borrower or any of its Subsidiaries; provided that, in the case of information received from Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 14.7 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

14.8 Right of Setoff. Each Loan Party hereby grants to Agent, for the ratable benefit of the Lenders, a Lien and a right of setoff as security for all Obligations to Agent and the Lenders, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Agent or any entity under the control of Agent (including a subsidiary of Agent) in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Agent or any Lender may set off the same or any part thereof and apply the same to any liability or Obligation of any Loan Party even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE AGENT OR ANY LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF ANY LOAN PARTY, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14.9 Release of Liens.

(a) The Lenders hereby irrevocably authorize and direct Agent to, and Agent shall, release, any Lien granted to or held by Agent upon (A) all Collateral upon the occurrence of the Termination Date, (B) any Collateral that shall be sold or disposed of in compliance with the terms of this Agreement and the other Loan Documents (including any sale or disposition that is consented to or authorized in writing by the Required Lenders in accordance with Section 14.5) to a Person that is not, and would not be required to become, a Loan Party, (C) any property that constitutes Excluded Property (or confirm that it does not have Lien on any Excluded Property) or (D) any Collateral that shall have been approved, authorized or ratified in writing by the Lenders required in accordance with Section 14.5. In connection with any release set forth in subsections (B)-(D) of this Section 14.9(a), any Loan Party requesting the release of any Lien shall deliver to Agent a certificate of a Responsible Officer of such Loan Party stating that such action is in compliance with the terms of this Section 14.9, this Agreement and the other Loan Documents. Upon request by Agent at any time, the Lenders will confirm in writing Agent's authority to release particular types or items of Collateral pursuant to this Section 14.9(a).

(b) Without in any manner limiting Agent's authority to act without any specific or further authorization or consent by the Lenders (as set forth in Section 14.9(a) each Lender agrees to confirm in writing, upon request by Agent, the authority to release Collateral conferred upon Agent under Section 14.9(a). Either without such confirmation (if Agent has not requested such confirmation) or upon receipt by Agent of such confirmation (if Agent has requested such confirmation), and upon prior written request by Borrower and following delivery of the certificate of a Responsible Officer of such Loan Party contemplated in Section 14.9(a) hereof, Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to Agent to the extent permitted by Section 14.9(a) (at the sole cost of the Loan Parties); provided that such release shall not in any manner discharge, affect or impair the Obligations or any Lien upon (or obligations of any Loan Party in respect of) all interests in the Collateral retained by any Loan Party.

14.10 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, the electronic matching of assignment terms and contract formation on electronic platforms approved by Agent, acting reasonably (and, for the avoidance of doubt, electronic signatures utilizing the DocuSign platform shall be deemed approved), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state law based on the Uniform Electronic Transactions Act; provided that, notwithstanding anything contained herein to the contrary, Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless such form or format is expressly agreed to by Agent, acting reasonably.

14.11 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

14.12 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

14.13 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

14.14 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any Persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any Person not an express party to this Agreement; or (c) give any Person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

14.15 Patriot Act. Each Lender and Agent hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Borrower and each of its Subsidiaries, which information includes the names and

addresses of each Borrower and each of its Subsidiaries and other information that will allow Lender or Agent, as applicable, to identify Borrower and each of its Subsidiaries in accordance with the USA PATRIOT Act.

14.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of a Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by a Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any Resolution Authority.

15. DEFINITIONS

15.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." The word "year" shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and

Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" and the words "to" and "until" each mean "to but excluding." Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document. Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a Division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate Person hereunder (and each Division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity). As used in this Agreement, the following capitalized terms have the following meanings:

"**Account Control Agreement**" is defined in Section 5.9.

"**Account Debtor**" means any "**account debtor**" as defined in the Code with such additions to such term as may hereafter be made.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by or otherwise acceptable to Agent.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" means, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agent**" is defined in the preamble hereof.

"**Agreement**" is defined in the preamble hereof.

"**Anti-Corruption Laws**" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act of 1997 ("**FCPA**") and the U.K. Bribery Act 2010.

"**Anti-Money Laundering Laws**" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the Patriot Act.

"**Applicable Make-Whole Amount**" with respect to any prepayment made pursuant to Section 2.2(e) , an amount equal to (i) the present value of the amount of interest that would have been paid on the principal amount of the Term Loan being so prepaid from and including the date of such prepayment to and including the first anniversary of the Closing Date (in each case,

calculated on the basis of actual days elapsed over a year of three hundred sixty-five (365) days or three hundred sixty-six (366) days, as the case may be) plus (ii) three percent (3.0%) of the principal amount of the prepaid portion of the Term Loan. The present value calculation in clause (i) of the Applicable Make-Whole Amount shall be calculated using the discount rate equal to the Treasury Rate as of such repayment or prepayment date or date of required repayment plus 50 basis points. For the avoidance of doubt, Agent shall have no responsibility for calculating the Applicable Make-Whole Amount.

"**Applicable Rate**" means 11.50% per annum.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Asset Sale**" means any conveyance, sale, lease, sale and leaseback, assignment, transfer or other disposition to any Person (other than another Loan Party) of any asset or assets of any Loan Party, excluding (a) any sale or other disposition of any Permitted Investment or (b) any sale or conversion of Bitcoin or other Cryptocurrency, the net proceeds of which are used to fund capital expenditures, other ordinary course expenses or the Loan Parties or other transactions not prohibited hereunder, or which are otherwise held by the Loan Parties in compliance with the terms of this Agreement.

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and its assignee, and accepted by Agent and Borrower (if required by Section 14.2), substantially in the form attached hereto as Exhibit D or such other form as shall be approved by Agent and reasonably satisfactory to Borrower.

"**Authorized Signer**" means any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including making (and executing if applicable) the Borrowing Request, on behalf of Borrower.

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"**Bail-In Legislation**" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230.

"**Benefit Plan**" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the IRC or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes

of Title I of ERISA or Section 4975 of the IRC) the assets of any such "employee benefit plan" or "plan".

"**Bitcoin**" means the type of virtual currency based on an open source cryptographic protocol existing on the Bitcoin Network.

"**Borrower**" is defined in the preamble hereof.

"**Borrower Materials**" is defined in Section 11(c).

"**Borrowing Request**" means a borrowing request substantially in the form attached hereto as Exhibit B.

"**Borrowing Resolutions**" means, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, stockholders) and delivered by such Person to Agent and the Lenders approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary or other Responsible Officer on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) the Borrowing Request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Agent and the Lenders may conclusively rely on such certificate unless and until such Person shall have delivered to Agent and the Lenders a further certificate canceling or amending such prior certificate.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"**Casualty Event**" is defined in Section 7.4(b).

"**Change in Control**" means if any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act, or any successor provision), other than the Permitted Holders, in a single transaction or in a related series of transactions, shall at any time have acquired direct or indirect beneficial ownership (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, or any successor provision) of voting power of the outstanding Voting Stock of Borrower having more than 50.1% of the ordinary voting power for the election of directors of Borrower (provided that, for purposes of this determination, to the extent any Person or "group" includes both Permitted Holders and non-Permitted Holders (any such Person or "group", the "**Subject Group**"), and the Subject Group does not itself constitute a Permitted Holder, then the outstanding Voting Stock of Borrower directly or indirectly beneficially owned by such Permitted Holders in such Subject Group shall not be treated as being beneficially owned by such Subject Group), unless the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the members of the Board of Directors of Borrower; or (b) Borrower shall fail to own and control, directly or indirectly, 100% of the outstanding Voting Stock of any Guarantor, on a fully diluted basis, except pursuant to a transaction permitted by Section 8.1.

Notwithstanding the foregoing, (1) a transaction in which Borrower or a Parent Company becomes a direct or indirect Subsidiary of another Person (such Person, the "**New Parent**") shall not constitute a Change in Control if (a) the equityholders of Borrower or such Parent Company immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the Voting Stock of Borrower or such New Parent immediately following the consummation of such transaction, substantially in proportion to their holdings of the equity of Borrower or such Parent Company prior to such transaction or (b) immediately following the consummation of such transaction, no Person, other than a Permitted Holder, the New Parent or any Subsidiary of the New Parent, beneficially owns, directly or indirectly through one or more intermediaries, more than 50% of the voting power of the Voting Stock of Borrower or the New Parent and (2) a Person or "group" shall not be deemed to have beneficial ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement.

"**Closing Date**" means December 1, 2021.

"**Code**" means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Agent's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" means any and all properties, rights and assets of any Loan Party described on Exhibit A.

"**Commitment**" and "**Commitments**" means the Term Loan Commitment(s).

"**Communications**" is defined in Section 11(b)(ii).

"**Competitor**" means a bona fide competitor of Borrower or any of its Subsidiaries and any Affiliate of the foregoing that is reasonably identifiable on the basis of its name or is identified in writing by Borrower to Agent and the Lenders from time to time (other than such Affiliates that are bona fide fixed income investors, banks (or similar financial institutions) or debt funds).

"**Compliance Certificate**" is that certain statement in the form attached hereto as Exhibit C.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) interest expense, (b) provision for taxes based on income, (c) depreciation expense, (d) amortization expense, (e) unusual or non-recurring charges, expenses or losses and (f) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period), minus, to the extent included

in determining Consolidated Net Income for such period, the sum of (i) unusual or non-recurring gains and non-cash income, (ii) any other non-cash income or gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period) and (iii) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis; provided that any amounts included pursuant to clause (e) of this definition shall not exceed 25% of the total Consolidated EBITDA for such period.

"**Consolidated Net Income**" means, for any period, the consolidated net income (or loss) of Borrower and the Guarantors on a consolidated basis; provided that (a) the income (or deficit) for such period of any Person that is not a Guarantor, or that is accounted for by the equity method of accounting, shall be included to the extent of the amount of such income (or deficit) of such Person multiplied by Borrower's or Guarantor's percentage ownership of the economic interests in such Person and (b) the net income for such period shall include any dividend, distribution or other payment in cash (or to the extent converted into cash) received by Borrower or a Guarantor thereof from any Person in excess of, but without duplication of, any amounts included in clause (a).

"**Contested Taxes**" is defined in Section 6.7.

"**Contingent Obligation**" means, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Copyrights**" means all of the following: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise; (b) all registrations and applications for registration of any such Copyright in the United States or any other country, including registrations, supplemental registrations and pending applications for registration in the United States Copyright Office and/or any other equivalent intellectual property agency or office in any foreign country and the right to obtain all renewals, extensions, supplements, reversions, reissues and continuations thereof; (c) all claims for, and rights to sue or otherwise recover for, past, present or future infringements or other violations of any of the foregoing; and (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past, present or future infringement or other violations thereof.

"**Covered Entity**" shall mean any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Crypto Assets**" means Cryptocurrencies, their derivatives or other types of digitalized assets and any Cryptocurrency Addresses.

"**Cryptocurrency**" means encrypted or digital tokens or cryptocurrencies that are based on blockchain and cryptography technologies and are issued and managed in a decentralized form, including, without limitation, Bitcoin and Ether.

"**Cryptocurrency Address**" means an identifier of alphanumeric characters that represents a possible destination for a transfer of Cryptocurrencies.

"**Debtor Relief Laws**" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"**Default**" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, constitute an Event of Default.

"**Default Rate**" is defined in Section 2.3(b).

"**Designated Deposit Account**" means the account number ending 171 (last three digits) maintained by Borrower with Bank of America, N.A.

"**Designated Jurisdiction**" means any country or territory that is itself the subject of any comprehensive Sanctions (as of the date of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine).

"**Disqualified Institution**" means, on any date, subject to Section 14.2(i), (a) any Person designated by Borrower as a "Disqualified Institution" by written notice delivered to Agent on or prior to the date hereof and (b) any other Person that is a Competitor of Borrower or any of its Subsidiaries, which Person has been designated by Borrower as a "Disqualified Institution" by written notice to Agent and the Lenders (including by posting such notice to the Platform) not less than two (2) Business Days prior to such date; provided that "Disqualified Institutions" shall exclude (i) any Person that Borrower has designated as no longer being a "Disqualified Institution" by written notice delivered to Agent from time to time and (ii) any Person that is a Lender on the Closing Date.

"**Division**" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

"**Dollars**," "**dollars**" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**DQ List**" is defined in Section 14.2(i).

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Environmental Laws**" means any and all applicable federal, state, local, and foreign statutes, laws (including common law), regulations, standards, ordinances, rules, judgments, orders, decrees, permits, agreements or governmental restrictions relating to pollution or the protection of the environment or, as it relates to exposure to Hazardous Materials, human health, including those relating to the manufacture, generation, handling, transport, storage, treatment, Release or threat of Release of Hazardous Materials, air emissions and discharges to waste or land.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of investigation, environmental remediation, fines, penalties or indemnities) of any Loan Party or any Subsidiary whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, relating to (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) the exposure of Persons to any Hazardous Materials, (d) Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permit**" means any permit, certification, registration, approval, identification number, license or other authorization required under any Environmental Law.

"**Equipment**" means all "**equipment**" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**Equity Interests**" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, and its regulations.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is

under common control with any Loan Party and is treated as a single employer within the meaning of Section 414 of the IRC or Section 4001 of ERISA.

