

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended: **December 31, 2022**

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

For the transition period from _____ to _____

Commission File No. **000-33383**

CREEK ROAD MINERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0357690
(I.R.S. Employer
Identification No.)

35 E Horizon Ridge Pkwy, Suite 110-502
Henderson, Nevada
(Address of principal executive offices)

89002
(Zip Code)

(435) 900-1949

(Registrant's telephone number, including area code)

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

Title of each Class	Trading Symbol(s)	Name of each Exchange on which registered
Common stock, \$0.0001 par value	CRKR	OTC Markets

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 Section 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 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 an 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
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark 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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, was \$2,676,535 based on the closing price of \$0.31 per share as reported on the OTC Markets as of that date.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Title of Class	Number of Shares Outstanding on March 31, 2023
Common Stock, \$0.0001 par value	12,246,036

TABLE OF CONTENTS

PART I		
Item 1.	Business	2
Item 1A.	Risk Factors	6
Item 1B.	Unresolved Staff Comments	19
Item 2.	Properties	19
Item 3.	Legal Proceedings	19
Item 4.	Mine Safety Disclosures	19
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	20
Item 6.	[Reserved]	22
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	31
Item 8.	Financial Statements and Supplementary Data	32
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	69
Item 9A.	Controls and Procedures	69
Item 9B.	Other Information	70
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	70
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	71
Item 11.	Executive Compensation	73
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	76
Item 13.	Certain Relationships and Related Transactions, and Director Independence	77
Item 14.	Principal Accounting Fees and Services	78
PART IV		
Item 15.	Exhibits and Financial Statement Schedules	79
Item 16.	Form 10-K Summary	81

Creek Road Miners, Inc.

As used in this Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (this "Annual Report on Form 10-K"), (i) the terms "we," "us," "our," the "Company," the "Registrant," "Creek Road Miners," and "CRM" mean Creek Road Miners, Inc. and its consolidated subsidiaries, and (ii) the term "common stock" refers to the common stock, par value \$0.0001 per share, of Creek Road Miners, Inc., unless otherwise indicated.

Cautionary Notice Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements (such as when we describe what "will," "may," or "should" occur, what we "plan," "intend," "estimate," "believe," "expect" or "anticipate" will occur, and other similar statements) include all statements that are not based on historical fact, but rather reflect our current expectations concerning future results and events. We make certain assumptions when making forward-looking statements, any of which could prove inaccurate, including assumptions about our future operating results and business plans. However, the inclusion of forward-looking statements should not be regarded as a representation by the Company or any other person that future events, plans or expectations contemplated by the Company will be achieved. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors," of this Annual Report on Form 10-K and under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as those disclosed in subsequent reports we file with the Securities and Exchange Commission ("SEC"). The foregoing list sets forth some, but not all, of the factors that could affect our ability to achieve results described in any forward-looking statements.

- the availability and adequacy of cash flow to meet our requirements;
- the availability of additional capital;
- the ability to close the Plan of Merger (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into Prairie (the "Merger"), with Prairie surviving and continuing to exist as a Delaware limited liability company and a wholly-owned subsidiary of the Company;
- changes in our business and growth strategy, including our ability to successfully operate and expand our cryptocurrency mining activities;
- changes or developments in laws, regulations or taxes in the cryptocurrency mining industry; and
- actions taken or not taken by third-parties, including our contractors and competitors

Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we comprehensively assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

All forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Annual Report on Form 10-K, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we hereafter become aware, except as required by law. You should read this document completely and with the understanding that our actual future results or events may be materially different from what we expect. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

PART I

Item 1. Business

Company Overview

Creek Road Miners, Inc. (formerly known as Wizard Brands, Inc., Wizard Entertainment, Inc., Wizard World, Inc., and GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (known collectively as "legacy operations").

Merger Agreement

On October 24, 2022, the Company, Creek Road Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company, and Prairie Operating Co., LLC, a Delaware limited liability company ("Prairie"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into Prairie (the "Merger"), with Prairie surviving and continuing to exist as a Delaware limited liability company and a wholly-owned subsidiary of the Company.

At the effective time of the Merger (the "Effective Time"), the Company will (a) deliver the greater of (A) 2,000,000 shares of its common stock, par value \$0.0001 per share ("common stock"), and (B) the product of (x) the number of issued and outstanding shares of common stock immediately following the consummation of the Restructuring Transactions (as defined below) by the Company multiplied by (y) 33.33% to the members of Prairie (the "Prairie Members") and (b) convert certain options to purchase membership interests of Prairie into restricted performance-based options to purchase, in the aggregate, 8,000,000 shares of common stock for \$0.25 per share only exercisable if specific production hurdles are achieved.

In connection with the Merger, the Company will cause the following restructuring transactions (the "Restructuring Transactions"): (1) all holders of the Company's outstanding shares of Series A preferred stock, Series B preferred stock, Series C preferred stock, and 12% senior secured convertible debentures (the "Convertible Debentures"), and holders of certain warrants, certain convertible promissory notes and certain other accrued liabilities, will convert their respective shares of Series A preferred stock, Series B preferred stock, Series C preferred stock and Convertible Debentures, and respective warrants, convertible promissory notes and accrued liabilities into shares of common stock and (2) thereafter, the Company shall effect a reverse stock split of the common stock at a ratio between 1-23 and 1-30 (the "Reverse Stock Split").

Nature of Business

Cryptocurrency Mining

We generate substantially all our revenue through cryptocurrency we earn through our mining activities. We have historically mined and held Bitcoin exclusively, which we may sell to fund our operating and capital expenditures. Our mining operations commenced on October 24, 2021. We use special cryptocurrency mining computers (known as "miners") to solve complex cryptographic algorithms to support the Bitcoin blockchain and, in return, receive Bitcoin as our reward. Miners measure their processing power, which is known as "hashing" power, in terms of the number of hashing algorithms solved (or "hashes") per second, which is the miner's "hash rate." We participate in mining pools that pool the resources of groups of miners and split cryptocurrency rewards earned according to the "hashing" capacity each miner contributes to the mining pool. Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Mining Equipment

All of our miners were manufactured by Bitmain, and incorporate application-specific integrated circuit ("ASIC") chips specialized to solve blocks on the Bitcoin blockchains using the 256-bit secure hashing algorithm ("SHA-256") in return for Bitcoin cryptocurrency rewards. As of December 31, 2022, we had 510 Bitmain S19J Pro miners with 51.0 Ph/s of hashing capacity and 270 Bitmain S19 miners with 24.3 Ph/s of hashing capacity, none of which were in service.

On December 17, 2021 the Company entered into a Non-Fixed Price Sales and Purchase Agreement (the "Bitmain Agreement") with Bitmain Technologies Limited ("Bitmain") for 600 Bitmain S19XP miners with a reference price of approximately \$11,250 per miner. The miners have a total of 84 Ph/s of hashing capacity and an initial estimated purchase commitment of \$6,762,000 (the "total reference price"), subject to price adjustments and related offsets, including potential adjustments related to the market price of miners. As of December 31, 2022, the Company has made payments of \$3,969,000 (classified as deposits on mining equipment) to Bitmain pursuant to the Bitmain Agreement, and the remaining amount due under the Bitmain Agreement is \$47,600 and presented in the table below:

	Market Price per Miner	Total Amount
July 2022 batch (100 miners)	\$ 7,756	\$ 775,600
August 2022 batch (100 miners)	7,140	714,000
September 2022 batch (100 miners)	7,140	714,000
October 2022 batch (100 miners)	6,510	651,000
November 2022 batch (100 miners)	5,810	581,000
December 2022 batch (100 miners)	5,810	581,000
Estimated total amount due		4,016,600
Less: Payments made		3,969,000
Remaining amount due		\$ 47,600

As of December 31, 2022, all 600 miners purchased from Bitmain have not been delivered to the Company, and will remain undelivered until all fees are paid to ship the miners from the Bitmain facility to the Company.

Mining Results

The Company measures its operations by the number and U.S. Dollar (US\$) value of the cryptocurrency rewards it earns from its cryptocurrency mining activities. The following table presents additional information regarding our cryptocurrency mining operations:

	Quantity of Bitcoin	US\$ Amounts
Balance September 30, 2021	—	\$ —
Revenue recognized from cryptocurrency mined	6.7	369,804
Mining pool operating fees	(0.1)	(7,398)
Impairment of cryptocurrencies	—	(59,752)
Balance December 31, 2021	6.6	\$ 302,654
Revenue recognized from cryptocurrency mined	8.3	343,055
Mining pool operating fees	(0.2)	(6,868)
Impairment of cryptocurrencies	—	(106,105)
Balance March 31, 2022	14.7	\$ 532,736

Revenue recognized from cryptocurrency mined	4.6	166,592
Mining pool operating fees	(0.1)	(3,428)
Proceeds from the sale of cryptocurrency	(18.9)	(564,205)
Realized loss on the sale of cryptocurrency	—	(131,075)
Impairment of cryptocurrencies	—	(34)
Balance June 30, 2022 ⁽¹⁾	0.3	\$ 586
Revenue recognized from cryptocurrency mined	0.3	7,955
Mining pool operating fees	—	(156)
Impairment of cryptocurrencies	—	(1,035)
Balance September 30, 2022 ⁽¹⁾	0.6	\$ 7,350
Revenue recognized from cryptocurrency mined	—	—
Mining pool operating fees	—	—
Proceeds from the sale of cryptocurrency	(0.6)	(11,203)
Realized gain on the sale of cryptocurrency	—	3,853
Balance December 31, 2022 ⁽¹⁾	—	\$ —

(1) Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

3

Factors Affecting Profitability

Our business is heavily dependent on the market price of Bitcoin. The prices of cryptocurrencies, specifically Bitcoin, have experienced substantial volatility. Further affecting the industry, and particularly for the Bitcoin blockchain, the cryptocurrency reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving". For Bitcoin the reward was initially set at 50 Bitcoin currency rewards per block. The Bitcoin blockchain has undergone halving three times since its inception as follows: (1) on November 28, 2012 at block 210,000; (2) on July 9, 2016 at block 420,000; and (3) on May 11, 2020 at block 630,000, when the reward was reduced to its current level of 6.25 Bitcoin per block. The next halving for the Bitcoin blockchain is anticipated to occur in March 2024 at block 840,000, when the reward will be reduced to 3.125 Bitcoin per block. This process will reoccur until the total amount of Bitcoin currency rewards issued reaches 21 million and the theoretical supply of new Bitcoin is exhausted. Many factors influence the price of Bitcoin, and potential increases or decreases in prices in advance of, or following, a future halving is unknown.

We have historically mined and held Bitcoin exclusively, which we may sell to fund our operating and capital expenditures. Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Our business is heavily dependent on the market price of Bitcoin, which has experienced substantial volatility and has recently dropped to its lowest price since December 2020. As of December 31, 2022 the market price of Bitcoin was \$16,547, which reflects a decrease of approximately 60% since the beginning of 2022, and of approximately 75% from its all-time high of approximately \$67,000. In addition, the cost of natural gas that we use to produce electricity to power our miners has increased substantially. The cost of natural gas in the United States during 2022 has increased by as much as approximately 260% since the beginning of 2022. These price movements result in decreased cryptocurrency mining revenue and increased cryptocurrency mining costs, both of which have a material adverse effect on our business and financial results.