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a failure to satisfy the minimum funding standard under Section 412 of the IRC or Section 302 of ERISA with respect to a Pension Plan, whether or not waived, or a failure to make any required contribution to a Multiemployer Plan; (d) a complete or partial withdrawal by any Loan Party or any ERISA Affiliate from a Multiemployer Plan, notification of any Loan Party or ERISA Affiliate concerning the imposition of Withdrawal Liability or notification that a Multiemployer Plan is insolvent within the meaning of Title IV of ERISA or that is in endangered or critical status, within the meaning of Section 305 of ERISA; (e) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate; (h) a determination that any Pension Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 303(i)(4)(A) of ERISA or Section 430(i)(4)(A) of the IRC); or (i) the occurrence of a non-exempt prohibited transaction with respect to any Plan or Pension Plan maintained or contributed to by any Loan Party (within the meaning of Section 4975 of the IRC or Section 406 of ERISA) which would result in liability to any Loan Party.

"**Erroneous Payment**" is defined in Section 9.8(a).

"**Ether**" means the native Cryptocurrency of the Ethereum application platform trading under the symbol "ETH".

"**Ethereum**" means the decentralized, open source and distributed computing platform that enables the creation of smart contracts and decentralized applications, also known as dapps and commonly known as "ethereum".

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event of Default**" is defined in Section 9.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Excluded Accounts**" is defined in Exhibit A.

"**Excluded Property**" is defined in Exhibit A.

"**Excluded Taxes**" means (a) any Taxes imposed on (or measured by) a Lender's net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of (i) a Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) a present or former connection between such Lender and the jurisdiction imposing

such Taxes (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced, or sold or assigned an interest in the Term Loan), (b) any U.S. federal withholding Taxes imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in the Term Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Term Loan or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.7, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to a Lender's failure to comply with Section 2.7 and (d) any withholding Taxes imposed under Sections 1471 through 1474 of the IRC (as defined below), as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the IRC and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the IRC (this clause (d), "**FATCA**").

"**Existing Shareholder Loans**" means the loans outstanding on the Closing Date (which shall not be amended, supplemented, amended and restated or otherwise modified in a manner that is adverse to the interests of the Loan Parties or the Lenders without the prior written consent of Agent) under each of (i) the Promissory Notes dated October 4, 2021 and October 14, 2021, each in the original principal amount of $5,824,308.06 made by Borrower in favor of Stammtisch Investments LLC, (ii) the Promissory Notes dated October 6, 2021 and October 13, 2021, each in the original principal amount of $2,387,484.96 made by Borrower in favor of Bayshore Capital LLC, (iii) the Promissory Notes dated October 11, 2021 and October 28, 2021, each in the original principal amount of $1,788,206.98 made by Borrower in favor of Revolve Capital LLC, (iv) the Promissory Note dated October 19, 2021 in the original principal amount of $2,912,000.00 made by Borrower in favor of Stammtisch Investments LLC, (v) the Promissory Note dated November 19, 2021 in the original principal amount of $1,194,000.00 made by Borrower in favor of Bayshore Capital LLC and (vi) the Promissory Note dated November 19, 2021 in the original principal amount of $894,000.00 made by Borrower in favor of Revolve Capital LLC.

"**FATCA**" is defined in the definition of "Excluded Taxes."

"**FCPA**" is defined in the definition of "Anti-Corruption Laws."

"**Fee Letter**" means the Fee Letter dates as of the Closing Date, between the Borrower and Agent, as amended, supplemented or otherwise modified from time to time.

"**Flood Hazard Property**" means any Mortgaged Property that is in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

"**Foreign Lender**" means any Lender that is not a U.S. Person.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public

Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" means all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" means any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Group Tax Payment**" means, with respect to any taxable period for which Borrower and/or any of its Subsidiaries are members of a consolidated, combined, affiliated, unitary or similar tax group for U.S. federal and/or applicable state, local or foreign tax purposes of which a Parent Company is the common parent, or for which Borrower or a Subsidiary is a partnership or disregarded entity for U.S. federal income tax purposes that is wholly owned (directly or indirectly) by a Parent Company that is a C corporation for U.S. federal and/or applicable state, local or foreign tax purposes, payments to such Parent Company, in an aggregate amount not to exceed the amount of any U.S. federal, state, local and/or foreign income Taxes that Borrower and/or its Subsidiaries, as applicable, would have paid for such taxable period had Borrower and/or its Subsidiaries, as applicable, a stand-alone corporate group reduced by any such income Taxes paid directly by the Borrower or any of its Subsidiaries.

"**Guarantor**" means each Subsidiary of Borrower identified as a "Guarantor" on the signature pages hereto.

"**Guaranty**" means the guarantee made by the Guarantors in favor of Agent and the Lenders pursuant to Section 4.

"**Hazardous Materials**" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

"**Indebtedness**" means (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations. For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture

that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

"**Indemnified Taxes**" means Taxes, other than Excluded Taxes, imposed with respect to any payment made by or on account of any obligation of Borrower under this Agreement, together with any Other Taxes.

"**Indemnitee**" is defined in Section 14.3(b).

"**Information**" is defined in Section 14.7.

"**Insolvency Proceeding**" means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means all intellectual property and similar proprietary rights of every kind and nature throughout the world of any Loan Party, whether now owned or hereafter acquired by any Loan Party, including, inventions, designs, Patents, Copyrights, Trademarks, trade secrets, domain names, confidential or proprietary technical and business information, know-how, show-how or other data or information and all related documentation.

"**Investment**" means (i) any purchase or acquisition (including pursuant to any merger with a Person that is not a wholly owned Subsidiary immediately prior to such merger) of any Equity Interests, evidences of indebtedness or other securities of any other Person, (ii) any making of loans or advances to or guarantees of the indebtedness of any other Person or (iii) any purchase or other acquisition, in one transaction or a series of related transactions, of (x) all or substantially all of the property and assets or business of another Person or (y) assets constituting a business unit, line of business or division of such Person. The amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, net of any return in respect thereof, including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts.

"**Investment/Restricted Payment Condition**" means that (i) as of the end of any contiguous six-month period beginning on or after the Closing Date, Consolidated EBITDA shall exceed $150,000,000 on an annualized basis tested in such contiguous six-month period and (ii) Borrower shall have delivered to Agent a certificate of a Responsible Officer of Borrower certifying that the condition set forth in clause (i) has been satisfied and setting forth calculations in reasonable detail in support thereof.

"**IRC**" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

"**IRS**" means the United Stated Internal Revenue Service.

"**Lake Mariner Facility**" means the bitcoin mining facility to be located adjacent to the decommissioned coal-fired Somerset Generating Station in Barker, Niagara County, New York, on land leased from Somerset Operating Company, LLC.

"**Lender**" means each Person listed on Schedule 1 (other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Assumption in accordance with Section 14.2), as well as any Person that becomes a "Lender" hereunder pursuant to Section 14.2.

"**Lien**" means a mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"**Loan Documents**" means, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Note, the Perfection Certificate, the Notices of Grant of Security Interest in Intellectual Property, the Borrowing Request, the Fee Letter, any subordination agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Agent and the Lenders in connection with this Agreement, all as amended, restated, or otherwise modified.

"**Loan Parties**" means, collectively, Borrower and the Guarantors.

"**Loan Parties' Books**" means all the Loan Parties' books and records including ledgers, federal and state tax returns, records regarding the Loan Parties' assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Material Adverse Effect**" means (a) a material adverse effect on the ability of the Loan Parties, taken as a whole, to perform their obligations under the Loan Documents, or (b) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"**Material Real Property**" means any (a) real property with a fair market value in excess of $1,000,000 owned by any Loan Party, (b) leasehold interest of any Loan Party in the Lake Mariner Facility and (c) leasehold interest of any Loan Party in any real property which is developed to mine Cryptocurrency or to supply power to any Cryptocurrency mining operations.

"**Maturity Date**" means December 1, 2024.

"**Maximum Lawful Rate**" is defined in Section 2.3(d).

"**Merger Agreement**" means the Agreement and Plan of Merger dated as of June 24, 2021 among Borrower, IKONICS Corporation, Telluride Holdco Inc., Telluride Merger Sub I, Inc. and Telluride Merger Sub II, Inc.

"**Moody's**" shall mean Moody's Investors Service, Inc. and its successors and assigns.

"**Mortgage Policies**" is defined in Section 5.11.

"**Mortgaged Property**" and "**Mortgaged Properties**" are defined in Section 5.11.

"**Mortgages**" means, collectively, the mortgages, trust deeds, deeds of trust, deeds to secure debt, assignments of leases and rents, and other security documents (including amendments

to any of the foregoing) delivered with respect to the Mortgaged Properties in a form reasonably acceptable to Borrower and Agent.

"**Nautilus JV**" means Nautilus Cryptomine LLC, a Delaware limited liability company.

"**Net Proceeds**" means, in each case, an amount equal to:

(a) 100% of the cash proceeds actually received by any Loan Party (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise and including casualty insurance settlements and condemnation awards, but only as and when received) from any (x) Casualty Event in respect of Collateral, (y) Asset Sale of Collateral or (z) distribution received from the Nautilus JV in respect of cash proceeds from a disposition of any asset or assets of the Nautilus JV, in each case, net of (i) reasonable, out-of-pocket attorneys' fees, accountants' fees, investment banking fees, survey costs, search and recording charges, transfer taxes and required payments of debt or other obligations relating to the applicable asset to the extent such debt or obligations are secured by a Lien not prohibited hereunder (other than Permitted Liens) on such asset, other reasonable and customary fees and expenses actually incurred to obtain such Net Proceeds or otherwise in connection therewith, (ii) Taxes paid or payable (in the good faith determination of Borrower) as a result thereof and (iii) the amount of any reasonable reserve established in accordance with GAAP against any adjustment to the sale price or any liabilities (other than any taxes deducted pursuant to clause (i) or (ii) above) related to any of the applicable assets and retained by the applicable Loan Party (however, the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be cash proceeds of such Asset Sale or Casualty Event occurring on the date of such reduction); provided that:

(i) in the case of Net Proceeds from Asset Sales, if no Event of Default has occurred and is continuing, Borrower may deliver to Agent a certificate, executed by a Responsible Officer of Borrower, within five (5) Business Days following the receipt of such Net Proceeds, that the Loan Parties intend to use all or any portion of such proceeds within 180 days of such receipt, to acquire, maintain, develop, construct, improve, upgrade or repair assets used or useful in the business of the Loan Parties or to reimburse the cost of any of the foregoing incurred on or after the date on which the Asset Sale giving rise to such proceeds was contractually committed, in which case such portion of such proceeds shall not constitute Net Proceeds except to the extent they are not, within 180 days of such receipt, so used or contractually committed to be so used (it being understood that if any portion of such proceeds are not so used within such 180 day period but within such 180-day period are contractually committed to be used, then such remaining portion if not so used within 90 days following the end of such 180-day period shall constitute Net Proceeds as of such date without giving effect to this proviso); provided, further, that no net cash proceeds of Asset Sales calculated in accordance with the foregoing shall constitute Net Proceeds in any fiscal year until the aggregate amount of such net cash proceeds otherwise constituting Net Proceeds pursuant to this clause (i) in such fiscal year shall exceed $2,000,000 (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds); provided, further, that any assets receiving the benefit of any such proceeds described in this clause (i) must constitute Collateral, and

(ii) in the case of Net Proceeds in respect of insurance proceeds from Casualty Events in respect of Collateral, if no Event of Default has occurred and is continuing, Borrower may deliver to Agent a certificate, executed by a Responsible Officer of

Borrower, within five (5) Business Days following the date of receipt of such Net Proceeds, that the Loan intend to use all or any portion of such proceeds within 180 days of such receipt to repair, restore or replace such Collateral or to reimburse the cost of any of the foregoing incurred on or after the date on which the Casualty Event giving rise to such proceeds occurred, in which case such portion of such proceeds shall not constitute Net Proceeds except to the extent not, within 180 days of such receipt, so used or contractually committed to be so used (it being understood that if any portion of such proceeds are not so used within such 180-day period but within such 180-day period are contractually committed to be used, then such remaining portion if not so used within 90 days following the end of such 180-day period shall constitute Net Proceeds as of such date without giving effect to this proviso); and

(b) 100% of the cash proceeds from the incurrence, issuance or sale by Borrower or any Subsidiary Loan Party of any Indebtedness that is not permitted by this Loan Agreement.

"**New Parent**" is defined in the definition of "Change in Control."

"**Note**" is defined in Section 2.5(g).

"**Notice of Grant of Security Interest in Intellectual Property**" means a Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as Exhibit E executed and delivered by one of more Loan Parties hereunder.

"**Obligations**" means Borrower's and each Guarantor's obligations to pay when due any debts, principal, interest, fees (including attorneys' fees), expenses (including Lenders' expenses), the Prepayment Fee and other amounts owing to Agent or any Lender now or later, under or in connection with this Agreement or any of the other Loan Documents, including, without limitation, any interest accruing prior to or after Insolvency Proceedings begin (regardless of whether permitted therein), and to perform any Loan Party's duties under the Loan Documents.

"**OFAC**" means the U.S. Department of Treasury Office of Foreign Assets Control.

"**Operating Documents**" means, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Closing Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement, except any such Taxes that are Other Taxes imposed with respect to an assignment and result from a present or former connection between either Lender and the jurisdiction imposing such Tax.

"**Parent Company**" means any direct or indirect parent company of Borrower other than a Permitted Holder.

"**Participant Register**" is defined in Section 14.2(d).