Government Regulation

Cryptocurrency is increasingly becoming subject to governmental regulation, both in the U.S. and internationally. State and local regulations also may apply to our activities and other activities in which we may participate in the future. Numerous regulatory bodies have shown an interest in regulating blockchain or cryptocurrency activities. For example, on March 9, 2022 President Biden signed an executive order on cryptocurrencies. While the executive order does not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability. As the regulatory and legal environment evolves, we may become subject to new laws and regulation which may affect our mining and other activities. For additional discussion regarding our belief about the potential risks existing and future regulation pose to our business, see the Section entitled "Risk Factors".

Intellectual Property

We do not currently own any patents in connection with our existing and planned blockchain and cryptocurrency related operations.

Liquidity and Ability to Continue as a Going Concern

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. The Company had net losses from continuing operations of \$13,401,076, and \$19,202,114, for the years ended December 2022 and 2021, respectively. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to achieve profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to achieve or sustain profitability on a quarterly or annual basis. On December 31, 2022, we had cash and cash equivalents of \$246,358, a working capital deficit of approximately \$8.1 million, and an accumulated deficit of approximately \$61 million.

We have evaluated the significance of the uncertainty regarding the Company's financial condition in relation to our ability to meet our obligations, which has raised substantial doubts about the Company's ability to continue as a going concern. While it is very difficult to estimate our future liquidity requirements the Company believes that if it is unable close the Merger, or obtain debt and/or equity financing, existing cash resources will be depleted in early 2023. The Company may be able to generate cash through the sale of fixed assets, specifically cryptocurrency miners. However, the total cash generated would be significantly less than the total of the Company's liabilities. There are no assurances that the Merger will close, that debt and/or equity financing can be obtained, or that the sale of fixed assets, specifically cryptocurrency miners can be achieved.

4

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the matters discussed herein.

The Company's ability to continue as a going concern is dependent upon the Company's ability to close the merger with Prairie, or obtain debt and/or equity financing, and there are no assurances that either can occur.

Employees

As of March 31, 2023, we had 2 full time employees.

Corporate Information and History

Creek Road Miners, Inc. (formerly known as Wizard Brands, Inc., Wizard Entertainment, Inc., Wizard World, Inc., and GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (known collectively as "legacy operations").

On August 6, 2021, we entered into an Asset Purchase Agreement (the "Informa Agreement") with Informa Pop Culture Events, Inc., a Delaware corporation ("Informa"). Pursuant to the Informa Agreement, Creek Road Miners Corp. (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recognized other income of this amount.

On September 15, 2021, we sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain on the transaction of approximately \$1,130,740.

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price which resulted from this action.

Merger Agreement

On October 24, 2022, the Company, Creek Road Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company, and Prairie, entered into the Merger Agreement, pursuant to which Merger Sub will merge with and into Prairie, with Prairie surviving and continuing to exist as a Delaware limited liability company and a wholly-owned subsidiary of the Company.

At the Effective Time, the Company will (a) deliver the greater of (A) 2,000,000 shares of its common stock, par value \$0.0001 per share ("common stock"), and (B) the product of (x) the number of issued and outstanding shares of common stock immediately following the consummation of the Restructuring Transactions (as defined below) by the Company multiplied by (y) 33.33% to the members of Prairie (the "Prairie Members") and (b) convert certain options to purchase membership interests of Prairie into restricted performance-based options to purchase, in the aggregate, 8,000,000 shares of common stock for \$0.25 per share only exercisable if specific production hurdles are achieved.

In connection with the Merger, the Company will cause the following restructuring transactions (the "Restructuring Transactions"): (1) all holders of the Company's outstanding shares of Series A preferred stock, Series B preferred stock, Series C preferred stock, and 12% senior secured convertible debentures (the "Convertible Debentures"), and holders of certain warrants, certain convertible promissory notes and certain other accrued liabilities, will convert their respective shares of Series A preferred stock, Series B preferred stock, Series C preferred stock and Convertible Debentures, and respective warrants, convertible promissory notes and accrued liabilities into shares of common stock and (2) thereafter, the Company shall effect a reverse stock split of the common stock at a ratio between 1-23 and 1-30 (the "Reverse Stock Split").

Where You Can Find More Information

Our website address is www.creekradminers.com. We do not intend our website address to be an active link or to otherwise incorporate by reference the contents of the website into this Report. The public may read and copy any materials the Company files with the U.S. Securities and Exchange Commission (the "SEC") at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0030. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors

An investment in our securities involves a high degree of risk, and an investor should only purchase the Company's securities if he or she can afford to suffer the loss of his or her entire investment. Certain factors may have a materially adverse effect on our business, financial condition and results of operations, including the risk factors described below. You should carefully consider all of the risks and uncertainties described below and elsewhere in this Annual Report on Form 10-K, as well as those risks disclosed in the Company's other public filings, together with the other information contained in this report and the Company's other public filings before making an investment decision regarding the Company's securities. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also become important factors that could adversely affect our business, financial condition and results of operations, perhaps materially. If any of the following risks actually occur, our business, financial condition, results of operation and future prospects could be materially and adversely affected. In that event, the trading price of shares of our common stock could decline, and you could lose part or all your investment. The risks discussed below also include forward-looking statements, and actual results and events may differ substantially from those discussed or highlighted in those forward-looking statements. For more information regarding forward-looking statements in this Annual Report, please see the Section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Annual Report on Form 10-K.

Risks Related to Our Company

We have historically incurred significant losses, and may be unable to maintain profitability. If we continue to incur significant losses, we may have to curtail our operations, which may prevent us from successfully operating and expanding our business.

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. For the years ended December 31, 2022 and 2021, we incurred a net loss of \$13,418,814 and \$17,270,703, respectively. We had stockholders' deficit of \$6,525,056 as of December 31, 2022, and stockholders' equity of \$4,197,847 as of December 31, 2021. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to sustain profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to sustain or increase our profitability on a quarterly or annual basis.

The Merger is subject to closing conditions and may not be completed and the Merger Agreement may be terminated in accordance with its terms.

The Merger is subject to closing conditions that must be satisfied or waived prior to the completion of the Merger. Many of the closing conditions are not within our control. No assurance can be given that the required conditions to the closing of the Merger will be satisfied in a timely manner or at all. Any delay in completing the Merger could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits that we expect to achieve if the Merger is successfully completed within its expected time frame.

Additionally, either party may terminate the Merger Agreement under certain circumstances. Moreover, if the Merger is not completed for any reason, our ongoing business may be adversely affected and, without realizing any of the expected benefits of having completed the Merger, we would be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative impacts on our stock price;
- we may experience negative reactions from our customers, suppliers, distributors and employees;
- we will be required to pay our costs relating to the Merger, such as financial advisory, legal, financing and accounting costs and associated fees and expenses, whether or not the Merger is completed;
- the market price of our common stock could decline to the extent that the current market price reflects a market assumption that the Merger will not be completed;
- the Merger Agreement places certain restrictions on the conduct of our business prior to completion of the transactions to be undertaken in connection with the Merger and such restrictions, the waiver of which are subject to the consent of Prairie, may prevent us from taking actions during the pendency of the Merger that would be beneficial; and
- matters relating to the Merger will require substantial commitments of time and resources by management, which could otherwise have been devoted to day-to-day operations or to other opportunities that may have been beneficial to us as an independent company.

6

We may waive one or more of the conditions to the Merger.

We may agree to waive, in whole or in part, one or more of the conditions to our obligations to complete the Merger, to the extent permitted by our Amended and Restated Certificate of Incorporation, bylaws and applicable laws. For example, it is a condition to our obligation to close the Merger that certain of Prairie's representations and warranties be true and correct to the standards applicable to such representations and warranties. However, if the Board determines that it is in our best interests to proceed with the Merger, then the Board may elect to waive that condition and close the Merger.

We may not achieve the perceived benefits of the Transactions and the market price of our Common Stock following the Transactions may decline.

The market price of our common stock may decline as a result of the Merger for a number of reasons, including if: investors react negatively to the prospects of the Company's business; the effect of the Merger on the Company's business and prospects is not consistent with the expectations of our management or of financial or industry analysts; or the Company does not achieve the perceived benefits of the Merger as rapidly or to the extent anticipated by our management or financial or industry analysts.

Our stockholders may not realize a benefit from the Merger commensurate with the ownership dilution they will experience in connection with the Merger.

If the Company is unable to realize the strategic and financial benefits currently anticipated from the Merger, our pre-closing stockholders will have experienced substantial dilution of their ownership interests without receiving the expected commensurate benefit, or only receiving part of the commensurate benefit to the extent the Company is able to realize only part of the expected strategic and financial benefits currently anticipated from the Merger.

Our ability to continue as a going concern is contingent on the completion of the Merger or obtaining debt and/or equity financing, and if the Merger is not completed for any reason, we may not be able to obtain sufficient financing and may be forced to sell our cryptocurrency miners.

We do not have sufficient capital to fund our future operations without significant additional capital investments. If the Merger is not completed and adequate additional financing is not available on reasonable terms or at all, we may be forced to sell our fixed assets, specifically cryptocurrency miners, which would adversely affect our business and prospects. Such sales would materially adversely affect our ability to compete.

We may require significant additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

We may not have sufficient capital to fund our future operations without significant additional capital investments. If adequate additional financing is not available on reasonable terms or at all, we may not be able to carry out our corporate strategy and we would be forced to modify our business plans (e.g., limit our growth, and/or decrease or eliminate capital expenditures), any of which may adversely affect our financial condition, results of operations and cash flow. Such reduction could materially adversely affect our business and our ability to compete.

We may need to undertake equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business may be adversely affected.

7

Our capital needs will depend on numerous factors, including, without limitation, our profitability, and the amount of our capital expenditures, including acquisitions. Moreover, the costs involved may exceed those originally contemplated. Failure to obtain intended economic benefits could adversely affect our business, financial condition and operating performances.

The cost of obtaining new cryptocurrency mining equipment is capital intensive, and may increase.

The cost of obtaining new cryptocurrency mining equipment is capital intensive, and may increase in the future. If we are unable to obtain adequate numbers of new and replacement miners at scale, 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. The price of new miners may be linked to the market price of Bitcoin and other cryptocurrencies, and, 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.

Our reliance on a third-party mining pool service provider for our mining revenue payouts may have a negative impact on our operations.

We receive cryptocurrency mining rewards from our mining activity through a third-party mining pool operator. Mining pools allow miners to combine their processing

power, increasing their chances of solving a block and getting paid by the network. The rewards are distributed by the pool operator, proportionally to our contribution to the pool's overall mining power, used to generate each block. Should the pool operator's system suffer downtime due to a cyber-attack, software malfunction or other similar issues, it will negatively impact our ability to mine and receive revenue. Furthermore, we are dependent on the accuracy of the mining pool operator's record keeping to accurately record the total processing power provided to the pool for a given Bitcoin mining application in order to assess the proportion of that total processing power we provided. If we are unable to consistently obtain accurate proportionate rewards from our mining pool operators, we may experience reduced reward for our efforts, which would have an adverse effect on our business and operations.

Bitcoin is subject to halving; and will halve several times in the future and Bitcoin value may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.

The primary currency for which we mine, Bitcoin, is subject to "halving," which is the process by which the cryptocurrency reward for solving a block is cut in half. While Bitcoin prices have had a history of price fluctuations around the halving of their respective cryptocurrency rewards, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining reward. We plan to keep our operating costs low by, among other means, acquiring our own energy-producing assets and more efficient mining machines, but there can be no assurance that the price of Bitcoin will sufficiently increase upon the next halving to justify the increasingly high costs of mining for Bitcoin. If a corresponding and proportionate increase in the trading price of these cryptocurrencies does not follow these anticipated halving events, the revenue we earn from our mining operations would see a corresponding decrease, which would have a material adverse effect on our business and operations.

We need to manage growth in operations to maximize our potential growth and achieve our expected revenues. Our failure to manage growth can cause a disruption of our operations that may result in the failure to generate revenues at levels we expect.

In order to maximize potential growth, we may have to expand our operations. Such expansion will place a significant strain on our management and our operations. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

Our mining operating costs could outpace our mining revenues, which could materially impact our business.

Our mining operations expenses may increase in the future, and may not be offset by a corresponding increase in revenue. Our expenses may be greater than we anticipate, and our investments to make our business more efficient may not succeed and may outpace monetization efforts. Increases in our costs without a corresponding increase in our revenue would increase our losses and could have a material adverse effect on our business, results of operations and financial condition.

Insiders have substantial control over the Company, and they could delay or prevent a change in our corporate control even if our other stockholders want it to occur.

As of the date of this filing, our executive officers, and directors, collectively beneficially own approximately 90% of our outstanding shares of common stock. These stockholders are able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with our Company even if our other stockholders want it to occur. This may also limit your ability to influence the Company in other ways.

We rely on a small number of cryptocurrency mining equipment suppliers, and the loss of any supplier might significantly reduce our revenue and adversely affect our results of operations.

We rely on a small number of cryptocurrency mining equipment suppliers, which is essential to our cryptocurrency mining revenue. The loss of any or all of these suppliers would significantly reduce our revenue, which would have a material adverse effect on our results of operations. We can provide no assurance that these suppliers will continue to supply us cryptocurrency mining equipment in the future.

We are exposed to credit risk on our prepayments to cryptocurrency mining equipment suppliers. This risk is heightened during periods when economic conditions worsen.

We have made prepayments to suppliers of cryptocurrency mining equipment, and there can be no assurance that we will effectively limit our credit risk and avoid losses, which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to secure adequate insurance, or any insurance at all, on our cryptocurrency mining equipment that are subject to physical and environmental damage.

Our miners and mobile data centers are located in areas where we may not be able to secure adequate insurance, or any insurance at all. Our miners and mobile data centers are subject to physical and environmental damage and any damage, including a complete loss, if it occurs without being adequately insured, or insured at all, could have a material adverse effect on our business, results of operations and financial condition.

Additionally, although we seek to control our insurance risk and costs, the premiums we pay to obtain insurance coverage have increased over time and are likely to continue to increase in the future. These increases in insurance premiums can occur unexpectedly and without regard to our efforts to limit them, and, because of these rising costs, we may not be able to obtain similar levels of insurance coverage on reasonable terms, or at all. If this occurs, we may choose or be forced to self-insure our assets, which could expose us to significant financial risk due to the high cost of new miners. If insurance costs become unacceptably high and we elect to self-insure, and we experience a significant casualty event resulting in the loss of some or all of our miners, we could be forced to expend significant capital resources to acquire new miners to replace those we lose.

Furthermore, if such casualty loss of our miners is not adequately covered by insurance and we do not have access to sufficient capital resources to acquire replacement miners, we may not be able to compete in our rapidly evolving and highly competitive industry, which could materially and adversely affect our financial condition and results of operations, and our business could suffer.

We may lose our private key to our digital wallet, causing a loss of all of our digital assets.

Digital assets, such as cryptocurrencies, are stored in a so-called "digital wallet", which may be accessed to exchange a holder's digital assets, and is controllable by the processor of both the public key and the private key relating to this digital wallet in which the digital assets are held, both of which are unique. We will publish the public key relating to digital wallets in use when we verify the receipt of transfers and disseminate such information into the network, but we will need to safeguard the private keys relating to such digital wallets, which are stored in the possession of certain of our officers. If the private key is lost, destroyed, or otherwise compromised, we may be unable to access our cryptocurrencies held in the related digital wallet which will essentially be lost. If the private key is acquired by a third party, then this third party may be able to gain access to our cryptocurrencies. Any loss of private keys relating to digital wallets used to store our cryptocurrencies could have a material adverse effect on our ability to continue as a going concern or could have a material adverse effect on our business, prospects, financial condition, and operating results.

The storage and custody of our Bitcoin assets and any other cryptocurrencies that we may potentially acquire or hold in the future are subject to cybersecurity

In addition to the risk of a private key loss to our digital wallet, see "—We may lose our private key to our digital wallet, destroying all of our digital assets," the storage and custody of our digital assets could also be subject to cybersecurity breaches and adverse software events. In order to minimize risk, we plan to establish processes to manage wallets, or software programs where assets are held, that are associated with our cryptocurrency holdings.

A "hot wallet" refers to any cryptocurrency wallet that is connected to the Internet. Generally, hot wallets are easier to set up and access than wallets in "cold" storage, but they are also more susceptible to hackers and other technical vulnerabilities. "Cold storage" refers to any cryptocurrency wallet that is not connected to the Internet. Cold storage is generally more secure than hot storage, but is not ideal for quick or regular transactions and we may experience lag time in our ability to respond to market fluctuations in the price of our digital assets.

We plan to hold the majority of our cryptocurrencies in cold storage to reduce the risk of malfeasance; however we may also use third-party custodial wallets and, from time to time, we may use hot wallets or rely on other options that may develop in the future. If we use a custodial wallet, there can be no assurance that such services will be more secure than cold storage or other alternatives. Human error and the constantly evolving state of cybercrime and hacking techniques may render present security protocols and procedures ineffective in ways which we cannot predict.

Regardless of the storage method, the risk of damage to or loss of our digital assets cannot be wholly eliminated. If our security procedures and protocols are ineffective and our cryptocurrency assets are compromised by cybercriminals, we may not have adequate recourse to recover our losses stemming from such compromise. A security breach could also harm our reputation. A resulting perception that our measures do not adequately protect our digital assets could have a material adverse effect on our business, prospects, financial condition, and operating results.

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

Our Bitcoin mining operations have required significant amounts of power, and, as we continue to expand, we anticipate our demand for power will continue to grow. If we are unable to continue to obtain sufficient power to operate our miners on a cost-effective basis, we may not realize the anticipated benefits of our significant capital investments in new miners. There may be significant competition for suitable mine locations, and government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision of electricity to mining operations. Additionally, our mining operations could be materially adversely affected by prolonged power outages. Our cryptocurrency mining operations require that our miners and mining equipment function without interruption. If we experience and any unplanned or prolonged outages that are not remediated in a timely manner, or at all, could disrupt our operations. Given the power requirement, it would not be feasible to run miners on back-up power generators in the event of a government restriction on electricity or a power outage. If we are unable to receive adequate power supply and are forced to reduce our operations due to the availability or cost of electrical power, it could have a material adverse effect on our business, results of operations and financial condition.

Interruptions to our internet access could disrupt our operations, which could adversely affect our business and results of operations.

Our cryptocurrency mining operations require access to high-speed internet to be successful. If we lose internet access for a prolonged period, we may be required to reduce our operations or cease them altogether. If this occurs, it could have a material adverse effect on our business, results of operations and financial condition.

Our reliance primarily on a single model of miner may subject our operations to increased risk.

We currently only use Bitmain Antminer type miners, if there are issues with those machines, such as a design flaw in the ASIC chips they employ, our entire system could be affected. Any system error or failure may significantly delay response times or even cause our system to fail. Any disruption in our ability to continue mining could result in lower yields and harm our reputation and business. Any exploitable weakness, flaw, or error common to Bitmain miners affects all our miners; therefore, if a defect or other flaw exists and is exploited, our entire mine could go offline simultaneously. Any interruption, delay or system failure could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to find suitable locations, or any locations at all, for our mobile data centers.

Our mobile data centers are located close to natural gas wellheads, and we may be forced to leave our current location, not be able to find suitable locations, or any locations at all, for our current and/or future mobile data centers. If this occurs it could have a material adverse effect on our business, results of operations and financial condition.

We depend on the services of a small number of key personnel, and may not be able to operate and grow our business effectively if we lose their services or are unable to attract qualified personnel in the future.

Our success depends in part upon the continued service of a small number of key personnel. They are critical to the overall management of our company, and our strategic direction. We rely heavily on them because they have substantial experience with our company and business strategies. Our ability to retain them is therefore very important to our future success. We have employment agreements with our key personnel, but these employment agreements do not ensure that they will not voluntarily terminate their employment with us. The loss of any key personnel would require the remaining key personnel to divert immediate attention to seeking a replacement. Competition for senior management personnel is intense, and our inability to find a suitable replacement for any departing key personnel in a timely basis could adversely affect our ability to operate and grow our business.

Our future success depends upon, in large part, our continuing ability to attract and retain qualified personnel.

Expansion of our business and operations may require additional managers and employees with industry experience, in which case our success will be dependent on our ability to attract and retain experienced management personnel and other employees. There can be no assurance that we will be able to attract or retain qualified personnel. Competition may also make it more difficult and expensive to attract, hire and retain qualified managers and employees. If we fail to attract, train and retain sufficient numbers of the qualified personnel, our prospects, business, financial condition and results of operations will be materially and adversely affected.

We rely on key contracts and business relationships, and if our current or future business partners or contracting counterparties fail to perform or terminate any of their contractual arrangements with us for any reason or cease operations, or should we fail to adequately identify key business relationships, our business could be disrupted and our reputation may be harmed.

If any of our business partners or contracting counterparties fails to perform or terminates their agreement(s) with us for any reason, or if our business partners or contracting counterparties with which we have short-term agreements refuse to extend or renew the agreement or enter into a similar agreement, our ability to carry on operations may be impaired. In addition, we depend on the continued operation of our long-term business partners and contracting counterparties and on maintaining good relations with

them. If one of our long-term partners or counterparties is unable (including as a result of bankruptcy or a liquidation proceeding) or unwilling to continue operating in the line of business that is the subject of our contract, we may not be able to obtain similar relationships and agreements on terms acceptable to us or at all. If a partner or counterparty fails to perform or terminates any of the agreements with us or discontinues operations, and we are unable to obtain similar relationships or agreements, such events could have an adverse effect on our operating results and financial condition.

Breaches of our data systems or unintended disclosure of data could result in large expenditures to repair or replace such systems, to remedy any security breaches and to protect us from similar events in the future.

Our infrastructure may be vulnerable to physical or electronic break-ins, computer viruses, or similar disruptive problems. In addition to shutdowns, our systems are subject to risks caused by misappropriation, misuse, leakage, falsification and accidental release or loss of information. Disruptions or security compromises of our systems could result in large expenditures to repair or replace such systems, to remedy any security breaches and protect us from similar events in the future. We also could be exposed to negligence claims or other legal proceedings, and we could incur significant legal expenses and our management's attention may be diverted from our operations in defending ourselves against and resolving lawsuits or claims. In addition, if we were to suffer damage to our reputation as a result of any system failure or security compromise, it could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to risks associated with PCI compliance.