"**Patents**" means all of the following: (a) all patents of the United States or the equivalent thereof in any other country or jurisdiction, and all applications for patents of the United States or the equivalent thereof in any other country or jurisdiction, (b) all provisionals, reissues, extensions, continuations, divisions, continuations-in-part, reexaminations or revisions thereof, and the inventions, discoveries, improvements and designs disclosed or claimed therein, including the right to make, use, import and/or sell the inventions disclosed or claimed therein, (c) all claims for, and rights to sue or otherwise recover for, past, present or future infringements or other violations of any of the foregoing and (d) all income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past, present or future infringement or other violation thereof.

"**Payment Date**" means the fifth (5^{th}) Business Day of each January, April, July and October of each year.

"**Payment Recipient**" is defined in Section 9.8(a).

"**Perfection Certificate**" means a certificate substantially in the form attached hereto as Exhibit F.

"**Permitted Holders**" means, at any time, (i) Bayshore Capital LLC, Paul B. Prager, Revolve Capital LLC and Stammtisch Investments LLC and their respective Affiliates, (ii) any Person that, directly or indirectly, holds or acquires beneficial ownership of 100% on a fully diluted basis of the total voting power of the Voting Stock of Borrower, and of which no other person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act, or any successor provision), other than any of the other Permitted Holders, beneficially owns more than 50% on a fully diluted basis of the total voting power of the Voting Stock thereof, and any New Parent and its Subsidiaries, (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Equity Interests of Borrower or any Parent Company, acting in such capacity and (iv) any "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders specified in clause (i), (ii) or (iii) above and that, directly or indirectly, hold or acquire beneficial ownership of the Voting Stock of Borrower (a "**Permitted Holder Group**"), so long as (1) no member of the Permitted Holder Group (other than Permitted Holders specified in clause (i), (ii) or (iii) above) has the right to elect a number of directors that is greater than such member's proportional share of directors (with such member's proportional share of directors being determined based on the total number of directors on the applicable board of directors multiplied by the percentage of Voting Stock held or acquired by such member) and (2) no person or other "group" (other than the other Permitted Holders) beneficially owns more than 50% on a fully diluted basis of the voting Equity Interests held by the Permitted Holder Group.

"**Permitted Indebtedness**" means, as at any date,

(a) Indebtedness under the Loan Documents;

(b) Indebtedness owed to another Loan Party; provided that all such Indebtedness is evidenced by an intercompany note containing customary turnover provisions, substantially in the form of Exhibit J or otherwise in form and substance reasonably acceptable to Agent, and pledged to Agent pursuant to Section 5.4;

(c) Contingent Obligations in respect of obligations of another Loan Party; provided that such Contingent Obligations are subject to customary subordination provisions evidenced in an intercompany note substantially in the form of Exhibit J or otherwise in form and substance reasonably acceptable to Agent;

(d) Indebtedness in respect of Taxes, assessments or governmental charges to the extent either (i) not overdue by more than 30 days or (ii) being contested in good faith by appropriate proceedings and for which the Loan Parties maintain adequate reserves on the Loan Parties' Books;

(e) Indebtedness in respect of judgments or awards, individually, or, in the aggregate, not constituting an Event of Default; Indebtedness under cash management agreements, bank overdrafts, returned items or like items incurred in the ordinary course of business of a Loan Party that are promptly repaid;

(f) Indebtedness in respect of worker's compensation claims, disability, health or employee benefits and self-insurance obligations incurred in the ordinary course of business of a Loan Party;

(g) Guarantees in respect of surety bonds, performance bonds and similar obligations incurred in the ordinary course of business of a Loan Party;

(h) Indebtedness constituting unpaid insurance premiums (not in excess of one year's premium) owing to insurance companies and insurance brokers incurred in connection with the financing of insurance premiums in the ordinary course of business of a Loan Party or a Subsidiary;

(i) Existing Shareholder Loans;

(j) Indebtedness in respect of purchase money obligations for capital assets (other than any Crypto Assets or equipment used to generate any Crypto Assets) provided that the aggregate amount of all such Indebtedness at any one time outstanding shall not to exceed $5,000,000; and

(k) Other unsecured Indebtedness in an aggregate principal amount at any time outstanding not to exceed $2,000,000.

"**Permitted Investments**" means, as at any date, (a) investments in direct obligations of the United States of America or any agency or instrumentality thereof to the extent such obligations constitute full faith and credit obligations of the United States of America, provided that any such obligations mature within one year of the date of issuance thereof, (b) (x) Dollars and cash in local currencies held in the ordinary course of business and (y) Dollar denominated time deposits and certificates of deposit of (i) any domestic commercial bank of recognized standing having capital and surplus in excess of $500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "**Approved Bank**"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within one year of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company or recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) Investments, classified in accordance with GAAP as current assets, in money market

investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least $500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing clauses (a) through (d).

"**Permitted Liens**" means:

(a) Liens existing on the Closing Date which are shown on the Perfection Certificate or arising under this Agreement or the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not overdue by more than 30 days or (ii) being contested in good faith by appropriate proceedings and for which the Loan Parties maintain adequate reserves on the Loan Parties' Books;

(c) Liens imposed by law, such as landlord's (including for this purpose landlord's Liens created pursuant to the applicable lease), carriers', warehousemen's, mechanics', materialmen's, repairmen's, supplier's, construction or other like Liens, securing obligations that are not overdue by more than 30 days or that are being contested in good faith by appropriate proceedings and for which the Loan Parties maintains adequate reserves on the Loan Parties' Books;

(d) Liens to secure the performance of bids, trade contracts, contracts for the purchase of property, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case, not representing an obligation for borrowed money;

(e) Liens securing judgments that do not constitute an Event of Default under Section 9.6;

(f) leases or subleases, licenses or sublicenses granted to others in the ordinary course of business not interfering with, or otherwise impairing, the business of the Loan Parties, taken as a whole, in any material respect;

(g) in the case of leasehold interests in real property, any Lien to which the fee simple interest (or any superior leasehold interest) is subject;

(h) easements, rights-of-way, restrictions and other similar encumbrances affecting real property that, in the aggregate, are not substantial in amount, and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of Borrower and its Subsidiaries;

(i) Liens securing capital or finance leases, purchase money indebtedness or other Indebtedness incurred to acquire, lease, construct, repair or improve property or assets; provided that such Liens not apply to any property or assets other than the property acquired, leased, constructed, repaired or improved with such indebtedness and accessions additions thereto and proceeds and products thereof;

(j) Liens in favor of financial institutions arising in connection with a Loan Party's deposit accounts and/or securities accounts held at such institutions; and

(k) other Liens securing obligations not to exceed $500,000 outstanding at any one time;

(l) provided, that, notwithstanding any of the above, Permitted Liens referenced in clause (a), (e), (f) and (i) shall not secure Indebtedness an amount greater than $10,000,000 in the aggregate outstanding at any time.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Platform**" is defined in Section 11(b)(i).

"**Prepayment Fee**" means an additional fee payable to the Lenders with respect to the Term Loan, upon the voluntary prepayment in full or in part of the Term Loan, in an amount equal to (a) the Applicable Make-Whole Amount if the prepayment is prior to the first (1st) anniversary of the Closing Date, (b) three percent (3.0%) of the principal amount of the prepaid portion of the Term Loan if the prepayment is made on or after the first (1st) anniversary of the Closing Date and prior to the second (2nd) anniversary of the Closing Date, and (c) two percent (2.0%) of the principal amount of the prepaid portion of the Term Loan if the prepayment is made on or after the second (2nd) anniversary of the Closing Date but prior to the Maturity Date.

"**Pro Rata Share**" means, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of the portion of the Term Loan held by such Lender by the aggregate outstanding principal amount of the Term Loan held by all Lenders.

"**Public Lender**" is defined in Section 11(c).

"**Register**" is defined in Section 14.2(b).

"**Registered Organization**" means any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"**Required Lenders**" means, at any time, Lenders having outstanding Term Loan Commitments or outstanding principal amount of the Term Loan, that represent more than 50% of the aggregate Term Loan Commitments and outstanding principal amount of the Term Loan held by all Lenders; provided (i) that to the extent that the total number of Lenders (treating all Lenders that are Affiliates as a single Lender) is greater than one, the consent of at least two (treating all Lenders that are Affiliates as a single Lender) Lenders shall also be required to constitute a vote or determination of the Required Lenders, and (ii) notwithstanding any of the above, any Lender which is an Affiliate of the Borrower or any Guarantor shall be excluded from the vote or determination and the calculation of the aggregate Term Loan Commitments for the purposes of determining whether the 50% threshold has been met.

"**Requirement of Law**" means, as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or

determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Resolution Authority**" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"**Responsible Officer**" means (a) as to Borrower any of the President, Chief Operating Officer, Chief Financial Officer and Chief Strategy Officer of Borrower and (b) as to any other Loan Party, the President and Chief Financial Officer of such Loan Party.

"**Restricted Payment**" means any dividend or other distribution (whether in cash, securities or other property) to the extent in respect to any Equity Interest of Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interest of Borrower, or on account of any return of capital to Borrower's shareholders, partners or members (or the equivalent Persons thereof) in respect of their Equity Interests in Borrower.

"**S&P**" shall mean Standard & Poor's Ratings Group, Inc. and its successors and assigns.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union, any Member State of the European Union, or the United Kingdom (irrespective of its status vis-à-vis the European Union), (b) any Person located or resident in or organized under the laws of a Designated Jurisdiction or (c) a Person that is owned 50 percent or more in the aggregate, directly or indirectly, by any Person, entity, or organization described in immediately preceding clauses (a) or (b).

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC and the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"**SEC**" means the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Security Interest**" is defined in Section 5.1.

"**Solvent**" means, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they become absolute and matured and (d) such Person is not engaged in any business, as conducted on such date and as proposed to be conducted following such date, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and

circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Subagent**" is defined in Section 13.5.

"**Subject Group**" is defined in the definition of "Change in Control."

"**Subsidiary**" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

"**Successor Borrower**" is defined in Section 14.2(g).

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto, including, without limitation, any real estate taxes and any Other Taxes.

"**Term Loan Commitment**" means, for any Lender, the obligation of such Lender to make its portion of the Term Loan on the Closing Date in the aggregate principal amount shown on Schedule 1 for such Lender. "Term Loan Commitments" means the aggregate amount of such commitments of all Lenders. The aggregate amount of Term Loan Commitments as of the Closing Date is $150,000,000.

"**Term Loan Commitment Percentage**" means, as to any Lender at any time, the percentage (carried out to the fourth decimal place) of the Term Loan Commitments represented by such Lender's Term Loan Commitment at such time. The initial Term Loan Commitment Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1 hereto.

"**Term Loan**" is defined in Section 2.2(a).

"**Termination Date**" means the date on which (a) all Term Loan Commitments shall have been terminated, (b) the principal of and interest on the Term Loan and all Obligations (other than in respect of contingent indemnification and expense reimbursement claims not then due and payable) shall have been paid in full in cash.

"**Trademarks**" means all of the following: (a) all trademarks, service marks, certification marks, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, internet domain names, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations thereof (if any), and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all renewals thereof, (b) all goodwill associated with or symbolized by the foregoing, (c) all claims for, and rights to sue or otherwise recover for, past, present or future infringements, dilutions or other violations of any of the foregoing or unfair competition therewith and (d) all

income, royalties, damages and payments now or hereafter due and payable with respect to any of the foregoing, including damages and payments for past, present or future infringement, dilutions or other violations thereof or unfair competition therewith.

"**Treasury Rate**" means, for purposes of calculating the Applicable Make-Whole Amount if then applicable, as of the date of any prepayment pursuant to Section 2.2(e), the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)). Any such Treasury Rate shall be obtained by Borrower.

"**UK Financial Institution**" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"**UK Resolution Authority**" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**U.S. Person**" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the IRC.

"**U.S. Tax Compliance Certificate**" is defined in Section 2.7(b).

"**Voting Stock**" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"**Wallet**" means the location, wallet, address, securities account or storage device designated by Borrower in a written notice given to Agent as the location at which Cryptocurrency or any other Crypto Assets is located.

"**Wallet Security Agreements**" means any access, control or other acknowledgment agreement that may from time to time be entered into among Agent, the applicable Loan Party and the custodian having custody and control of a Wallet, which shall be in form and substance reasonably acceptable to Agent and the Required Lenders.

"**Write-Down and Conversion Powers**" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to

suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Closing Date.

BORROWER:

TERAWULF INC.

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President and Chief Executive Officer

GUARANTORS:

KYLAMI DATA LLC

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President

LAKE MARINER DATA LLC

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President

TERAWULF BROOKINGS LLC

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President

TERAWULF PLOUGHWIND LLC

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President

TERAWULF (THALES) LLC

By: /s/ Paul B.Prager
Name: Paul B.Prager
Title: President

AGENT:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Agent

By: /s/ Joseph B. Feil
Name: Joseph B. Feil
Title: Vice President

[*Signature Page to Loan, Guaranty and Security Agreement*]

LENDERS:

SUNRISE PARTNERS LIMITED PARTNERSHIP

By: Paloma Partners Management Company,
its General Partner

By: /s/ Douglas W. Ambrose
Name: Douglas W. Ambrose
Title: Executive Vice-President

Address for Notices:

ATTN: Joshua Hertz
c/o Paloma Partners Management Company
Two American Lane
Greenwich, Connecticut 06831

[*Signature Page to Loan, Guaranty and Security Agreement*]

OWL CREEK CREDIT OPPORTUNITIES MASTER FUND, L.P.