The PCI Data Security Standard ("PCI DSS") is a specific set of comprehensive security standards required by credit card brands for enhancing payment account data security, including but not limited to requirements for security management, policies, procedures, network architecture, and software design. PCI DSS compliance is required in order to maintain credit card processing services. Compliance does not guarantee a completely secure environment and notwithstanding the results of this assessment there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. Compliance is an ongoing effort and the requirements evolve as new threats are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), we could be exposed to increased operating costs, fines and penalties and, in extreme circumstances, may have our credit card processing privileges revoked, which would have a material adverse effect on our business.

11

Our failure to comply with the terms contained in our loan agreements could result in an event of default that could adversely affect our financial condition and ability to operate our business as planned.

Our failure to comply with terms contained in our loan agreements in the future may adversely affect our ability to operate our business and we may not be able to continue operations as planned, implement our planned growth strategy, or react to opportunities for, or downturns in, our business.

Government regulations related to the Internet could increase our cost of doing business, affect our ability to grow or may otherwise negatively affect our business.

Governmental agencies and federal and state legislatures have adopted, and may continue to adopt, new laws and regulatory practices in response to the increasing use of the Internet and other online services. These new laws may be related to issues such as online privacy and data protection requirements, copyrights, trademarks and service mark, sales taxes, fair business practices, domain name ownership, and the requirement that our operating units register to do business as foreign entities or otherwise be licensed to do business in jurisdictions where they have no physical location or other presence. In addition, these new laws, regulations or interpretations relating to doing business through the Internet could increase our costs materially and adversely affect our revenue and results of operations.

Regulatory changes or actions may restrict the use of cryptocurrencies in a manner that adversely affects an investment in us.

As cryptocurrencies have grown in popularity and in market size, the Federal Reserve Board, U.S. Congress and certain U.S. agencies (e.g., the CFTC, the Commission, FinCEN and the Federal Bureau of Investigation) have begun to examine cryptocurrencies. On March 9, 2022 President Biden signed an executive order on cryptocurrencies. While the executive order did not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability.

Digital assets currently face an uncertain regulatory landscape in not only the United States but also in such foreign jurisdictions as the European Union and China. While certain governments such as Germany, have issued guidance as to how to treat cryptocurrencies, most regulatory bodies have not issued specific policy determinations.

Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability, but such change could be substantial and adverse to us and could adversely affect an investment in us.

Unfavorable general economic conditions in the United States, Europe, Asia, or in other major markets could negatively impact our financial performance.

Unfavorable general economic conditions, such as a recession or economic slowdown in the United States, Europe, Asia, or in one or more of our other major markets, could negatively affect demand for our services and our results of operations. Under difficult economic conditions, businesses may seek to reduce spending on our services, or shift away from our services to in-house alternatives.

We encounter competition in our business, and any failure to compete effectively could adversely affect our results of operations.

We anticipate that our competitors will continue to expand and aggressive expansion of our competitors or the entrance of new competitors into our markets could have a material adverse effect on our business, results of operations and financial condition.

Acquisitions, joint ventures or similar strategic relationships may disrupt or otherwise have a material adverse effect on our business and financial results.

As part of our strategy, we may explore strategic acquisitions and combinations, or enter into joint ventures or similar strategic relationships. These transactions are subject to the following risks:

- Acquisitions, joint ventures or similar relationships may cause a disruption in our ongoing business, distract our management and make it difficult to maintain our standards, controls and procedures;
- We may not be able to integrate successfully the services, products, and personnel of any such transaction into our operations;
- We may not derive the revenue improvements, cost savings and other intended benefits of any such transaction; and
- There may be risks, exposures and liabilities of acquired entities or other third parties with whom we undertake a transaction, that may arise from such third parties' activities prior to undertaking a transaction with us.

12

Acquisitions may result in significant impairment charges and may operate at losses. We can provide no assurance that future acquisitions, joint ventures or strategic relationships will be accretive to our business overall or will result in profitable operations.

The COVID-19 pandemic could negatively impact our future operations and results.

We are subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on our business is highly uncertain and difficult to predict, as the responses that we, other businesses and governments are taking continue to evolve. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remain uncertain.

The severity of the impact of the COVID-19 pandemic on our business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on our service providers and suppliers, all of which are uncertain and cannot be predicted. As of the date of issuance of our financial statements, the extent to which the COVID-19 pandemic may in the future materially impact our financial condition, liquidity or results of operations is uncertain.

Our Certificate of Incorporation provides for indemnification of officers and directors at our expense and limits their liability, which may result in a major cost to us and hurt the interests of our stockholders because corporate resources may be expended for the benefit of officers and/or directors.

Our Certificate of Incorporation and applicable Delaware law provide for the indemnification of our directors and officers against attorney's fees and other expenses incurred by them in any action to which they become a party arising from their association with or activities on our behalf. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act of 1933, as amended (the "Securities Act"), and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter, if it were to occur, is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares if such a market ever develops.

Risks Relating to Ownership of Our Common Stock

The beneficial ownership by Mr. Paul L. Kessler, Executive Chairman of the Board, of our common stock and other convertible securities, will likely limit the ability of minority stockholders to influence corporate matters.

Mr. Paul L. Kessler, Executive Chairman of the Board, is the beneficial owner of a substantial amount of the issued and outstanding shares of the Company's common stock, Series A Convertible Preferred Stock, stock options and warrants, and a secured convertible debenture, and beneficially owns approximately 78% of the shares of our Common Stock. As a result, Mr. Kessler has significant influence over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions, even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our Company that other stockholders may view as beneficial.

In order to raise sufficient funds to expand our operations, we may have to issue additional securities at prices which may result in substantial dilution to our shareholders.

If we raise additional funds through the sale of equity or convertible debt, our current stockholders' percentage ownership will be reduced. In addition, these transactions may dilute the value of our common shares outstanding. We may also have to issue securities that may have rights, preferences and privileges senior to our common stock.

Our common stock is quoted on the OTCQB, which may have an unfavorable impact on our stock price and liquidity.

Our common stock is quoted on the OTCQB. The quotation of our shares on the OTCQB may result in a less liquid market available for existing and potential stockholders to trade shares of our Common Stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

There is limited liquidity on the OTCQB, which enhances the volatile nature of our equity.

When fewer shares of a security are being traded on the OTCQB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of our Common Stock, there may be a lower likelihood that orders for shares of our Common Stock will be executed, and current prices may differ significantly from the price that was quoted at the time of entry of the order.

Our stock price is likely to be highly volatile because of our limited public float.

The market price of our common stock is likely to be highly volatile because there has been a relatively thin trading market for our stock, which causes trades of small blocks of stock to have a significant impact on our stock price. You may not be able to resell shares of our Common Stock following periods of volatility because of the market's adverse reaction to volatility. Other factors that could cause such volatility may include, among other things: actual or anticipated fluctuations in our operating results; the absence of securities analysts covering us and distributing research and recommendations about us; overall stock market fluctuations; economic conditions generally; announcements concerning our business or those of our competitors; our ability to raise capital when we require it, and to raise such capital on favorable terms; conditions or trends in the industry; litigation; changes in market valuations of other similar companies; announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships or joint ventures; future sales of common stock; actions initiated by the SEC or other regulatory bodies; and general market conditions. Any of these factors could have a significant and adverse impact on the market price of our common stock. These broad market fluctuations may adversely affect the trading price of our common stock.

Our common stock may be subject to significant price volatility which may have an adverse effect on your ability to liquidate your investment in our common stock.

The market for our common stock may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price is attributable to a number of factors. First, our common shares may be sporadically and/or thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer that could better absorb those sales without adverse impact on its share price. Secondly, an investment in us is a speculative or "risky" investment due to our lack of meaningful profits to date and uncertainty of future profits. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer.

Our stock is thinly traded, so an investor may be unable to sell at or near ask prices or at all.

The shares of our Common Stock are traded on the OTCQB and are thinly traded, meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a smaller reporting company that is relatively unknown to stock analysts, stockbrokers, institutional investors and others in the investment community who generate or influence sales volume. Even in the event that we come to the attention of such persons, they would likely be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we become more seasoned and viable. As a consequence, our stock price may not reflect an actual or perceived value. Also, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as is currently the case, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. A broader or more active public trading market for our common shares may not develop or if developed, may not be sustained. Due to these conditions, you may not be able to sell your shares at or near ask prices or at all if you need money or otherwise desire to liquidate your shares.

Currently, there is a limited public market for our securities, and there can be no assurances that any public market will ever develop and, even if developed, it is likely to be subject to significant price fluctuations.

We have a trading symbol for our common stock, namely 'CRKR'. However, our stock has been thinly traded, if at all. Consequently, there can be no assurances as to whether:

- any market for our shares will develop;
- the prices at which our common stock will trade; or
- the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our Common Stock, developments affecting our business, including the impact of the factors referred to elsewhere in these risk factors, investor perception of our Company and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our Common Stock.

We cannot predict the extent to which an active public trading market for our common stock will develop or be sustained. If an active public trading market does not develop or cannot be sustained, you may be unable to liquidate your investment in our common stock.

We cannot predict the extent to which an active public market for our common stock will develop or be sustained due to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares of common stock until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that an active public trading market for our common stock will develop or be sustained. If such a market cannot be sustained, you may be unable to liquidate your investment in our common stock.

Other factors which could cause volatility in the market price of our common stock include, but are not limited to:

- actual or anticipated fluctuations in our financial condition and operating results or those of companies perceived to be similar to us;
- actual or anticipated changes in our growth rate relative to our competitors;
- commercial success and market acceptance of blockchain, Bitcoin and other cryptocurrencies;
- actions by our competitors, such as new business initiatives, acquisitions and divestitures;
- strategic transactions undertaken by us;
- integration of new businesses and opportunities into our existing business;
- implementation of new technologies in the industry;
- additions or departures of key personnel;
- prevailing economic conditions;
- sales of our common stock by our officers, directors or significant stockholders;
- other actions taken by our stockholders;
- future sales or issuances of equity or debt securities by us;
- business disruptions caused by earthquakes, tornadoes or other natural disasters;
- legal proceedings involving our company, our industry or both;
- changes in market valuations of companies similar to ours;
- the prospects of the industry in which we operate;
- other risks, uncertainties and factors described in this Annual Report on Form 10-K.

We are subject to the "penny stock rules" which will make our securities more difficult to sell.

We are subject to the SEC's "penny stock" rules because our securities sell below \$5.00 per share. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

Furthermore, the penny stock rules require that prior to a transaction, the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for our securities. As long as our securities are subject to the penny stock rules, the holders of such securities will find it more difficult to sell their securities.

We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on your investment may be limited to increases in the market price of our common stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future. The payment of

dividends on our common stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment might only occur if the market price of our common stock appreciates.

Our board of directors has broad discretion to issue additional securities.

We are entitled under our certificate of incorporation to issue up to 100,000,000 shares of common stock and 5,000,000 shares of preferred stock, although these amounts may change in the future subject to stockholder approval. Shares of our preferred stock provide our board of directors' broad authority to determine voting, dividend, conversion, and other rights. Any additional stock issuances could be made at a price that reflects a discount or premium to the then-current market price of our common stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for a significant amount of our common stock. Our board may generally issue those common and preferred shares, or convertible securities to purchase those shares, without further approval by our stockholders. Any preferred shares we may issue could have such rights, preferences, privileges and restrictions as may be designated from time-to-time by our board, including preferential dividend rights, voting rights, conversion rights, redemption rights and liquidation provisions. We may also issue additional securities to our directors, officers, employees and consultants as compensatory grants in connection with their services, both in the form of stand-alone grants or under our stock incentive plans. The issuance of additional securities may cause substantial dilution to our stockholders.

The exercise of outstanding options and warrants to purchase our common stock could substantially dilute your investment.

Under the terms of our outstanding options and warrants to purchase our common stock issued to employees and others, the holders are given an opportunity to profit from a rise in the market price of our common stock that, upon the exercise of the options and/or warrants, could result in dilution in the interests of our other stockholders.

The market price of our common stock and the value of your investment could substantially decline if our warrants or options are exercised and our common stock is issued and resold into the market, or if a perception exists that a substantial number of shares will be issued upon exercise of our warrants and option and then resold into the market.

If the exercise prices of our warrants or options are lower than the price at which you made your investment, immediate dilution of the value of your investment will occur. In addition, sales of a substantial number of shares of common stock issued upon exercise of our warrants and options, or even the perception that such sales could occur, could adversely affect the market price of our common stock. You could, therefore, experience a substantial decline in the value of your investment as a result of both the actual and potential exercise of our warrants or options.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could result in a restatement of our financial statements, cause investors to lose confidence in our financial statements and our company and have a material adverse effect on our business and stock price.

We produce our financial statements in accordance with accounting principles generally accepted in the United States, or GAAP. Effective internal controls are necessary for us to provide reliable financial reports to help mitigate the risk of fraud and to operate successfully as a publicly traded company. As a public company, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404. Further, Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting.

Testing and maintaining internal controls can divert our management's attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. If we are unable to conclude that we have effective internal controls over financial reporting, investors could lose confidence in our reported financial information and our company, which could result in a decline in the market price of our common stock, and cause us to fail to meet our reporting obligations in the future, which in turn could impact our ability to raise additional financing if needed in the future.

Risks Related to the Price of Bitcoin

The trading price of shares of our Common Stock has appeared at times to have a correlation with the trading price of Bitcoin, which may be subject to pricing risks, including "bubble" type risks, and has historically been subject to wide swings.

Recently, the trading price of our common stock has appeared to have a correlation with the trading price of Bitcoin. Specifically, we have experienced adverse effects on our stock price when the value of Bitcoin has fallen, and we may experience similar outcomes if our stock price tracks the general status of that cryptocurrency. Furthermore, if the market for Bitcoin company stocks or the stock market in general experiences a loss of investor confidence, the trading price of our stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock could be subject to arbitrary pricing factors that are not necessarily associated with traditional factors that influence stock prices or the value of non-cryptocurrency assets such as revenue, cash flows, profitability, growth prospects or business activity levels since the value and price, as determined by the investing public, may be influenced by future anticipated adoption or appreciation in value of cryptocurrencies or blockchains generally, factors over which we have little or no influence or control.

We may face risks of Internet disruptions, which could have an adverse effect on the price of cryptocurrencies.

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

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

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

Acceptance and/or widespread use of cryptocurrency is uncertain.

There is a relatively limited use of any cryptocurrency in the retail and commercial marketplace, thus contributing to price volatility that could adversely affect an investment in our securities. Banks and other established financial institutions may refuse to process funds for cryptocurrency transactions, process wire transfers to or from cryptocurrency exchanges, cryptocurrency-related companies or service providers, or maintain accounts for persons or entities transacting in cryptocurrency. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace, or a reduction of such use, limits the ability of end users to use them to pay for goods and services. Such lack of acceptance or decline in acceptance could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of Bitcoin or any other cryptocurrencies we mine or otherwise acquire or hold for our own account.

The markets for Bitcoin may be under-regulated and, as a result, the market price of Bitcoin may be subject to significant volatility or manipulation, which could decrease consumer confidence in cryptocurrencies and have a materially adverse effect on our business and results of operations.

Cryptocurrencies that are represented and trade on a ledger-based platform and those who hold them may not enjoy the same benefits as traditional securities available on trading markets and their investors. Stock exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules, and monitor investors transacting on such platform for fraud and other improprieties. These conditions may not necessarily be replicated on a distributed ledger platform, depending on the platform's controls and other policies. The more lax a distributed ledger platform is about vetting issuers of cryptocurrency assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of the ledger due to a control event. We believe that Bitcoin is not a security under federal and state law.

17

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

These factors may inhibit consumer trust in and market acceptance of cryptocurrencies as a means of exchange which 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.

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

Although currently cryptocurrencies generally are not regulated or are lightly regulated in most countries, several countries continue taking regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use these cryptocurrency assets or to exchange for fiat currency. Such restrictions may adversely affect us as the large-scale use of cryptocurrencies as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on us, which 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, and thus harm investors.

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

There is a risk that some or all of our cryptocurrencies could be lost or stolen. Access to our cryptocurrency assets could also be restricted by cybercrime. Hackers or malicious actors may launch attacks to steal, compromise or secure cryptocurrencies. The loss or destruction of a private key required to access our digital wallets may be irreversible and we may be denied access for all time to our cryptocurrency holdings or the holdings of others held in those compromised wallets. Our loss of access to our private keys or our experience of a data loss relating to our digital wallets could adversely affect our investments and assets. Such events could have a material adverse effect on our business.

Bitcoin has forked multiple times and additional forks may occur in the future which may affect the value of Bitcoin we hold or mine.

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

Since August 1, 2017, Bitcoin's blockchain was forked multiple times creating alternative versions of the cryptocurrency such as Bitcoin Cash, Bitcoin Gold and Bitcoin SV. The forks resulted in a new blockchain being created with a shared history, and a new path forward. The value of the newly created versions including Bitcoin Cash, Bitcoin Gold and Bitcoin SV may or may not have value in the long run and may affect the price of Bitcoin if interest is shifted away from Bitcoin to the newly created cryptocurrencies. The value of Bitcoin after the creation of a fork is subject to many factors including the value of the fork product, market reaction to the creation of the fork product, and the occurrence of forks in the future. As such, the value of Bitcoin could be materially reduced if existing and future forks have a negative effect on Bitcoin's value.

18

Incorrect or fraudulent cryptocurrency transactions may be irreversible.

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. As a result, any incorrectly executed or fraudulent cryptocurrency transactions could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations of and potentially the value of any Bitcoin or other cryptocurrencies we mine or otherwise acquire or hold for our own account.

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

Flaws in cryptocurrency codes may be exposed by malicious actors. Several errors and defects have been found previously, including those that disabled some functionality for users and exposed users' information. Exploitations of flaws in the source code that allow malicious actors to take or create money have previously occurred. Our devices, as well as our miners, computer systems and those of third parties that we use in our operations, are vulnerable to cyber security risks, including cyber-attacks such as viruses and worms, phishing attacks, denial-of-service attacks, physical or electronic break-ins, employee theft or misuse, and similar disruptions from unauthorized tampering with our miners and computer systems or those of third parties that we use in our operations. Such events could have a material adverse effect on our 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.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

None

Item 3. Legal Proceedings

We are involved in legal proceedings in the ordinary course of our business. Although our management cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of our legal proceedings, including any amounts we may be required to pay, will not have a material effect on our consolidated financial statements.

On September 13, 2022, Barlock Capital Management LLC, which is co-managed by Scott Kaufman, the Company's former Co-Chief Executive Officer and director, and is also an affiliate of Barlock 2019 Fund, LP ("Barlock"), delivered a notice of an alleged event of default of the secured convertible debenture in the principal amount of \$2,496,850 (the "Barlock Convertible Debenture") and a demand for payment of \$5,004,978.76 (the "Notice") to the Company. The Notice alleged that (i) the Company's agreement on August 24, 2022 to issue a convertible promissory note in the principal amount of \$900,000 (the "Alpha Note") and (ii) Mr. Kaufman's resignation as the Company's Co-Chief Executive Officer and a director on August 8, 2022, each constituted events of default under the Barlock Convertible Debenture.

The Company strongly disagrees with the assertion that an event of default has occurred under the Barlock Convertible Debenture and notified Mr. Kaufman and Barlock that they had previously delegated the exclusive authority to exercise remedies under the Barlock Convertible Debenture and the related security agreement to the agent for Barlock and all other holders of such debentures as defined in such security agreement. Accordingly, the Company has demanded a withdrawal of the Notice. The Company maintains that the issuance of the Alpha Note in exchange for 600,000 shares of the Company's common stock pursuant to Section 3(a)(9) of the Securities Act of 1933 does not constitute the incurrence of "indebtedness for borrowed money" and cannot be an event of default. The Company also maintains that Mr. Kaufman's voluntary resignation from his positions with the Company in the face of an investigation into potential wrongdoing, breaches of fiduciary duties and other objectionable conduct cannot be the basis for an event of default under the Barlock Convertible Debenture and that Barlock lacks the authority under the Barlock Convertible Debenture and the related transaction documents to declare events of default.

If it is ultimately determined that an event of default exists under the Barlock Convertible Debenture and that the Notice was properly provided on behalf of Barlock, the outstanding principal amount of the Barlock Convertible Debenture, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration will be due and payable at the (a) greater of (i) the outstanding principal amount of the Barlock Convertible Debenture, plus all accrued and unpaid interest thereon, divided by the conversion price on the date of Barlock's demand for acceleration multiplied by the volume weighted average price of the Company's shares of common stock on such date on the date, or (ii) 130% of the outstanding principal amount of the Barlock Convertible Debenture, plus 100% of accrued and unpaid interest thereon, and (b) all other amounts, costs, expenses and liquidated damages due in respect of the Barlock Convertible Debenture. Commencing five days after the occurrence of any event of default that results in the eventual acceleration of the Barlock Convertible Debenture, the interest rate on the Barlock Convertible Debenture accrues at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted under applicable law.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information and Approximate Number of Holders of Common Stock

Our common stock is quoted on the OTCQB under the symbol "CRKR." The following table sets forth, for the periods indicated, the reported high and low bid quotations for our common stock as reported on the OTCQB. The bid prices reflect inter-dealer quotations, do not include retail markups, markdowns, or commissions, and do not necessarily reflect actual transactions.

	High Bid		Low Bid	
Year Ended December 31, 2022:				
First Quarter (January 1 – March 31)	\$	2.95	\$	1.45
Second Quarter (April 1 – June 30)	\$	1.80	\$	0.29
Third Quarter (July 1 – September 30)	\$	0.52	\$	0.19
Fourth Quarter (October 1 – December 31)	\$	0.22	\$	0.05
Year Ended December 31, 2021:				
First Quarter (January 1 – March 31)	\$	5.00	\$	0.61
Second Quarter (April 1 – June 30)	\$	4.33	\$	2.05
Third Quarter (July 1 – September 30)	\$	2.81	\$	1.45
Fourth Quarter (October 1 – December 31)	\$	3.90	\$	1.04

As of December 31, 2022, according to the records of our transfer agent, we had 71 record holders of our common stock. Because brokers and other institutions hold shares on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

We have never declared or paid dividends on our common stock and intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future, if at all. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

Recent Sales of Unregistered Securities

We sold the securities described below within the past year which were not registered under the Securities Act.

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price which resulted from this action.