By: /s/ Kevin Dibble
Name: Kevin Dibble
Title: General Counsel

Address for Notices:

640 Fifth Avenue
20th Floor
New York, New York 10019

operations@owlcreeklp.com

[*Signature Page to Loan, Guaranty and Security Agreement*]

THRACIA, LLC

By: /s/ John Vassallo
Name: John Vassallo
Title: Authorized Signatory

Address for Notices:

PSAM
1350 Avenue of the Americas
21st Floor
New York, New York 10019

[*Signature Page to Loan, Guaranty and Security Agreement*]

MARINER ATLANTIC MULTI-STRATEGY MASTER FUND, LTD.
By: Mariner Investment Group, LLC, its Investment Manager

Address for Notices:

500 Mamaroneck Avenue
Suite 101
Harrison, New York 10528

By: /s/ John Kelty
Name: John Kelty
Title: Authorized Signatory

NOVAWULF DIGITAL MASTER FUND, L.P.

By: NOVAWULF DIGITAL GENPAR, L.P., its General Partner

By: NOVAWULF DIGITAL MGP LTD., its General Partner

By: /s/ Michael Abbate
Name: Michael Abbate
Title: Director

Address for Notices:

9 Federal Street
Easton, Maryland 21601

[*Signature Page to Loan, Guaranty and Security Agreement*]

LUMYNA SPECIALIST FUNDS – EVENT ALTERNATIVE FUND

By: /s/ John Vassallo
Name: John Vassallo
Title: Authorized Signatory

Address for Notices:

PSAM
1350 Avenue of the Americas
21st Floor
New York, New York 10019

[*Signature Page to Loan, Guaranty and Security Agreement*]

HN SUMMIT HOUSE CREDIT OPPORTUNITIES FUND I, LP

By: HN Summit House Capital Management, LLC

By: /s/ Jed Walsh
Name: Jed Walsh
Title: Chief Investment Officer

Address for Notices:

1807 Ross Avenue
Suite 440
Dallas, Texas 75201

LIVELLO CAPITAL SPECIAL OPPORTUNITIES MASTER FUND LP

By: /s/ Philip Giordano
Name: Philip Giordano
Title: Managing Member

Address for Notices:

ATTN: Joseph Salegna
c/o Livello Capital Management LP
1 World Trade Center
85th Floor
New York, New York 10007

jsalegna@livellocap.com

[*Signature Page to Loan, Guaranty and Security Agreement*]

List of Schedules and Exhibits

Schedule 1: **Lenders and Term Loan Commitments**
Schedule 2: **Commercial Tort Claims**
Schedule 3: **Closing Date Stock Issuance**
Schedule 4: **Post-Closing Obligations**
Schedule 6.3: **Litigation**
Exhibit A: **Collateral Description**
Exhibit B: **Form of Borrowing Request**
Exhibit C: **Form of Compliance Certificate**
Exhibit D: **Form of Assignment and Assumption**
Exhibit E: **Form of Notice of Grant of Security Interest in Intellectual Property**
Exhibit F: **Form of Perfection Certificate**
Exhibit G: **Forms of U.S. Tax Compliance Certificates**
Exhibit H: **Form of Promissory Note**
Exhibit I: **Reserved**
Exhibit J: **Form of Intercompany Note**
Exhibit K: **Form of Lessor's Consent and Waiver Agreement**

Schedule 1

Term Loan Commitments

Lender	Term Loan Commitment	Pro Rata Share
SUNRISE PARTNERS LIMITED PARTNERSHIP	$30,000,000	24.2915%
OWL CREEK CREDIT OPPORTUNITIES MASTER FUND, L.P.	$27,000,000	21.8623%
THRACIA, LLC	$24,200,000	19.5951%
NOVAWULF DIGITAL MASTER FUND, L.P.	$15,000,000	12.1457%
MARINER ATLANTIC MULTI-STRATEGY MASTER FUND, LTD.	$12,500,000	10.1215%
LUMYNA SPECIALIST FUNDS – EVENT ALTERNATIVE FUND	$5,800,000	4.6964%
HN SUMMIT HOUSE CREDIT OPPORTUNITIES FUND I, LP	$5,000,000	4.0486%
LIVELLO CAPITAL SPECIAL OPPORTUNITIES MASTER FUND LP	$4,000,000	3.2389%
Total	**$123,500,000**	**100.0000%**

Schedule 2

Commercial Tort Claims

None.

Schedule 3

Closing Date Stock Issuance

Lender	**Number of Shares of TeraWulf Inc. Common Stock**
HN Summit House Credit Opportunities Fund I LP	33,984
Livello Capital Special Opportunities Master Fund LP	27,187
Lumyna Specialist Funds – Event Alternative Fund	39,421
Mariner Atlantic Multi-Strategy Master Fund, Ltd.	84,959
NovaWulf Digital Master Fund, L.P.	101,952
Owl Creek Credit Opportunities Master Fund, L.P.	183,512
Sunrise Partners Limited Partnership	203,902
Thracia, LLC	164,481
Total:	**839,398**

Schedule 4

Post-Closing Obligations

1. Within one hundred and twenty (120) days after the Closing Date (or such later date as the Agent (acting at the direction of the Required Lenders) may agree in its reasonable discretion), Lake Mariner Data LLC shall comply with the requirements of Section 5.11 of the Loan Agreement with respect to the leasehold estate created under the Lease Agreement dated as of June 1, 2021 by and between Somerset Operating Company, LLC, as landlord and Lake Mariner Data LLC, as tenant, covering certain premises located in the Town of Somerset, County of Niagara, consisting of approximately 621 acres and having tax map identification numbers 8.00-1-1.11 and 8.11-1-1./B (the "**Lake Mariner Property**").

2. Within thirty (30) days after the Closing Date (or such later date as the Agent acting at the direction of the Required Lenders may agree in its reasonable discretion), Lake Mariner Data LLC shall use commercially reasonable efforts to deliver, or cause to be delivered, to the Agent, a fully executed landlord waiver, substantially in the form of Exhibit J or in another form reasonably satisfactory to Agent and the Required Lenders, for Lake Mariner Data LLC's leased Lake Mariner Property.

3. Within forty-five (45) days after the Closing Date (or such later date as the Agent acting at the direction of the Required Lenders may agree in its reasonable discretion), the Loan Parties shall deliver to the Agent insurance endorsements with respect to the Loan Parties' property and liability insurance policies in form and substance reasonably satisfactory to the Agent.

Schedule 6.3

Litigation

1. *Whitfield v. Ikonics Corporation, et al.*, No. 1:21-cv-0710 (United States District Court – SDNY).

2. *Jacobs v. Ikonics Corporation, et al.*, No. 1:21-cv-08148 (United States District Court - SDNY).

These are complaints filed by purported shareholders of IKONICS Corporation ("IKONICS") relating to the mergers contemplated by the Merger Agreement. They allege violations of securities laws relating to disclosures made or not made by IKONICS in connection with the mergers. IKONICS has not responded to these complaints and IKONICS and Borrower believe they are without merit.

Exhibit A
Collateral Description

"**Collateral**" means all of each Loan Party's right, title and interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Loan Party or in which such Loan Party now has or at any time in the future may acquire any right, title or interest:

(i) all accounts;

(ii) all chattel paper;

(iii) all cash and deposit accounts;

(iv) all cryptocurrency and digital currency, including Bitcoin mined or otherwise generated by, or in connection with the Collateral and any and all other cryptocurrency and digital currency related thereto or derived therefrom whether arising from a hard fork, airdrop or otherwise;

(v) all documents;

(vi) all equipment;

(vii) all general intangibles (including payment intangibles);

(viii) all Miner Purchase Orders (and all rights to receive such miners and related assets in connection therewith);

(ix) all goods;

(x) all instruments;

(xi) all Intellectual Property (except for any pending United States "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. §1051, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of the Lanham Act has been filed);

(xii) all inventory and all other goods not otherwise described above;

(xiii) all investment property;

(xiv) all letter-of-credit rights;

(xv) all commercial tort claims described on Schedule 2 hereto (as may be supplemented from time to time pursuant to Section 5.8);

(xvi) all books and records pertaining to the Collateral; and

(xvii) to the extent not otherwise included, all proceeds, supporting obligations and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing;

provided that, notwithstanding anything to the contrary in this Agreement or the other Loan Documents, the Collateral shall not include, and the other provisions of this Agreement and the other Loan Documents with respect to Collateral need not be satisfied with respect to, the Excluded Property.

"**Excluded Property**" means (i) motor vehicles and other assets subject to certificates of title, and commercial tort claims with a value of less than $500,000, (ii) pledges and security interests prohibited by applicable law, rule, regulation or contractual obligation (with respect to any such contractual obligation, only to the extent such restriction is binding on such assets (x) on the Closing Date or (y) on the date of the acquisition thereof and not entered into in contemplation thereof (in each case, except to the extent such prohibition is unenforceable after giving effect to the applicable anti-assignment provisions of Article 9 of the Code) or which could require governmental (including regulatory) consent, approval, license or authorization to be pledged, or consent of another Loan Party or Affiliate thereof (unless such consent, approval, license or authorization has been received), (iii) any lease, license or other agreement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or create a right of termination in favor of any other party thereto (other than a Loan Party or an Affiliate thereof) after giving effect to the applicable anti-assignment provisions of Article 9 of the Code, (iv) those assets as to which Agent (acting at the direction of the Required Lenders) and Borrower reasonably agree that the cost or other consequence of obtaining such a security interest or perfection thereof are excessive in relation to the value afforded thereby, (v) any governmental licenses or state or local licenses, franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby after giving effect to the applicable anti-assignment provisions of Article 9 of the Code, (vi) any "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. §1051, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of the Lanham Act has been filed, (vii) Excluded Accounts, (viii) all Equity Interests in (A) Nautilus Cryptomine LLC, (B) IKONICS Corporation or (C) any direct wholly-owned Subsidiary of Borrower or, after consummation of the mergers contemplated by the Merger Agreement, TeraCub Inc. (f/k/a TeraWulf Inc.) (other than any such Subsidiary that is a Loan Party), (ix) any Equity Interests to the extent that a pledge thereof to secure the Obligations is prohibited by any applicable organizational documents, joint venture agreement or shareholder agreement without the consent of any third party (other than a Loan Party or any Subsidiary of a Loan Party (after giving effect to the applicable anti-assignment provisions of Article 9 of the Code or other applicable law) or (x) any asset that is subject to a Permitted Lien, if the contract or other agreement providing for Permitted Lien or the obligations secured thereby prohibits or requires the consent of any person (other than any Loan Party or any Affiliate thereof) as a condition to the creation of any other security interest on such asset and, in each case, such prohibition or requirement is permitted hereunder (after giving effect to the applicable anti-assignment provisions of Article 9 of the Code or other applicable law); provided, that Borrower may in its sole discretion elect to exclude any property from the definition of "Excluded Property." Notwithstanding anything herein to the contrary, (A) no foreign-law governed security documents or perfection under foreign law shall be required and (B) no notices shall be required to be sent to insurers, account debtors or other contractual third parties when no Event of Default has occurred and is continuing.

"**Excluded Accounts**" means (i) deposit accounts used only for payroll, benefits, withholding tax, customs or other fiduciary purposes, in each case, funded in the ordinary course of business, (ii) accounts holding only amounts deposited in escrow for good faith business purposes of the Loan Parties pursuant to a written agreement with an escrow agent and (iii) other deposit accounts of the Loan Parties holding aggregate balances in an amount not to exceed $1,000,000 for all such deposit

accounts at any one time; provided that the Designated Deposit Account shall not be an Excluded Account.

Exhibit B
to Loan Agreement

FORM OF BORROWING REQUEST

Date: December 1, 2021

To: Wilmington Trust, National Association, as Agent

Wilmington Trust, National Association
1100 North Market Street
Wilmington, DE 19890
Attention: TeraWulf Loan Administrator
Email: jfeil@wilmingtontrust.com
Phone: 302-636-6466

Ladies and Gentlemen:

Reference is hereby made to that certain Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among TeraWulf Inc., a Delaware corporation ("Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Loan Agreement.

Pursuant to Section 2.2(b) of the Loan Agreement, Borrower hereby requests the borrowing of the Term Loan in the principal amount of $123,500,000.00 on December 2, 2021 (which is a Business Day).

The wire instructions for Borrower's account(s) are as follows:

[*Signature page follows*]

TERAWULF INC., as Borrower

By: _____
Name:
Title:

[Signature Page to Borrowing Request]

Exhibit C
to Loan Agreement

COMPLIANCE CERTIFICATE[1]
for the fiscal [quarter/year][2] ended [DATE][3] (the "fiscal period")

[DATE OF CERTIFICATE]

Pursuant to Section 7.2[(a)][(b)][4] and Section 7.2(c) of the Loan, Guaranty and Security Agreement, dated as of December 1, 2021, among the Borrower, the Guarantors party thereto from time to time, the Lenders party thereto from time to time and Wilmington Trust, National Association, as administra-tive agent and as collateral agent (as may be amended, amended and restated, supplemented, waived or otherwise modified from time to time, the "Loan Agreement"), I, the undersigned, the Chief Financial Officer of TeraWulf Inc. (the "Borrower"), in that capacity only and not in my individual capacity, do hereby certify on behalf of the Borrower as of the date hereof that:

(i) [No Default or Event of Default has occurred and is continuing][The following Default[s] [and] [Event[s] of Default] [has/have] occurred and are continuing][5]

(ii) [Attached as Annex A hereto is the unaudited financial information that explains the differences between the information relating to Borrower and its Subsidiaries, on the one hand, and the information relating to the Loan Parties on a standalone basis, on the other hand, which information is fairly presented in all material respects.][6]

[Signature Page Follows]

[1] Certificate must be delivered with the delivery of quarterly or annual financial statements pursuant to Section 7.2(a) and (b) of the Loan Agreement.
[2] Choose quarter or year, depending on fiscal period for which certificate is being delivered.
[3] Insert last day of fiscal period for which the certificate is being delivered.
[4] Select Section 7.2(a) if fiscal period for which the certificate is being delivered is a fiscal quarter and Section 7.2 (b) if fiscal period for which the certificate is being delivered is a fiscal year.
[5] If a Default or Event of Default has occurred, include a description of the Default or Event of Default and the action that the applicable Loan Party has taken or proposes to take with respect thereto.
[6] NTD: To be included if applicable.

In WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed as of the date first written above.

TERAWULF INC.

By: _____

Name: Ken Deane
Title: Chief Financial Officer

[*Signature Page to Compliance Certificate*]

[Annex A]

Exhibit D
to Loan Agreement

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this " **Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between Assignor identified in item 1 below ("**Assignor**") and Assignee identified in item 2 below ("**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (as amended, amended and restated, supplemented and otherwise modified from time to time, the "**Loan Agreement**"), receipt of a copy of which is hereby acknowledged by Assignee. The Standard Terms and Conditions set forth in Exhibit A attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

1. For an agreed consideration, Assignor hereby irrevocably sells and assigns, without recourse, to Assignee, and Assignee hereby irrevocably purchases and assumes, without recourse, from Assignor, effective as of the Effective Date set forth below (the "**Effective Date**") (but not prior to the registration of the information contained herein in the Register pursuant to Section 14.2(c) of the Loan Agreement) and subject to and in accordance with the Standard Terms and Conditions set forth in Exhibit A hereto and the Loan Agreement, the interests set forth below (the "**Assigned Interest**") in Assignor's rights and obligations under the Loan Agreement and the other Loan Documents, including, without limitation, the amounts and percentages set forth below of the Term Loan Commitment or portion of the Term Loan of Assignor on the Effective Date set forth below. Each of Assignor and Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Exhibit A hereto. From and after the Effective Date (i) Assignee shall be a party to and be bound by the provisions of the Loan Agreement and, to the extent of the interests assigned by this Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the Loan Documents and (ii) Assignor shall, to the extent of the interests assigned by this Assignment and Assumption, relinquish its rights and be released from its obligations under the Loan Agreement.

2. Pursuant to Section 14.2(c) of the Loan Agreement, this Assignment and Assumption is being delivered to Agent together with (i) a processing and recordation fee of $3,500.00 and (ii) if Assignee is not already a Lender under the Loan Agreement, a completed Administrative Questionnaire and any tax forms required to be delivered pursuant to Section 2.7 of the Loan Agreement.

3. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

1. Date of Assignment: _____

2. Legal Name of Assignor ("**Assignor**"): _____

3. Legal Name of Assignee ("**Assignee**"): _____

4. Assignee's Address for Notices: _____

_____

5. Borrower: TeraWulf Inc.

6. Agent: Wilmington Trust, National Association, as the administrative agent and collateral agent under the Loan Agreement.

7. Loan Agreement: Loan, Guaranty and Security Agreement dated as of December 1, 2021 among TeraWulf Inc., a Delaware corporation ("**Borrower**"), the Guarantors party thereto, the Lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent.

8. Assigned Interest:

Assignor(s)	Assignee(s)	Principal Amount of Term Loan Commitment/Term Loan Assigned[1]	Aggregate Principal Amount of Term Loan Commitments/Term Loan of All Lenders	Percentage Assigned of Term Loan Commitments/Term Loan (set forth to at least 8 decimals)
		$	$	%

[*Remainder of page left blank intentionally*]

[1] Minimum amount of Term Loan Commitments or Term Loan assigned is governed by Section 14.2(b)(i) of the Loan Agreement.

9. Effective Date: _____ ___, 202__ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][2] Accepted:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Agent

By: _____
Name:
Title:

[Consented to:][3]

TERAWULF INC.

By: _____
Name:
Title:

[2] To be added only if the consent of Agent is required by the terms of the Loan Agreement. Consent of Agent shall not be required for an assignment of all or any portion of the Term Loan to (i) a Lender, an Affiliate of a Lender or an Approved Fund or (ii) Borrower or a Subsidiary of Borrower made in accordance with Section 14.2(f).

[3] To be added only if the consent of Borrower is required by the terms of the Loan Agreement. Consent of Borrower shall not be required (i) for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or (ii) for an assignment if an Event of Default has occurred and is continuing.

STANDARD TERMS AND CONDITIONS

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

By executing and delivering this Assignment and Assumption, Assignor hereunder and Assignee hereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows:

1. Assignor represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned hereby free and clear of any lien, encumbrance or adverse claim, (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and consummate the transactions contemplated hereby.

2. Except as set forth in paragraph 1. above, Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document, any collateral thereunder or any other instrument or document furnished pursuant thereto (other than this Assignment and Assumption), or the financial condition of Borrower or any other Loan Party or the performance or observance by Borrower or any other Loan Party of any of their respective obligations under the Loan Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto (other than this Assignment and Assumption).

3. Assignee represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and consummate the transactions contemplated hereby, (ii) it meets all requirements to be an assignee under Section 14.2 of the Loan Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, and (v) to the extent not already a Lender under the Loan Agreement, it has delivered to Agent an Administrative Questionnaire described in Section 14.2 of the Loan Agreement and any required IRS forms set forth in Section 2.7 of the Loan Agreement (as applicable).

4. Assignee confirms that it has received a copy of the Loan Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.2(a) or 7.2(b) of the Loan Agreement, if any, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption, and that it has, independently and without reliance upon Agent or any other Lender and based on such documents and information as it has

deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest.

5. Assignee will independently and without reliance upon Agent, Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement.

6. Assignee appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Agent by the terms of the Loan Agreement, together with such powers as are reasonably incidental thereto.

7. Assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

8. From and after the Effective Date, Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee for all amounts which have accrued before and after the Effective Date. Upon the delivery of a fully executed electronic copy hereof to Agent, as of the Effective Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the other Loan Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Loan Agreement and the other Loan Documents.

Form of Notice of Grant of Security Interest in [Copyrights][Patents][Trademarks]

[FORM OF] NOTICE OF GRANT OF SECURITY INTEREST IN [COPYRIGHTS] [PATENTS] [TRADEMARKS], dated as of [DATE] (this "***Notice***"), made by [·], a [·] [·] (the "Pledgor"), in favor Wilmington Trust, National Association, as Agent (as defined below).

Reference is made to the Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), among TeraWulf Inc. ("**Borrower**"), the Guarantors party thereto, the Lenders party thereto from time to time and Wilmington Trust, National Association, as administrative agent and collateral agent for the Lenders referred to therein (in such capacities, together with its successors and permitted assigns in such capacities, the "**Agent**").

SECTION 1. ***Terms***. Capitalized terms used in this Notice and not otherwise defined herein have the meanings specified in the Security Agreement. The rules of construction specified in the first paragraph of Section 15.1 of the Security Agreement also apply to this Notice.

SECTION 2. ***Grant of Security Interest***. As security for the payment and performance, as applicable, in full of the Obligations, the Pledgor pursuant to the Security Agreement did, and hereby does, grant to the Agent, its successors and permitted assigns, for the benefit of the Agent and the Lenders, a continuing security interest in all of such Pledgor's right, title and interest in, to and under any and all of the following assets now owned or at any time hereafter acquired by such Pledgor or in which such Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, but excluding any Excluded Property, the "[Patent] [Copyright] [Trademark] Collateral"):

[all Patents in the United States of America, including those listed on Schedule I;]

[all registered Copyrights in the United States of America, including those listed on Schedule I;]

[all Trademarks in the United States of America, including those listed on Schedule I;]

[provided, however, that the foregoing pledge, assignment and grant of security interest will not cover any "intent-to-use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. §1051, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) or 1(d) of the Lanham Act has been filed and deemed in conformance with Section 1(a) of the Lanham Act or examined and accepted by the United States Patent and Trademark Office, to the extent, if any, that any assignment of an "intent-to-use" application prior thereto would violate the Lanham Act or any other Excluded Property.]

SECTION 3. ***Security Agreement***. The security interests granted to the Agent herein are granted in furtherance, and not in limitation of, the security interests granted to the Agent pursuant to the Security Agreement. Each Pledgor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the [Patent] [Copyright] [Trademark] Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Notice and the Security Agreement, the terms of the Security Agreement shall govern.

SECTION 4. ***Counterparts***. This Notice may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart to this Notice by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5. ***Governing Law***. THIS NOTICE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS NOTICE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS NOTICE, INCLUDING BUT NOT LIMITED TO THE VALIDITY, INTERPRETATION, CONSTRUCTION, BREACH, ENFORCEMENT OR TERMINATION HEREOF, SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Notice as of the day and year first above written.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

[*Signature Page to Notice of Grant of Security Interest in Intellectual Property*]

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Agent

By: _____
Name:
Title:

[*Signature Page to Notice of Grant of Security Interest in Intellectual Property*]

Schedule I
to Notice of Grant of Security Interest in Patents

Patents Owned by [Name of Pledgor]

U.S. Patent Registrations

Title	Patent No.	Issue Date

U.S. Patent Applications

Title	Application No.	Filing Date

Schedule I
to Notice of Grant of Security Interest in Copyrights

Copyrights Owned by [Name of Pledgor]

U.S. Copyright Registrations

Title	Registration No.	Registration Date

Schedule I
to Notice of Grant of Security Interest in Trademarks

Trademarks Owned by [Name of Pledgor]

U.S. Trademark Registrations

Mark	Registration No.	Registration Date

U.S. Trademark Applications

Mark	Application No.	Filing Date

Exhibit F
to Loan Agreement

PERFECTION CERTIFICATE

December 1, 2021

Reference is hereby made to that certain Loan, Guaranty and Security Agreement of even date herewith (the " **Loan Agreement**") by and among TeraWulf Inc., a Delaware corporation (" **Borrower**"), the Subsidiaries of Borrower party thereto as Guarantors, the lenders party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, "**Agent**").

As used herein, the term "**Pledgor**" means, collectively, Borrower, and Kyalami Data LLC, Lake Mariner Data LLC, TeraWulf Brookings LLC, TeraWulf Ploughwind LLC and TeraWulf (Thales) LLC (collectively, the (" **Subsidiary Loan Parties**"), each a Delaware limited liability company. Capitalized terms used but not defined herein shall have the meanings assigned in the Loan Agreement.

The undersigned, solely in [his/her] capacity as a Responsible Officer of each Pledgor, hereby certifies, represents and warrant to Agent and each Lender, as of the date hereof, that:

1. Names.

(a) Set forth on **Schedule 1(a)** is (1) the exact legal name of each Pledgor as such name appears in its respective certificate of incorporation or other organizational document, (2) the type of entity of each Pledgor, (3) the jurisdiction of formation of each Pledgor, (4) the organizational identification number, if any, of each Pledgor, and (5) the Federal Taxpayer Identification Number, if any, of each Pledgor.

(b) Set forth on **Schedule 1(b)** is a list of any other corporate or organizational names each Pledgor has had in the past five years that has changed its corporate or organizational name, together with the date of the relevant change, and all other names used by any Pledgor on any filings with the Internal Revenue Service at any time within the past five years (other than as specified on Schedule 1(c)).

(c) Set forth on **Schedule 1(c)** is a list of any Pledgor's change in identity or corporate structure within the past five years, including by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise (other than as specified on **Schedule 1(b)**).

2. Locations.

(a) The chief executive office of each Pledgor is located at the address set forth in **Schedule 2(a)** hereto.

(b) Set forth on **Schedule 2(b)** opposite the name of each Pledgor are all locations (other than the chief executive office) at which any Pledgor maintains any books or records relating to any Accounts (with each location at which chattel paper, if any, is kept being designated by a *).

(c) Set forth on **Schedule 2(c)** are all the locations, not identified above and excluding real property leased by any Pledgor, where each Pledgor maintains any tangible personal property (including goods, inventory and equipment), having an aggregate value in excess of $500,000 at such location, whether or not in the possession of such Pledgor.

(d) Set forth on **Schedule 2(d)** is a list of all prior addresses within the past five years, if any, of the chief executive office of each Pledgor.

3. Extraordinary Transactions. Except for those purchases, acquisitions and other transactions described on **Schedule 3** or otherwise disclosed in Section 1, in the past five years all Accounts have been originated by the Pledgors and all Inventory has been acquired by the Pledgors in the ordinary course of business (except Accounts and Inventory acquired pursuant to an acquisition or merger set forth on **Schedule 1(b) or 1(c)** and Accounts and Inventory acquired pursuant to the Transactions).

4. Schedule of UCC-1 Filings. Attached hereto as **Schedule 4** is a schedule of the appropriate filing offices for the UCC-1 financing statements to be filed with respect to each Pledgor as contemplated by the Collateral Agreements.

5. Stock Ownership and Other Equity Interests.

(a) Attached hereto as **Schedule 5(a)** is a true and correct list of all of the issued and outstanding stock, partnership interests, limited liability company membership interests or other equity interests (the "Equity Interests") issued by the Subsidiary Loan Parties and any other Subsidiaries that are directly owned by any Pledgor and the record and direct beneficial owners of such Equity Interests setting forth the percentage of such Equity Interests owned and the percentage pledged under the Loan Agreement.