On March 24, 2021, the Company granted warrants to purchase shares the Company's common stock to a consultant as follows: a warrant to purchase 300,000 shares with an exercise price of \$1.00 per share, and a term of 5 years; and, in connection with the issuance of Series B preferred stock, a warrant to purchase 180,000 shares with an exercise price of \$1.5278 per share, and term of 5 years.

On June 30, 2021, we issued 6,249 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,490 of compensation payable to Mr. Kaufman under his employment agreement from April 1, 2021 through June 30, 2021. Each share of our Series A preferred stock is convertible into a number of shares of our Common Stock determined by dividing the aggregate stated value for the Series A preferred stock being converted (initially \$10.00 per share, subject to adjustment as set forth in the currently effective Series A Certificate of Designation) by the then-applicable conversion price (initially \$0.25 per share, and \$0.175 as of December 31, 2021, subject to adjustment as set forth in the currently effective Series A Certificate of Designation). We issued the foregoing securities in reliance on the exemption from registration provided under Section 4(a)(2) of the Securities Act.

20

On September 30, 2021, we issued 6,249 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,490 of compensation payable to Mr. Kaufman under his employment agreement from July 1, 2021 through September 30, 2021. Each share of our Series A preferred stock is convertible into a number of shares of our Common Stock determined by dividing the aggregate stated value for the Series A preferred stock being converted (initially \$10.00 per share, subject to adjustment as set forth in the currently effective Series A Certificate of Designation) by the then-applicable conversion price (initially \$0.25 per share, and \$0.175 as of December 31, 2021, subject to adjustment as set forth in the currently effective Series A Certificate of Designation). We issued the foregoing securities in reliance on the exemption from registration provided under Section 4(a)(2) of the Securities Act.

On October 12, 2021, the Company granted certain directors warrants to purchase a total of 30,000 shares of the Company's common stock with an exercise price of \$1.50 per share, and a term of 3 years.

On October 20, 2021, the Company granted a director warrants to purchase 400,000 shares of the Company's common stock with an exercise price of \$1.50 per share, a term of 3 years, and vesting as follows: 20% upon execution of the Services Agreement; 20% on January 20, 2022; 20% on April 20, 2022; 20% on July 20, 2022; and 20% on October 20, 2022.

On October 31, 2021, the Company granted a consultant warrants to purchase 750,000 shares of the Company's common stock with an exercise price of \$1.50 per share, a term of 3 years, and vesting as follows: 40% upon execution of the Services Agreement; 20% on April 1, 2022; 20% on August 1, 2022; and 20% on December 1, 2022.

On December 1, 2021, the Company granted certain of its Directors and employees options to purchase a total of 7,000,000 of the Company's common stock with an exercise price of \$2.65 per share, a term of 5 years, and a shall vest upon a volume weighted average price ("VWAP") of the Company's common stock reaching the following targets: at such time as there is a VWAP equal to \$2.50 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; at such time as there is a VWAP equal to \$3.00 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; at such time as there is a VWAP equal to \$3.50 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; and at such time as there is a VWAP equal to \$4.00 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest.

On December 31, 2021, we issued 6,250 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,500 of compensation payable to Mr. Kaufman under his employment agreement from October 1, 2021 through December 31, 2021. In addition, on December 31, 2021 we issued 673 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$6,730 of compensation payable to Mr. Kessler under his employment agreement from December 23, 2021 through December 31, 2021. Each share of our Series A preferred stock is convertible into a number of shares of our Common Stock determined by dividing the aggregate stated value for the Series A preferred stock being converted (initially \$10.00 per share, subject to adjustment as set forth in the currently effective Series A Certificate of Designation) by the then-applicable conversion price (initially \$0.25 per share, and \$0.175 as of December 31, 2021, subject to adjustment as set forth in the currently effective Series A Certificate of Designation). We issued the foregoing securities in reliance on the exemption from registration provided under Section 4(a)(2) of the Securities Act.

On January 1, 2022, the Company granted warrants to purchase shares the Company's common stock to a consultant in connection with the issuance of Series C preferred stock as follows: a warrant to purchase 400,000 shares with an exercise price of \$1.50 per share, and a term of 5 years; a warrant to purchase 250,000 shares with an exercise price of \$2.50 per share, and term of 5 years; and a warrant to purchase 250,000 shares with an exercise price of \$2.75 per share, and term of 5 years.

On January 1, 2022, the Company granted an officer 7,722 shares Series A preferred stock for settlement of \$77,216 in compensation under his employment agreement for services provided through March 31, 2022.

On January 25, 2022, the Company granted an officer 30,000 shares of common stock as compensation under his employment agreement for services provided through December 31, 2021. On December 31, 2022 the shares were rescinded and returned to the Company.

On May 31, 2022, the Company issued 169,205 shares of common stock to Highwire Energy Partners, Inc. ("Highwire") under the terms of the Binding Memorandum of Understanding for a Proposed Transaction.

On August 24, 2022, the Company entered into the Settlement with Alpha. The Settlement relates to a dispute with the Company's then-CEO in connection with Alpha's partial exercise on March 20, 2022 of the Warrant Shares. Pursuant to the Settlement, Alpha agreed to exchange the Warrant Shares for the Alpha Note. As of December 31, 2022 Alpha had returned 600,000 shares of common stock in connection with the Settlement.

21

On March 31, 2022, we issued 3,409 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$34,090 of compensation payable to Mr. Kaufman under his employment agreement from January 1, 2022 through March 31, 2022. In addition, on March 31, 2022 we issued 4,941 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$49,410 of compensation payable to Mr. Kessler under his employment agreement from January 1, 2022 through March 31, 2022.

On June 30, 2022, we issued 5,361 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$53,610 of compensation payable to Mr. Kaufman under his employment agreement from April 1, 2022 through June 30, 2022. In addition, on June 30, 2022 we issued 4,941 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$49,410 of compensation payable to Mr. Kessler under his employment agreement from April 1, 2022 through June 30, 2022.

On September 30, 2022, we issued: 902 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$9,020 of compensation payable to Mr. Kaufman under his employment agreement from July 1, 2022 through July 8, 2022; 2,958 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$29,580 of compensation payable to Mr. Kessler under his employment agreement from July 1, 2022 through September 30, 2022; 8,333 shares of our Series A preferred stock to John D. Maatta, our Chief Executive Officer, for settlement of \$83,333 of compensation payable to Mr. Maatta under his employment agreement from May 1, 2022 through September 30, 2022; and 3,426 shares of our Series A preferred stock to Scott Sheikh, our Chief Operating Officer and General Counsel, for settlement of \$34,260 of compensation payable to Mr. Sheikh under his employment agreement from July 16, 2022 through September 30, 2022.

On December 31, 2022, we issued: 3,792 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$37,920 of compensation payable to Mr. Kessler under his employment agreement from October 1, 2022 through December 31, 2022; 5,000 shares of our Series A preferred stock to John D. Maatta, our Chief

Executive Officer, for settlement of \$50,000 of compensation payable to Mr. Maatta under his employment agreement from October 1, 2022 through December 31, 2022; 4,110 shares of our Series A preferred stock to Scott Sheikh, our Chief Operating Officer and General Counsel, for settlement of \$41,110 of compensation payable to Mr. Sheikh under his employment agreement from October 1, 2022 through December 31, 2022, and 685 shares of our Series A preferred stock to Alan Urban, our former Chief Financial Officer, for settlement of \$6,850 of compensation payable to Mr. Urban under his employment agreement from October 1, 2022 through December 31, 2022.

Item 6. [Reserved]

Not required.

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

Cautionary Notice Regarding Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2022 and 2021 should be read in conjunction with our consolidated financial statements and related notes to those financial statements that are included elsewhere in this report. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under "Risk Factors" and elsewhere in this report.

We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements. All forward-looking statements included in this report are based on information available to us on the date hereof and, except as required by law, we assume no obligation to update any such forward-looking statements.

Company Overview

Creek Road Miners, Inc. (formerly known as Wizard Brands, Inc., Wizard Entertainment, Inc., Wizard World, Inc., and GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events, and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (collectively known as "legacy operations").

On August 6, 2021, we entered into the Informa Agreement with Informa. Pursuant to the Informa Agreement, Creek Road Miners Corp. (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recognized other income of this amount.

On September 15, 2021, we sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain on the transaction of approximately \$1,130,740.

On October 24, 2022, we entered into the Merger Agreement with Creek Road Merger Sub, LLC, a Delaware limited liability company and our wholly-owned subsidiary ("Merger Sub"), and Prairie, pursuant to which Merger Sub will merge with and into Prairie, with Prairie surviving and continuing to exist as a Delaware limited liability company and our wholly-owned subsidiary.

Cryptocurrency Mining

We currently generate substantially all our revenue through cryptocurrency we earn through our mining activities, which we may strategically hold or sell at beneficial prices and times. Our mining operations commenced on October 24, 2021. We use special cryptocurrency mining computers (known as "miners") to solve complex cryptographic algorithms to support the Bitcoin blockchain and, in return, receive Bitcoin as our reward. Miners measure their processing power, which is known as "hashing" power, in terms of the number of hashing algorithms solved (or "hashes") per second, which is the miner's "hash rate." We participate in Mining Pools ("mining pool(s)") that pool the resources of groups of miners and split cryptocurrency rewards earned according to the "hashing" capacity each miner contributes to the mining pool. Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Mining Equipment

All of our miners were manufactured by Bitmain, and incorporate application-specific integrated circuit ("ASIC") chips specialized to solve blocks on the Bitcoin blockchains using the 256-bit secure hashing algorithm ("SHA-256") in return for Bitcoin cryptocurrency rewards. As of December 31, 2022, we had 510 Bitmain S19J Pro miners with 51.0 Ph/s of hashing capacity and 270 Bitmain S19 miners with 24.3 Ph/s of hashing capacity, none of which were in service.

On December 17, 2021 the Company entered into a Non-Fixed Price Sales and Purchase Agreement (the "Bitmain Agreement") with Bitmain Technologies Limited ("Bitmain") for 600 Bitmain S19XP miners with a reference price of approximately \$11,250 per miner. The miners have a total of 84 Ph/s of hashing capacity and an initial estimated purchase commitment of \$6,762,000 (the "total reference price"), subject to price adjustments and related offsets, including potential adjustments related to the market price of miners. As of December 31, 2022, the Company has made payments of \$3,969,000 (classified as deposits on mining equipment) to Bitmain pursuant to the Bitmain Agreement, and the remaining amount due under the Bitmain Agreement is \$47,600 and presented in the table below:

	Market Price per Miner	Total Amount
July 2022 batch (100 miners)	\$ 7,756	\$ 775,600
August 2022 batch (100 miners)	7,140	714,000
September 2022 batch (100 miners)	7,140	714,000
October 2022 batch (100 miners)	6,510	651,000
November 2022 batch (100 miners)	5,810	581,000
December 2022 batch (100 miners)	5,810	581,000
Estimated total amount due		4,016,600
Less: Payments made		3,969,000
Remaining amount due		\$ 47,600

As of December 31, 2022, all 600 miners purchased from Bitmain have not been delivered to the Company, and will remain undelivered until all fees are paid to ship the miners from the Bitmain facility to the Company.