(b) Attached hereto as **Schedule 5(b)** is a true and correct list in all material respects of all other Equity Interests directly owned by any Pledgor and the record and direct beneficial owners of such Equity Interests setting forth (to the knowledge of the relevant Pledgor) the percentage of such Equity Interests owned and the percentage pledged under the Loan Agreement.

6. Debt Instruments. Attached hereto as **Schedule 6** is a true and correct list of all promissory notes, instruments (other than checks to be deposited in the ordinary course of business), tangible chattel paper, electronic chattel paper and other evidence of indebtedness (including all intercompany notes between or among any two or more Pledgors or any of their Subsidiaries), in each case in excess of $500,000 on an individual basis, held by any Pledgor as of the date hereof that are required to be pledged under the Loan Agreement.

7. Intellectual Property.

(a) Attached hereto as **Schedule 7(a)** is a schedule setting forth all of each Pledgor's material United States Patents and material United States Trademarks applied for or registered as of the date hereof, including the name of the owner or applicant, the name of the patent or trademark, the trademark registration number, application number or issued patent number, as applicable, and the issuance or registration date, as applicable, of each Patent or Trademark owned by each Pledgor.

(b) Attached hereto as **Schedule 7(b)** is a schedule setting forth all of each Pledgor's material Copyrights registered with the United States Copyright Office as of the date hereof, including the name of the owner, the copyright title, the registration or publication number, as applicable, and the issuance or registration date, as applicable, of each Copyright owned by each Pledgor.

8. Letter-of-Credit Rights. Attached hereto as **Schedule 8** is a true and correct list of all Letters of Credit issued in favor of each Pledgor, as beneficiary thereunder with a face amount in excess of $500,000.

9. Deposit Accounts and Securities Accounts. Attached hereto as **Schedule 9** is a true and correct list of deposit accounts, brokerage accounts or securities investment accounts maintained by each Pledgor, including the name and address of the depositary institution or securities intermediary, as applicable, the purpose of account and the type of account (including whether such account is a Controlled Account, an Excluded Account), the account number and the name of each Pledgor that holds each account.

10. Commercial Tort Claims. Attached hereto as **Schedule 10** is a list of commercial tort claims with a value reasonably estimated to exceed $500,000 held by any Pledgor, including a brief description thereof.

11. Tangible and Electronic Chattel Paper. Attached hereto as **Schedule 11** is a list of all tangible or electronic chattel paper owned by any Pledgor with a value in excess of $500,000.

12. Real Property. Attached hereto as **Schedule 12** is a list of the location, by state and street address, of all real property owned or leased by a Pledgor, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

[The Remainder of this Page has been intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Perfection Certificate to be duly executed by their respective authorized officers as of the date first written above.

TERAWULF INC.

By: _____
Name:
Title:

KYALAMI DATA LLC
LAKE MARINER DATA LLC
TERAWULF BROOKINGS LLC
TERAWULF PLOUGHWIND LLC
TERAWULF (THALES) LLC

By: _____
Name:
Title:

[Signature Page to the Perfection Certificate]

Schedule 1(a)

Legal Names, Etc.

	Legal Name	Type of Entity	Jurisdiction of Formation	Organizational Number	Federal Taxpayer ID Number
1.	TeraWulf Inc.	Corporation	Delaware	5019088	86-2132824
2.	Kyalami Data LLC	Limited Liability Company	Delaware	7281176	84-3558281
3.	Lake Mariner Data LLC	Limited Liability Company	Delaware	7281173	84-3566878
4.	TeraWulf Brookings LLC	Limited Liability Company	Delaware	5896903	N/A
5.	TeraWulf Ploughwind LLC	Limited Liability Company	Delaware	5896912	N/A
6.	TeraWulf (Thales) LLC	Limited Liability Company	Delaware	5894540	87-1130468

Schedule 1(b)

Prior Organizational Names (Last Five Years)

1. Cayuga Data Juice LLC changed its name to Kyalami Data LLC on April 13, 2020.

2. Somerset Big Water Data LLC changed its name to Lake Mariner Data LLC on April 10, 2020.

Schedule 1(c)

Changes in Corporate Identity/Structure (Last Five Years)

1. On May 1, 2021, Paul Prager withdrew as the sole member of Kyalami Data LLC in connection with the issuance of 100% of the membership interests of Kyalama Data LLC to TeraWulf Ploughwind LLC.

2. On May 6, 2021, Paul Prager withdrew as the sole member of Lake Mariner Data LLC in connection with the issuance of 100% of the membership interests to TeraWulf Brookings LLC.

Schedule 2(a)

Chief Executive Offices

	Pledgor	Address	County	State
1.	TeraWulf Inc.	9 Federal Street Easton, MD 21601	Talbot	Maryland
2.	Kyalami Data LLC	9 Federal Street Easton, MD 21601	Talbot	Maryland
3.	Lake Mariner Data LLC	9 Federal Street Easton, MD 21601	Talbot	Maryland
4.	TeraWulf Brookings LLC	9 Federal Street Easton, MD 21601	Talbot	Maryland
5.	TeraWulf Ploughwind LLC	9 Federal Street Easton, MD 21601	Talbot	Maryland
6.	TeraWulf (Thales) LLC	9 Federal Street Easton, MD 21601	Talbot	Maryland

Schedule 2(b)

Location of Books Relating to Accounts (other than the Chief Executive Office)

	Pledgor	Location
1.	TeraWulf Inc.	2575 Park Lane, Suite 200 Lafayette, Colorado 80026
2.	Kyalami Data LLC	2575 Park Lane, Suite 200 Lafayette, Colorado 80026
3.	Lake Mariner Data LLC	2575 Park Lane, Suite 200 Lafayette, Colorado 80026
4.	TeraWulf Brookings LLC	2575 Park Lane, Suite 200 Lafayette, Colorado 80026
5.	TeraWulf Ploughwind LLC	2575 Park Lane, Suite 200 Lafayette, Colorado 80026
6.	TeraWulf (Thales) LLC	2575 Park Lane, Suite 200 Lafayette, Colorado 80026

Schedule 2(c)

Other Locations of Tangible Personal Property

	Pledgor	Location
1.	Lake Mariner Data LLC	7725 Lake Road Barker, New York 14012

Schedule 2(d)

Prior Addresses

None.

Schedule 3

Extraordinary Transactions

None.

Schedule 4

UCC-1 Filing Offices

	Pledgor	**UCC-1 Filing Office**
1.	TeraWulf Inc.	Delaware
2.	Kyalami Data LLC	Delaware
3.	Lake Mariner Data LLC	Delaware
4.	TeraWulf Brookings LLC	Delaware
5.	TeraWulf Ploughwind LLC	Delaware
6.	TeraWulf (Thales) LLC	Delaware

Schedule 5(a)

Equity Interests Issued by Borrower, Subsidiary Loan Parties and their Direct Subsidiaries

	Issuer	Record Owner	Certificate Number	Percentage of Equity Interest Owned	Percentage of Owned Equity Interest Pledged
1.	TeraWulf Brookings LLC	TeraWulf Inc.	N/A	100%	100%
2.	TeraWulf Ploughwind LLC	TeraWulf Inc.	N/A	100%	100%
3.	TeraWulf (Thales) LLC	TeraWulf Inc.	N/A	100%	100%
4.	Kyalami Data LLC	TeraWulf Ploughwind LLC	N/A	100%	100%
5.	Lake Mariner Data LLC	TeraWulf Brookings LLC	N/A	100%	100%

Schedule 5(b)

Other Equity Interests Directly Owned by Pledgors

	Issuer	Record Owner	Certificate Number	Percentage of Equity Interest Owned	Percentage of Owned Equity Interest Pledged
1.	Nautilus Cryptomine LLC	TeraWulf (Thales) LLC	N/A	50%	None – Excluded Property

Schedule 6

Debt Instruments Held by Pledgors

None.

Schedule 7(a)

Registered and Applied for Patents and Trademarks

UNITED STATES PATENTS:

None.

UNITED STATES TRADEMARK APPLICATIONS: [1]:

Trademark	Serial No.	Application Date	Owner	Comments
TERAWULF	90831065	Jul. 15, 2021	TeraWulf Inc.	Intent to Use mark
TERAWULF	90831052	Jul. 15, 2021	TeraWulf Inc.	Intent to Use mark

Schedule 7(b)

Registered and Applied for Copyrights

UNITED STATES COPYRIGHTS:

None.

[1] The trademarks identified on this schedule are intent-to-use applications filed by TeraWulf Inc. and therefore no security interest is granted in these trademarks until and unless a statement of use is granted or recorded by the USPTO.

Schedule 8

Letter of Credit Rights

None.

Schedule 9

Deposit Accounts and Securities Accounts

	Name of Grantor	Type of Account / Account Description	Account Number	Name & Address of Financial Institution	Excluded Account?
1.	TeraWulf Inc.	Operating Account	446026645171	Bank of America, N.A. 225 N. Calvert Street Baltimore, MD 21202	No
2.	TeraWulf Inc.	Payroll Account	44602666387	Bank of America, N.A. 225 N. Calvert Street Baltimore, MD 21202	Yes
3.	Lake Mariner Data LLC	Operating Account	446026647315	Bank of America, N.A. 225 N. Calvert Street Baltimore, MD 21202	No
4.	TeraWulf (Thales) LLCC	Operating Account	446026647357	Bank of America, N.A. 225 N. Calvert Street Baltimore, MD 21202	No

Schedule 10

Commercial Tort Claims

None.

Schedule 11

Chattel Paper

None.

Schedule 12

Real Property

Owned Real Property

None.

Leased Real Property

Pledgor	Address and County	Name and Address of Landlord	Use
Lake Mariner Data LLC	7725 Lake Road, Barker, New York 14012 (Niagara County)	Somerset Operating Company, LLC 7725 Lake Road Barker, New York 14012	Bitcoin mining facility

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), among TeraWulf Inc., a Delaware corporation ("**Borrower**"), the Guarantors, the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, and together with its successors and assigns in such capacities, "**Agent**"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

Pursuant to the provisions of Section 2.7(b)(ii)(C) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a "10-percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the IRC, (iv) it is not a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC, and (v) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished Borrower and Agent with a certificate of its non-U.S. person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any respect, the undersigned shall promptly so inform Borrower and Agent in writing and deliver promptly to Borrower and Agent an updated certificate and any other appropriate documentation (including any new or additional documentation reasonably requested by Borrower or Agent) or promptly notify Borrower and Agent in writing of its legal ineligibility to do so, and (2) the undersigned shall have at all times furnished Borrower and Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Remainder of page intentionally left blank; signature page follows]

[Foreign Lender]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), among TeraWulf Inc., a Delaware corporation ("**Borrower**"), the Guarantors, the lenders from time to time party thereto (" **Lenders**") and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacity, " **Agent**"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

Pursuant to the provisions of Section 2.7(b)(ii)(D) and Section 14.2(d) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a "10-percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the IRC, (iv) it is not a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC, and (v) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on IRS Form W-8BEN or W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate and any other appropriate documentation (including any new or additional documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its legal ineligibility to do so, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Remainder of page intentionally left blank; signature page follows]

[Foreign Participant]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), among TeraWulf Inc., a Delaware corporation ("**Borrower**"), the Guarantors, the lenders from time to time party thereto (" **Lenders**") and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacity, " **Agent**"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

Pursuant to the provisions of Section 2.7(b)(ii)(D) and Section 14.2(d) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) neither the undersigned nor any of its direct or indirect partners/members claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners is a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members claiming the portfolio interest exemption on its own behalf is a "10-percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the IRC, (v) none of its direct or indirect partners/members claiming the portfolio interest exemption on its own behalf is a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC, and (vi) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business or the conduct of a U.S. trade or business by any of its direct or indirect partners/members claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners.

The undersigned has furnished its participating Lender with an IRS Form W-8IMY accompanied by one of the following forms from each of its direct or indirect partners/members that is claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners: an IRS Form W-8BEN or W-8BEN-E (or an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate and any other appropriate documentation (including any new or additional documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its legal ineligibility to do so, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Remainder of page intentionally left blank; signature page follows]

[Foreign Participant]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), among TeraWulf Inc., a Delaware corporation ("**Borrower**"), the Guarantors, the lenders from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, and together with its successors and assigns in such capacities, "**Agent**"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

Pursuant to the provisions of Section 2.7(b)(ii)(D) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Term Loan(s) (as well as any Note(s) evidencing such Term Loan(s)), (iii) neither the undersigned nor any of its direct or indirect partners/members claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners is a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members claiming the portfolio interest exemption on its own behalf is a "10-percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the IRC, (v) none of its direct or indirect partners/members claiming the portfolio interest exemption on its own behalf is a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC, and (vi) no payments in connection with any Loan Document are effectively connected with the undersigned's conduct of a U.S. trade or business or the conduct of a U.S. trade or business by any of its direct or indirect partners/members claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners.

The undersigned has furnished Borrower and Agent with an IRS Form W-8IMY accompanied by one of the following forms from each of its direct or indirect partners/members that is claiming the portfolio interest exemption on behalf of itself or any of its beneficial owners: an IRS Form W-8BEN or W-8BEN-E, as applicable (or an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any respect, the undersigned shall promptly so inform Borrower and Agent in writing and deliver promptly to Borrower and Agent an updated certificate and any other appropriate documentation (including any new or additional documentation reasonably requested by Borrower or Agent) or promptly notify Borrower and Agent in writing of its legal ineligibility to do so, and (2) the undersigned shall have at all times furnished Borrower and Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding each such payment.

[Remainder of page intentionally left blank; signature page follows]

[Foreign Lender]

By: _____
Name:
Title:

[Address]

Dated: _____, 20[ ]

[FORM OF] PROMISSORY NOTE

$[_____] _____ __, 20 ___

FOR VALUE RECEIVED, the undersigned (including its permitted successors, "**Borrower**"), hereby, promises to pay to _____ or registered assigns ("**Lender**"), in accordance with the provisions of the Loan Agreement (as hereinafter defined), the aggregate unpaid principal amount of portion of the Term Loan made by Lender to Borrower under that certain Loan, Guaranty and Security Agreement, dated as of December 1, 2021 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), among Borrower, the Guarantors, each Lender from time to time party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, and together with its successors and assigns in such capacities, "**Agent**"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Loan Agreement.

Borrower promises to pay interest on the aggregate unpaid principal amount of the portion of the Term Loan made by Lender to Borrower under the Loan Agreement from the date of the Term Loan until such principal amount is paid in full, at such interest rate and at such times as provided in the Loan Agreement. All payments of principal and interest shall be made to Agent for the account of Lender in Dollars in immediately available funds. Upon the occurrence and during the continuance of an Event of Default, at the election of the Required Lenders, amounts under this Note shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment computed at the Default Rate in accordance with the provisions of the Loan Agreement.

This Note is one of the Notes referred to in the Loan Agreement, is entitled to the benefits and subject to the provisions thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Loan Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Loan Agreement. The portion of the Term Loan made by Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. Lender may also (but shall not be required to) attach schedules to this Note and endorse thereon the date, amount and maturity of its portion of the Term Loan and payments with respect thereto.

Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[*The remainder of this page is left blank intentionally*]

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

TERAWULF INC.
as Borrower

By: _____
Name:
Title:

[FORM OF INTERCOMPANY NOTE]

THE INDEBTEDNESS EVIDENCED BY THIS INTERCOMPANY NOTE IS SUBORDINATED TO THE OBLIGATIONS (AS DEFINED IN THE LOAN AGREEMENT REFERRED TO BELOW) TO THE EXTENT SET FORTH HEREIN.

INTERCOMPANY NOTE

New York, New York
[●], 20[●]

FOR VALUE RECEIVED, each of the undersigned, to the extent a borrower from time to time from any other entity listed on the signature page hereto (each, in such capacity, a "Payor"), hereby promises to pay on demand to such other entity listed below (each, in such capacity, a "Payee") or its registered assigns, in lawful money of the United States of America, or in such other currency as agreed to by such Payor and such Payee, in immediately available funds, at such location as a Payee shall from time to time designate, the unpaid principal amount of all loans and advances (including trade payables) made by such Payee to such Payor. Each Payor promises also to pay interest on the unpaid principal amount of all such loans and advances in like money at said location from the date of such loans and advances until paid at such rate per annum as shall be agreed upon from time to time by such Payor and such Payee.

Capitalized terms used in this intercompany note (this "Note") but not otherwise defined herein shall have the meanings given to them in the Loan, Guaranty and Security Agreement, dated as of December 1, 2021, by and among TeraWulf Inc., a Delaware corporation (the "Borrower"), the Guarantors from time to time party thereto, Wilmington Trust, National Association, as administrative agent and collateral agent (in such capacities, the "Agent"), and the lenders from time to time party thereto (the "Lenders"), as amended, restated, supplemented and otherwise modified from time to time (the "Loan Agreement").

This Note shall be pledged by each Payee that is a Loan Party to the Agent, for the benefit of the Lenders, pursuant to the Loan Agreement as collateral security for the full and prompt payment when due of, and the performance of, such Payee's Obligations. Each Payee hereby acknowledges and agrees that after the occurrence of and during the continuance of an Event of Default, Agent, on behalf of the Lenders, may, in addition to the other rights and remedies provided pursuant to the Loan Agreement and otherwise available to it, exercise all rights of the Loan Parties who are Payees with respect to this Note.

Anything in this Note to the contrary notwithstanding, the indebtedness evidenced by this Note, together with any Contingent Obligations, in each case, owed by any Payor which is a Loan Party to any Payee (collectively, the "Intercompany Obligations") shall be subordinate and junior in right of payment and enforcement, to the extent and in the manner hereinafter set forth, to all Obligations of such Payor, and and any other indebtedness and obligations of such Payor in connection with any renewal, refunding, restructuring or refinancing thereof, including interest thereon accruing after the commencement of any proceedings referred to in clause (i) below,

whether or not such interest is an allowed claim in such proceeding (collectively , the "Senior Indebtedness"):

(i) In the event of any insolvency or bankruptcy proceeding, or any receivership, liquidation, reorganization or other similar proceeding in connection therewith, relative to any Payor which is Loan Party or to its creditors as such, or to its property, and in the event of any proceeding for voluntary liquidation, dissolution or other winding up of such Payor (except as expressly permitted by the Loan Agreement), whether or not involving insolvency or bankruptcy, then (x) the holders of Senior Indebtedness shall be irrevocably paid in full in cash in respect of all amounts constituting Senior Indebtedness (other than contingent indemnification obligations) before any Payee is entitled to receive (whether directly or indirectly), or make any demands for, any payment on account of this Note and (y) until the holders of Senior Indebtedness are irrevocably paid in full in cash in respect of all amounts constituting Senior Indebtedness (other than contingent indemnification obligations), any payment or distribution to which such Payee would otherwise be entitled shall be made to the holders of Senior Indebtedness;

(ii) if any Event of Default occurs and is continuing and the Agent provides written notice to the Loan Parties that it is exercising its rights hereunder, then no payment or distribution of any kind or character shall be made by or on behalf of any Payor which is a Loan Party to any Payee which is not a Loan Party with respect to this Note;

(iii) if any payment or distribution of any character, whether in cash, securities or other property, in respect of this Note shall (despite these subordination provisions) be received by any Payee in violation of clause (i) or (ii) before all Senior Indebtedness shall have been irrevocably paid in full in cash (other than contingent indemnification obligations), such payment or distribution shall be held in trust for the benefit of the Lenders, and shall be paid over or delivered in accordance with the Loan Documents; and

(iv) each Payee agrees to file all claims against each relevant Payor in any bankruptcy or other proceeding in which the filing of claims is required by law, and the Agent, on behalf of the Lenders, shall be entitled to all of such Payee's rights thereunder. If for any reason a Payee fails to file such claim at least ten Business Days prior to the last date on which such claim should be filed, such Payee hereby irrevocably appoints the Agent as its true and lawful attorney-in-fact and the Agent is hereby authorized to act as attorney-in-fact in such Payee's name to file such claim or, in the Agent's discretion, to assign such claim to and cause proof of claim to be filed in the name of the Agent, the Lenders and/or their nominee(s). In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Agent, on behalf of the Lenders, the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Payee hereby assigns to the Agent, on behalf of the Lenders, all of such Payee's rights to any payments or distributions to which such Payor otherwise would be entitled. If the amount so paid is greater than such Payee's liability hereunder, the Lenders shall pay the excess amount to the party entitled thereto. In addition, each Payee hereby irrevocably appoints the Agent as its attorney-in-fact to exercise all of such Payee's voting rights in connection with any bankruptcy proceeding or any plan for the reorganization of each relevant Payor.

No payment or distribution to Agent or any Lender pursuant to the provisions of this Note or the Loan Agreement shall entitle any Payee to exercise any rights of subrogation, contribution or indemnification in respect thereof prior to the Termination Date. Until the Termination Date shall have occurred, and provided that no payments received by Agent or any Lender are voidable or must otherwise be returned, no Payee shall exercise any right of subrogation or indemnification, or any right to receive contribution or reimbursement from any other party, on account of this Note, the Loan Agreement or any other Loan Document. Any distribution made pursuant to this Note to any Lender on account of Intercompany Obligations owing by any Payor to a Payee, shall not, as between such Persons, be considered a payment of such Intercompany Obligations.

To the fullest extent permitted by law, no present or future holder of Senior Indebtedness shall be prejudiced in its right to enforce the subordination of this Note by any act or failure to act on the part of any Payor or any Payee or by any act or failure to act on the part of such holder or any trustee or agent for such holder. Each Payee and each Payor hereby agree that the subordination of this Note is for the benefit of the Agent and the Lenders. The Agent and the Lenders are obligees under this Note to the same extent as if their names were written herein as such and the Agent may, on behalf of the Lenders, proceed to enforce the subordination provisions herein.

The subordination terms contained in this Note shall terminate upon the satisfaction of the conditions for the release of the Liens set forth in Section 14.9 of the Loan Agreement.

Nothing contained in the subordination provisions set forth above is intended to or will impair, as between each Payor and each Payee, the obligations of such Payor, which are absolute and unconditional, to pay to such Payee the principal of and interest on this Note as and when due and payable in accordance with its terms, or is intended to or will affect the relative rights of such Payee and other creditors of such Payor other than the holders of Senior Indebtedness; provided, however, that if any Payee receives any payment on this Note that such Payee is not entitled to receive under the subordination provisions of this Note, such Payee will hold the amount so received in trust for the Agent and the Lenders and will forthwith turn over such payment to the Lenders in the form received (except for the endorsement of such Payee where necessary) for application to the Obligations (whether or not due), in such manner as provided in the Loan Agreement; provided further that if any such Payee fails to make any endorsement required under this Note, the Agent or any of its officers or employees or agents on behalf of the Agent, is hereby irrevocably appointed as the attorney-in-fact (which appointment is coupled with an interest) for such Payee to make such endorsement in such Payee's name.

Each Payee is hereby authorized to record all loans and advances made by it to any Payor (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein.

Each Payor hereby waives presentment, demand, protest or notice of any kind in connection with this Note. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

This Note shall be binding upon each Payor and its successors and assigns, and the terms and provisions of this Note shall inure to the benefit of each Payee and their respective successors and assigns, including subsequent holders hereof. Notwithstanding anything to the contrary contained herein, in any other Loan Document or in any other promissory note or other instrument, this Note replaces and supersedes any and all promissory notes or other instruments which create or evidence any loans or advances made on, before or after the date hereof by any Payee to any other Subsidiary.

Each Payee represents that it does not have and will not have a Lien on any assets of any Payor securing the obligations hereunder. Without limiting the foregoing, in the event any Payee obtains a Lien in any assets of any Payor, regardless of any priority otherwise available to any Payee by law or by agreement, any Lien claimed therein or judgment lien thereon (including any proceeds thereof) by any Payee with respect to the obligations hereunder will be and remain fully subject and subordinate for all purposes to the Liens of the Agent; provided that nothing contained herein shall be construed as a consent by Agent to any Liens prohibited by the Loan Agreement. No Payee will contest (or join with any other creditor in contesting) the attachment, perfection, or priority of the Agent's Lien on any of the Collateral or commence or prosecute (or join with any other creditor in commencing or prosecuting) any action or proceeding asserting that such security interest in any Collateral is voidable as a preference or a fraudulent conveyance under the Bankruptcy Code or a fraudulent transfer under applicable state law or is otherwise invalid or unenforceable.

From time to time after the date hereof, additional Subsidiaries of the Borrower may become parties hereto (as Payor and/or Payee, as the case may be) by executing a counterpart signature page to this Note (each additional Subsidiary, an "Additional Party"). Upon delivery of such counterpart signature page to the Payees, notice of which is hereby waived by the other Payors, each Additional Party shall be a Payor and/or a Payee, as the case may be, and shall be as fully a party hereto as if such Additional Party were an original signatory hereof. Each Payor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Payor or Payee hereunder. This Note shall be fully effective as to any Payor or Payee that is or becomes a party hereto regardless of whether any other person becomes or fails to become or ceases to be a Payor or Payee hereunder.

The subordination provisions of this Note shall constitute a continuing agreement of subordination.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature Pages Follow]

TERAWULF INC.

By: _____
Name: Paul B. Prager
Title: President and Chief Executive Officer

KYALAMI DATA LLC

By: _____
Name: Paul B. Prager
Title: President

LAKE MARINER DATA LLC

By: _____
Name: Paul B. Prager
Title: President

TERAWULF BROOKINGS LLC

By: _____
Name: Paul B. Prager
Title: President

TERAWULF PLOUGHWIND LLC

By: _____
Name: Paul B. Prager
Title: President

TERAWULF (THALES) LLC

By: _____
Name: Paul B. Prager
Title: President

ENDORSEMENT

For value received, each Payee hereby endorses and assigns to the order of the Agent, for the benefit of the Lenders, and their successors and permitted assigns, all of its right, title and interest in and to the Intercompany Note, dated as of [·], 20[·], payable to such Payee.

TERAWULF INC.