Mining Results

The Company measures its operations by the number and U.S. Dollar (US\$) value of the cryptocurrency rewards it earns from its cryptocurrency mining activities. The following table presents additional information regarding our cryptocurrency mining operations:

	Quantity of Bitcoin	US\$ Amounts
Balance September 30, 2021	—	\$ —
Revenue recognized from cryptocurrency mined	6.7	369,804
Mining pool operating fees	(0.1)	(7,398)
Impairment of cryptocurrencies	—	(59,752)
Balance December 31, 2021	6.6	\$ 302,654
Revenue recognized from cryptocurrency mined	8.3	343,055
Mining pool operating fees	(0.2)	(6,868)
Impairment of cryptocurrencies	—	(106,105)
Balance March 31, 2022	14.7	\$ 532,736
Revenue recognized from cryptocurrency mined	4.6	166,592
Mining pool operating fees	(0.1)	(3,428)
Proceeds from the sale of cryptocurrency	(18.9)	(564,205)
Realized loss on the sale of cryptocurrency	—	(131,075)
Impairment of cryptocurrencies	—	(34)
Balance June 30, 2022 ⁽¹⁾	0.3	\$ 586
Revenue recognized from cryptocurrency mined	0.3	7,955
Mining pool operating fees	—	(156)
Impairment of cryptocurrencies	—	(1,035)
Balance September 30, 2022 ⁽¹⁾	0.6	\$ 7,350
Revenue recognized from cryptocurrency mined	—	—
Mining pool operating fees	—	—
Proceeds from the sale of cryptocurrency	(0.6)	(11,203)
Realized gain on the sale of cryptocurrency	—	3,853
Balance December 31, 2022 ⁽¹⁾	0.6	\$ 0

(1) Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Factors Affecting Profitability

Our business is heavily dependent on the market price of Bitcoin. The prices of cryptocurrencies, specifically Bitcoin, have experienced substantial volatility. Further affecting the industry, and particularly for the Bitcoin blockchain, the cryptocurrency reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving". For Bitcoin the reward was initially set at 50 Bitcoin currency rewards per block. The Bitcoin blockchain has undergone halving three times since its inception as follows: (1) on November 28, 2012 at block 210,000; (2) on July 9, 2016 at block 420,000; and (3) on May 11, 2020 at block 630,000, when the reward was reduced to its current level of 6.25 Bitcoin per block. The next halving for the Bitcoin blockchain is anticipated to occur in March 2024 at block 840,000, when the reward will be reduced to 3.125 Bitcoin per block. This process will reoccur until the total amount of Bitcoin currency rewards issued reaches 21 million and the theoretical supply of new Bitcoin is exhausted. Many factors influence the price of Bitcoin, and potential increases or decreases in prices in advance of, or following, a future halving is unknown.

Competition

Our business environment is constantly evolving, and cryptocurrency miners can range from individuals to large-scale commercial mining operations. We compete with other companies that focus all or a portion of their activities on mining activities at scale, including several public and private companies. We face significant competition in every aspect of our business, including, but not limited to, the acquisition of mining equipment, the ability to raise capital, and the ability to obtain the lowest cost energy to power our mining operations.

Government Regulation

Cryptocurrency is increasingly becoming subject to governmental regulation, both in the U.S. and internationally. State and local regulations also may apply to our activities and other activities in which we may participate in the future. Numerous regulatory bodies have shown an interest in regulating blockchain or cryptocurrency activities. For example, on March 9, 2022 President Biden signed an executive order on cryptocurrencies. While the executive order does not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability. As the regulatory and legal environment evolves, we may become subject to new laws and regulation which may affect our mining and other activities. For additional discussion regarding our belief about the potential risks existing and future regulation pose to our business, see the Section entitled "Risk Factors" herein.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States, or U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. When making these estimates and assumptions, we consider our historical experience, our knowledge of economic and market factors and various other factors that we believe to be reasonable under the circumstances. Actual results may differ under different estimates and assumptions. The accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties.

Principles of Consolidation

The accompanying financial statements are consolidated and include the accounts of the Company and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

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 assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

Reclassification

Certain prior period amounts have been reclassified to conform to current period presentation.

Cash and cash equivalents

For purposes of the statements of cash flows, the Company defines cash equivalents as all highly liquid debt instruments purchased with an original maturity of three months or less. In all periods presented, cash equivalents consist primarily of money market funds.

Fair value of financial instruments

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied. A fair value hierarchy prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3 – Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort. The Company has no fair value items required to be disclosed as of December 31, 2022 or 2021 under these requirements. The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, accounts receivable and accounts payable, approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties typically cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free market dealings may not exist. However, in the case of the secured convertible debentures due to related parties, the Company obtained a fairness opinion from an independent third party which supports that the transaction was carried out at an arm's length basis.

Cryptocurrency

Cryptocurrency (Bitcoin) is included in current assets in the accompanying consolidated balance sheets. The classification of cryptocurrencies as a current asset has been made after the Company's consideration of the significant consistent daily trading volume on readily available cryptocurrency exchanges and the absence of limitations or restrictions on Company's ability to sell Bitcoin. Cryptocurrencies awarded to the Company through its mining activities are accounted for in connection with the Company's revenue recognition policy disclosed below. Cryptocurrencies held are 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, it 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. Cryptocurrencies awarded to the Company through its mining activities are included within operating activities on the accompanying consolidated statements of cash flows.

Impairment of Long-Lived Assets

Long-lived assets are comprised of intangible assets and property and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An estimate of undiscounted future cash flows produced by the asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists, pursuant to the provisions of FASB ASC 360-10 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". If an asset is determined to be impaired, the loss is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows and fundamental analysis. The Company reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

Property and equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives of 3 to 9 years. Leasehold improvements are amortized over the shorter of the useful lives of the related assets, or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Gains and losses on disposals are included in the consolidated statements of operations.

Management assesses the carrying value of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value.

Revenue Recognition

We account for revenue in accordance with ASU 2014-09, Revenue from Contracts with Customers (Topic 606), ("ASC 606"). The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. We apply the following five steps in order to determine the appropriate amount of revenue to be recognized as we fulfill our obligations under each of our agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;

- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company has entered into digital asset mining pools by executing contracts with the mining pool operators to provide computing power to the mining pool. The contracts are terminable at any time by either party and the Company's enforceable right to compensation only begins when the Company provides computing power to the mining pool operator. In exchange for providing computing power, the Company is entitled to a fractional share of the fixed cryptocurrency award the mining pool operator receives (less digital asset transaction fees to the mining pool operator which are recorded as a component of cost of revenues), for successfully adding a block to the blockchain. The Company's fractional share is based on the proportion of computing power the Company contributed to the mining pool operator to the total computing power contributed by all mining pool participants in solving the current algorithm.

Providing computing power in digital asset transaction verification services is an output of the Company's ordinary activities. The provision of providing such computing power is the only performance obligation in the Company's contracts with mining pool operators. The transaction consideration the Company receives, if any, is noncash consideration, which the Company measures at fair value on the date received, which is not materially different than the fair value at contract inception or the time the Company has earned the award from the pools. The consideration is all variable. Because it is not probable that a significant reversal of cumulative revenue will not occur, the consideration is constrained until the mining pool operator successfully places a block (by being the first to solve an algorithm) and the Company receives confirmation of the consideration it will receive, at which time revenue is recognized. There is no significant financing component in these transactions.

Fair value of the cryptocurrency award received is determined using the market rate of the related cryptocurrency at the time of receipt. There is currently no specific definitive guidance under GAAP or alternative accounting framework for the accounting for cryptocurrencies recognized as revenue or held, and management has exercised significant judgment in determining the appropriate accounting treatment. In the event authoritative guidance is enacted by the FASB, the Company may be required to change its policies, which could have an effect on the Company's consolidated financial position and results from operations.

Cryptocurrency Mining Costs

The Company's cryptocurrency mining costs consist primarily of direct costs of earning Bitcoin related to mining operations, including mining pool fees, natural gas costs, turbine rental costs, and mobile data center rental costs, but exclude depreciation and amortization, which are separately stated in the Company's consolidated statements of operations.

27

Reverse Stock Split

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price which resulted from this action.

Stock-Based Compensation

We periodically issue stock options, warrants and restricted stock to employees and non-employees for services, in capital raising transactions, and for financing costs. We account for share-based payments under the guidance as set forth in the Share-Based Payment Topic 718 of the FASB Accounting Standards Codification, which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees, officers, directors, and consultants, including employee stock options, based on estimated fair values. We estimate the fair value of stock option and warrant awards to employees and directors on the date of grant using an option-pricing model, and the value of the portion of the award that is ultimately expected to vest is recognized as expense over the required service period in our Statements of Operations. We estimate the fair value of restricted stock awards to employees and directors using the market price of our common stock on the date of grant, and the value of the portion of the award that is ultimately expected to vest is recognized as expense over the required service period in our Statements of Operations.

Income taxes

We account for income taxes using the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Discontinued Operations

On August 6, 2021, we entered into the Informa Agreement with Informa. Pursuant to the Informa Agreement, Creek Road Miners Corp (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recognized other income of this amount.

On September 15, 2021, we sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain on the transaction of approximately \$1,130,740.

Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events, and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (collectively known as "legacy operations").

The related assets and liabilities associated with the discontinued operations in our consolidated balance sheets for the years ending December 31, 2022 and 2021, are classified as discontinued operations. Additionally, the financial results associated with discontinued operations in our consolidated statement of operations for the years ending December 31, 2022 and 2021, are classified as discontinued operations.

28

Results of Operations

Comparison of the Years Ended December 31, 2022 and 2021

Years Ended December 31,			
2022	2021	\$ Change	% Change

Revenue:							
Cryptocurrency mining	\$	517,602	\$	369,804	\$	147,798	40%
Operating costs and expenses:							
Cryptocurrency mining costs (exclusive of depreciation and amortization shown below)		1,071,458		281,790		789,668	280%
Depreciation and amortization		658,080		112,512		545,568	485%
Stock based compensation		2,681,201		12,338,424		(9,657,223)	(78)%
General and administrative		3,606,522		5,782,687		(2,181,267)	(38)%
Impairment of mined cryptocurrency		107,174		59,752		47,422	79%
Total operating expenses		8,124,435		18,575,165		(10,455,832)	(56)%
Loss from operations		(7,606,833)		(18,210,464)		10,603,630	58%
Other income (expense):							
Realized loss on sale of cryptocurrency		(127,222)		—		(127,222)	—%
Impairment of fixed assets		(5,231,752)		—		(5,231,752)	—%
Loss on sale of investment		(19,104)		—		(19,104)	—%
PPP loan forgiveness		197,662		183,567		14,095	8%
Interest expense		(613,827)		(1,175,217)		561,391	48%
Total other income (expense)		(5,794,243)		(991,650)		(4,802,592)	(484)%
Net loss from continuing operations		(13,401,076)		(19,202,114)		5,801,038	30%
Discontinued operations:							
Income (loss) from discontinued operations		(17,738)		78,242		(95,978)	(123)%
Gain from sale of discontinued operations		—		1,853,169		(1,853,169)	(100)%
Net income (loss) from discontinued operations		(17,738)		1,931,411		(1,949,146)	(101)%
Net loss	\$	(13,418,814)	\$	(17,270,703)	\$	3,851,892	22%

Revenue

	Years Ended December 31,						
	2022	2021	\$ Change	% Change			
Revenue:							
Cryptocurrency mining	\$	517,602	\$	369,804	\$	147,798	40%

Total revenue increased \$147,798, or 40%, for the year ended December 31, 2022 compared to the prior year, primarily because cryptocurrency mining operations did not begin until October 2021.