By: _____
Name: Paul B. Prager
Title: President and Chief Executive Officer

KYALAMI DATA LLC
LAKE MARINER DATA LLC
TERAWULF BROOKINGS LLC
TERAWULF PLOUGHWIND LLC
TERAWULF (THALES) LLC

By: _____
Name: Paul B. Prager
Title: President

[FORM OF] LESSOR'S CONSENT AND WAIVER AGREEMENT

THIS LESSOR'S CONSENT AND WAIVER AGREEMENT (this "**Agreement**") is made as of the [__] day of [_____], 20[__], by **SOMERSET OPERATING COMPANY, LLC**, a Delaware limited liability company ("**Lessor**"), in favor of **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, as administrative agent and collateral agent for the lenders under the Loan Agreement (as defined below) (in such capacity, together with its successors and assigns, if any, the "**Agent**") for the benefit of the lenders from time to time party to the Loan Agreement (as defined below).

RECITALS:

WHEREAS, Lessor is the lessor under that certain lease described on Exhibit A attached hereto (the "**Lease**") with Lake Mariner Data LLC, a Delaware limited liability company ("**Lessee**"), pursuant to which Lessor leases to Lessee certain real property as further described on **Exhibit A** attached hereto (the "**Leased Premises**");

WHEREAS, pursuant to that certain Loan, Guaranty and Security Agreement dated as of December 1, 2021 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "**Loan Agreement**") by and among TeraWulf Inc., as Borrower, Lessee, as a Guarantor, the other guarantors party thereto, the lenders party thereto, and Agent, among other things, the lenders have agreed, subject to the terms and conditions set forth in the Loan Agreement, to make a loan (the "**Loan**") to Lessee's affiliate and, as a condition to making such Loan, Agent, on behalf of the lenders, requires liens in favor of Agent, for the benefit of the secured parties, on all of Lessee's assets, including, without limitation, Lessee's trade fixtures, equipment, furniture, inventory and operating licenses and permits now, or at any time hereafter, located on or used in connection with the Leased Premises (collectively, the "**Collateral**").

NOW, THEREFORE, in order to induce Agent to make the Loan and to induce Agent to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor agrees as follows:

1. Lessor consents to and acknowledges the existence of any security agreement by Lessee in favor of Agent in respect of Lessee's interests in the Collateral, and Lessor agrees that the execution of any such security agreement by Lessee will not constitute a default under the Lease. Lessor agrees that Lessor will not assert against any of the Collateral any statutory, consensual or other liens, all of which are hereby subordinated to the rights and priorities afforded to Agent under the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement). If Agent enforces its security interest in any Collateral, Agent (or its respective agents) may, after reasonable advance notice to Lessor, enter upon any of the Leased Premises to remove the Collateral; provided, however, that Lessee shall repair any physical damage to the Leased Premises (reasonable wear and tear excepted) actually caused by such removal of the Collateral; provided, further, that if Lessee fails to repair any such physical damage within fifteen (15) days following Lessor's demand therefor, Agent shall repair such damages.

2. Lessor agrees that none of the Collateral located on any of the Leased Premises, notwithstanding the manner in which any of the Collateral may be affixed to such Leased Premises, shall be deemed to be fixtures or constitute part of such Leased Premises, and any and all lien rights in respect of the Collateral granted to or held by Lessor (by agreement, statute or otherwise) are hereby waived (as against the Agent and the lenders) and subordinated to the liens of Agent.

3. Lessor consents to the installation or placement of the Collateral on the Leased Premises, and Lessor grants to the Agent and its representatives and invitees a license to enter upon and into the Leased Premises, provided that Agent provides Lessor advance written notice of not less than two (2) days, for the purposes of (i) inspecting, and (ii) possessing, severing and removing any of the Collateral and said Collateral upon possession, severance and/or removal may be sold, transferred or otherwise disposed of free and discharged of all liens, claims, demands or interests of Lessor; provided that the Agent shall have no right to conduct a sale of the Collateral at the Leased Premises; and provided, further, that the Agent, its representatives and invitees shall comply with Lessor's COVID-19 and other health and safety protocols when entering upon the Leased Premises. Once Agent, its representatives and invitees enter upon the Leased Premises to possess sever, or remove the Collateral, such possession, severance, or removal shall be concluded within thirty (30) days. If the Agent enters upon or into the Leased Premises, Lessee hereby agrees

to indemnify, defend and hold Lessor harmless from and against any and all claims, judgments, liabilities, costs and expenses incurred by Lessor and directly caused by the Agent's entering upon or into the Leased Premises or the land or building where the Leased Premises is located, and taking any of the foregoing actions with respect to the Collateral, other than any such claims, judgments, liabilities, costs and expenses resulting from Lessor's gross negligence or willful misconduct. Such costs shall include any damage to the Leased Premises or land or building where the Leased Premises is located, made by the Agent in entering upon and into the Leased Premises and/or severing and/or removing the Collateral therefrom.

4. Lessor agrees that it will not prevent the Agent, its representatives or invitees, from entering upon the Leased Premises at all reasonable times, upon reasonable prior notice of not less than two (2) days to Lessor, to inspect, possess, sever or remove the Collateral.

5. Lessor shall, upon serving Lessee with any written notice of termination or other claimed breach or default, simultaneously serve a copy of such notice to Agent. Agent shall thereupon have the option, but not the obligation, within thirty (30) days from the date of service of such notice of termination, breach or default: (i) to notify Lessor of its desire to nullify such notice and to pay over to Lessor any rent and other payments then in default under the Lease, and (ii) to comply with all of the other material requirements of the Lease, if any are then in default, or, if immediate compliance is impossible, to have commenced the work of complying with all of the other material requirements of the Lease, and shall prosecute the same to completion with reasonable diligence (not to exceed an additional 60 days from the date of Agent's notification). In the event of Agent's satisfaction of the cure or remedy as provided in clause (i) or (ii) above, then in such event Lessor shall not be entitled to terminate the Lease and any notice of termination, breach or default theretofore given shall be void and of no effect. During such ninety (90) day period, Lessor will not remove the Collateral from the Leased Premises nor interfere with the Agent's actions in removing the Collateral from the Leased Premises or the Agent's actions in otherwise enforcing its security interest in the Collateral. For each day after the fifth (5th) day of the ninety (90) day period that Agent enters upon and into the Leased Premises to remove the Collateral, unless Lessor has otherwise been paid rent in respect of any such period, the Agent shall pay the rent provided under the Lease (exclusive of past due rent or charges) pro-rated on a per diem basis determined on a 30-day month. Notwithstanding anything to the contrary in this paragraph, the Agent shall at no time have any obligation to remove the Collateral from the Leased Premises. Upon receipt of such notice, the Agent shall have the right, but not the obligation, to cure such default within the following time periods: five (5) days thereafter with respect to monetary defaults and ten (10) days thereafter with respect to non-monetary defaults after the period of time granted to Lessee to cure such defaults under the terms of the Lease; provided, however, that if the nature of any non-monetary default is such that the same cannot be cured within said ten (10) day period, the Agent shall be given such additional period of time (provided that the cure period shall not exceed forty-five (45) days in the aggregate in any event) as may be necessary to cure the default provided that the Agent commences the cure within said ten (10) day period and proceeds diligently thereafter to complete such cure. Any payment made or act done by the Agent to cure any such default shall not constitute an assumption of the Lease or any obligations of Lessee.

6. Lessor certifies that, as of the date hereof, (a) Lessor is the landlord under the Lease, (b) the Lease is in full force and effect and has not been amended, modified, or supplemented except as set forth on Exhibit A, (c) to the actual knowledge of Lessor, without duty to investigate or inquiry, there is no defense, offset, claim or counterclaim by or in favor of Lessor against Lessee under the Lease or against the obligations of Lessor under the Lease, (d) no notice of default has been given under or in connection with the Lease which has not been cured, and Lessor has no knowledge of the occurrence of any other default under or in connection with the Lease, and (e) no portion of the Leased Premises is encumbered in any way by any mortgage on the landlord's fee interest or ground or superior lease. Lessor shall not enter into any amendments or modifications of the Lease which impair or are otherwise adverse to the rights and remedies of Agent hereunder without the prior written consent of Agent, which consent shall not be unreasonably withheld or delayed.

6. All notices required or permitted to be given by Agent or Lessor hereunder shall be in writing and shall be considered properly given when received if mailed by overnight delivery courier national reputation with delivery fees prepaid or by certified mail, postage prepaid, return receipt requested. For purposes of any such notice, the addresses of Agent and Lessor shall be as set forth below; provided, however, that either party shall have the right to change such party's address for notice purposes to any other location by the giving of written notice to the other party in the manner set forth hereinabove.

If to Agent:	Wilmington Trust, National Association 1100 North Market Street Wilmington, Delaware 19890 Attention: TeraWulf Loan Administrator Email: jfeil@wilmingtontrust.com Telephone: 302-636-6466
With a copy to:	Covington & Burling LLP The New York Times Building 620 8th Avenue New York, NY 10018 Attention: Ronald A. Hewitt Email: rhewitt@cov.com Telephone: 212-841-1220
If to Lessor:	Somerset Operating Company, LLC 7725 Lake Road Barker, New York 14012 Attention: General Counsel's Office
With a copy to Lessee:	Lake Mariner Data LLC 9 Federal Street Easton, MD 21601 Attention: Kenneth Deane, Chief Financial Officer Facsimile: 410-770-9705 Email: deane@terawulf.com
With a copy to (which shall not constitute notice) to:	TeraWulf Inc. 9 Federal Street Easton, MD 21601 Attention: Chief Legal Officer Facsimile: 410-770-9705 Email: legal@terawulf.com
With a copy to:	Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, NY 10019-6064 Attention: David Tarr Facsimile: 212-492-0375 Email: dtarr@paulweiss.com

7. The agreements contained herein may not be modified or terminated orally and shall be binding upon Lessor and its successors and assigns and shall inure to the benefit of Agent and its successors and assigns.

8. The agreements contained herein shall continue in full force and effect until all indebtedness, obligations and liabilities of Lessee to Agent with respect to the Loan are paid and satisfied in full and all financing arrangements between Agent and Lessee under the Loan Agreement have been terminated.

9. Upon the request of Agent from time to time, Lessor shall provide Agent with an estoppel certificate regarding the status of Lessee's performance of its obligations under the Lease, and such other matters as Agent may reasonably require.

10. UNLESS OTHERWISE DESCRIBED HEREIN, THIS AGREEMENT SHALL NOT IMPAIR OR OTHERWISE AFFECT LESSEE'S OBLIGATIONS TO PAY RENT AND ANY OTHER SUMS PAYABLE BY LESSEE OR TO PERFORM ANY OTHER OBLIGATION OF LESSEE PURSUANT TO THE TERMS OF THE LEASE.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall together constitute but one agreement. Any signature on a copy of this Agreement or any document necessary or convenient thereto sent by electronic transmission or facsimile shall be binding upon transmission and the electronic or facsimile copy may be utilized for the purposes of this Agreement.

12. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

LESSOR:

SOMERSET OPERATING COMPANY, LLC

By: _____
Name: _____
Title: _____

STATE OF_____)
) ss.
COUNTY OF_____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, the _____ of Somerset Operating Company, LLC, a Delaware limited liability company, for and on behalf of said company.

_____
Notary Public
My commission expires: _____

ACKNOWLEDGED BY:

WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association

By: _____
Name: _____
Title: _____

STATE OF_____)
) ss.
COUNTY OF_____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, the _____ of WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, for and on behalf of said association.

_____
Notary Public
My commission expires: _____

ACKNOWLEDGED BY:

LAKE MARINER DATA LLC

By: _____
Name: _____
Title: _____

STATE OF_____)
) ss.
COUNTY OF_____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, the _____ of Lake Mariner Data LLC, a Delaware limited liability company, for and on behalf of said company.

_____
Notary Public
My commission expires: _____

EXHIBIT A
DESCRIPTION OF LEASE AND LEASED PREMISES

Exhibit 21.1

TERAWULF INC.

List of Subsidiaries

1. Kyalami Data LLC
2. Lake Mariner Data LLC
3. Nautilus Cryptomine LLC (50%)
4. TeraCub Inc.
5. TeraWulf Brookings LLC
6. TeraWulf Ploughwind LLC
7. TeraWulf (Thales) LLC
8. IKONICS Corporation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (No. 333-262226) on Form S3 of TeraWulf Inc. of our report dated March 31, 2022, relating to the consolidated financial statements of Terawulf Inc., appearing in this Annual Report on Form 10-K of TeraWulf Inc. as of and for the period from April 1, 2021 through December 31, 2021.

/s/ RSM US LLP

Boston, Massachusetts
March 31, 2022

Exhibit 31.1

TERAWULF INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paul B. Prager, certify that:

1. I have reviewed this Annual Report on Form 10-K of TeraWulf Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably

likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 31, 2022

/s/ Paul B. Prager
Paul B. Prager
Chief Executive Officer
TeraWulf Inc.

[Signature Page to Rule 13a-14(a)/15d-14(a) Certification of CEO]

Exhibit 31.2

TERAWULF INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kenneth J. Deane, certify that:

1. I have reviewed this Annual Report on Form 10-K of TeraWulf Inc.;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably

likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 31, 2022

/s/ Kenneth J. Deane

Kenneth J. Deane
Chief Financial Officer
TeraWulf Inc.

[Signature Page to Rule 13a-14(a)/15d-14(a) Certification of CFO]

Exhibit 32.1

TERWULF INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of TeraWulf Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul B. Prager, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2022

/s/ Paul B. Prager
Paul B. Prager
Chief Executive Officer
TeraWulf Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32.2

TERAWULF INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of TeraWulf Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth J. Deane, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2022

/s/ Kenneth J. Deane
Kenneth J. Deane
Chief Financial Officer
TeraWulf Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).