Operating Costs and Expenses

	Years Ended December 31,						
	2022	2021	\$ Change	% Change			
Operating Costs and Expenses:							
Cryptocurrency mining costs		1,071,458		281,790		789,668	280%
Depreciation and amortization		658,080		112,512		545,568	485%
Stock based compensation		2,681,201		12,338,424		(9,657,223)	(78)%
General and administrative		3,606,522		5,782,687		(2,181,267)	(38)%
Impairment of mined cryptocurrency		107,174		59,752		47,422	79%
Total operating expenses		8,124,435		18,575,165		(10,455,832)	(56)%

29

Our operating costs and expenses decreased \$10,455,832 or 56%, for the year ended December 31, 2022 compared to the prior year, due to the following:

Category	Change	Key Drivers
Cryptocurrency mining costs	↑ \$ 789,668	Cryptocurrency mining operations did not begin until October 2021
Depreciation and amortization	↑ \$ 545,568	Addition of cryptocurrency mining equipment
Stock based compensation	↓ \$ (9,657,223)	Decreased issuances of stock options and warrants
General and administrative	↓ \$ (2,181,267)	Primarily lesser marketing and consulting expenses.
Impairment of cryptocurrency	↑ \$ 47,422	Driven by the drop in the price of Bitcoin during the year 2022

Net Income (Loss)

	Year Ended December 31,						
	2022	2021	\$ Change	% Change			
Net Income (Loss):							
Net loss from continuing operations	\$	(13,401,076)		(19,202,114)		5,801,038	30%
Net income (loss) from discontinued operations		(17,738)		1,931,411		(1,949,146)	(101)%
Total net loss	\$	(13,418,814)	\$	(17,270,703)	\$	3,851,892	22%

Net loss from continuing operations decreased \$5,801,038 or 30%, for the year ended December 31, 2022 compared to the prior year, primarily due to decreased stock based compensation and general and administrative expenses as described above, partially offset by an impairment of fixed assets of approximated \$5.2 million.

Going Concern Analysis

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. The Company had net losses from continuing operations of \$13,401,076, and \$19,202,114, for the years ended December 2022 and 2021, respectively. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to achieve profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to achieve or sustain profitability on

a quarterly or annual basis. On December 31, 2022, we had cash and cash equivalents of \$246,358, a working capital deficit of approximately \$8.1 million, and an accumulated deficit of approximately \$61 million.

We have evaluated the significance of the uncertainty regarding the Company's financial condition in relation to our ability to meet our obligations, which has raised substantial doubts about the Company's ability to continue as a going concern. While it is very difficult to estimate our future liquidity requirements the Company believes that if it is unable close the Merger, or obtain debt and/or equity financing, existing cash resources will be depleted in early 2023. The Company may be able to generate cash through the sale of fixed assets, specifically cryptocurrency miners. However, the total cash generated would be significantly less than the total of the Company's liabilities. There are no assurances that the Merger will close, that debt and/or equity financing can be obtained, or that the sale of fixed assets, specifically cryptocurrency miners can be achieved.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the matters discussed herein.

The Company's ability to continue as a going concern is dependent upon the Company's ability to close the merger with Prairie, or obtain debt and/or equity financing, and there are no assurances that either can occur.

Liquidity and Capital Resources

	Years Ended December 31,	
	2022	2021
Consolidated Statements of Cash Flow Data:		
Net cash used in operating activities	\$ (2,192,607)	\$ (6,969,723)
Net cash used in investing activities	(1,815,520)	(9,928,726)
Net cash provided by financing activities	1,469,297	17,785,933
Net increase (decrease) in cash and cash equivalents	(2,538,830)	887,484
Cash and cash equivalents, beginning of period	2,785,187	1,897,703
Cash and cash equivalents, end of period	<u>\$ 246,358</u>	<u>\$ 2,785,187</u>

30

Liquidity

As of December 31, 2022, we had cash and cash equivalents of \$246,358, compared to \$2,785,187 as of December 31, 2021, a decrease of \$2,538,830. This decrease was primarily due to cash used in operating and investing activities, partially offset by cash generated by financing activities.

Operating Activities

Net cash used in operating activities was \$2,192,607 for the year ended December 31, 2022 and resulted primarily from a net loss of \$13,418,814, partially offset by the impairment of fixed assets of \$5,231,752, an increase in accounts payable and accrued expenses of \$3,371,432, and stock based compensation of \$2,870,665.

Net cash used in operating activities was \$6,969,723 for the year ended December 31, 2021 and resulted primarily from a net loss of \$17,270,703, an adjustment for the gain on sale of discontinued operations of \$1,853,169, a decrease in liabilities associated with discontinued operations of \$1,228,911, and partially offset by stock based compensation of \$12,585,009.

Investing Activities

Net cash used in investing activities was \$1,815,520 for the year ended December 31, 2022 and resulted primarily the purchase of property and equipment of \$5,295,478, partially offset by deposits on mining equipment, net of \$2,939,550.

Net cash used in investing activities was \$9,928,726 for the year ended December 31, 2021 and resulted primarily from deposits on mining equipment of \$7,613,230, and the purchase of property and equipment, specifically mining equipment, of \$2,315,496.

Financing Activities

Net cash provided by financing activities was \$1,469,297 for the year ended December 31, 2022 and resulted primarily from proceeds from the exercise of warrants of \$983,330 and the issuance of a note payable for \$500,000.

Net cash provided by financing activities was \$17,785,933 for the year ended December 31, 2021 and resulted primarily from proceeds from the issuance of common and preferred stock and warrants, net of approximately \$16 million, and from proceeds from the sale of discontinued operations of \$1.5 million.

Working Capital (Deficit)

The following table summarizes total current assets, liabilities, and working capital for the years ended December 31, 2022 and 2021:

	Years Ended December 31,		Increase/ (Decrease)
	2022	2021	
Current assets	\$ 5,050,740	\$ 10,827,973	\$ (5,777,233)
Current liabilities	\$ 13,168,256	\$ 6,039,311	\$ 7,128,945
Working capital (deficit)	<u>\$ (8,117,516)</u>	<u>\$ 4,788,662</u>	<u>\$ (12,906,178)</u>

As of December 31, 2022, we had a working capital deficit of \$8,117,516, compared to a working capital of \$4,788,662 as of December 31, 2021, a decrease of 12,906,178. The decrease was primarily due to decreases in cash and deposits on mining equipment, and increases in accounts payable and accrued expenses, accrued interest, convertible notes payable, and secured convertible debenture – related party moving from a non-current to a current liability.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Recently Issued Accounting Pronouncements

For information about recently issued accounting standards, refer to Note 3 to our Consolidated Financial Statements appearing elsewhere in this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not required.

31

Item 8. Financial Statements and Supplementary Data

The financial statements required by Item 8 are presented in the following order:

TABLE OF CONTENTS

	Page
Report of Independent Registered Public Accounting Firm (PCAOB 366)	F-1
Consolidated Balance Sheets as of December 31, 2022 and 2021	F-2
Consolidated Statements of Operations for the Years Ended December 31, 2022 and 2021	F-3
Consolidated Statements of Stockholders' Deficit for the Years Ended December 31, 2022 and 2021	F-4
Consolidated Statements of Cash Flows for the Years Ended December 31, 2022 and 2021	F-6
Notes to the Consolidated Financial Statements	F-8

32

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of
Creek Road Miners, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Creek Road Miners, Inc. (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of income, of stockholders' equity, and of cash flows for each of the two years in period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Consideration of the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred losses from operations and has an accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Evaluation of the Accounting for and Disclosure of Cryptocurrency Mining Revenue Recognized

We identified the accounting for and disclosure of cryptocurrency mining revenue recognized as a critical audit matter due to the complexities involved in auditing completeness and occurrence of the revenue recognized by the Company. During the year ended December 31, 2022, the Company recognized revenue from mining Bitcoin of approximately \$518,000. The Company's management has exercised significant judgment in their determination of how existing GAAP should be applied to the accounting for and disclosure of cryptocurrency mining revenue recognized.

We performed the following procedures (not all inclusive) to address this critical audit matter:

- Evaluated management's disclosures of its cryptocurrency activity in the financial footnotes;
- Compared the Company's digital cold storage wallet records to available blockchain records publicly available;
- Evaluated management's decision to apply ASC 606 to account for and record its cryptocurrency awards earned in the mining pool, which included evaluating provisions of the agreement with the Mining Pool operator;
- Tested supporting documentation for the valuation of cryptocurrency awards earned;
- Performed substantive procedures to determine completeness and occurrence of cryptocurrency assets earned from the Company's mining activities.

Evaluation of the Fair Value of Computer Equipment Related to Cryptocurrency Mining Activities

We identified the accounting for and disclosure of the fair value of the miners or computer equipment used in mining bitcoin as a critical audit matter due to the Company's exercise of significant judgment in their determination of how the existing accounting principles generally accepted in the United States should be applied to the valuation of the mining equipment.

The primary procedures we performed to address this critical audit matter included the following:

- Evaluated the Company's processes for valuing its mining equipment;
- Obtained independent quotations for similar equipment used by the Company;
- Evaluated and tested management's rationale and supporting documentation associated with the valuation of its mining equipment.

/s/ MaughanSullivan LLC

We have served as the Company's auditor since 2017.

Manchester, VT
March 31, 2023

F-1

Creek Road Miners, Inc. and Subsidiaries Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 246,358	\$ 2,785,188
Accounts receivable, (no allowance for doubtful accounts)	—	427
Receivable from sale of investment	90,000	—
Prepaid expenses	40,702	107,749
Deposits on mining equipment	4,673,680	7,613,230
Inventory	—	18,725
Cryptocurrency	—	302,654
Total current assets	5,050,740	10,827,973
Other assets:		
Property and equipment, net of accumulated depreciation of \$747,216 and \$89,136, respectively	1,632,007	2,226,360
Right of use asset, net of accumulated amortization of \$426,918 and \$299,583 respectively	—	127,335
Deposits and other assets	110,350	18,201
Total assets	\$ 6,793,097	\$ 13,199,869
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,232,855	\$ 801,747
Accrued interest and expenses – related parties	3,055,989	2,231,558
Convertible notes payable	1,400,000	—
Lease liability, current portion	—	33,977
Secured convertible debenture(s) – related party(ies)	4,993,700	2,500,000
Current liabilities associated with discontinued operations	485,712	472,029
Total current liabilities	13,168,256	6,039,311
Non-current liabilities:		
Lease liability, long term portion	—	101,116
Secured convertible debenture – related party, net of unamortized debt discount of \$0	—	2,500,000
SBA/PPP loans payable	149,900	361,595
Total non-current liabilities	149,900	2,962,711
Total liabilities	13,318,156	9,002,022
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock; 5,000,000 shares authorized:		
Series A convertible preferred stock; \$0.0001 par value; 500,000 shares authorized; 256,117 and 223,964 shares issued and outstanding, respectively	25	22
Series B convertible preferred stock; \$0.0001 par value; 20,000 shares authorized; 1,439 and 3,720 shares issued and outstanding, respectively	—	—
Series C convertible preferred stock; \$0.0001 par value; 15,000 shares authorized; 7,630 and 7,880 shares issued and outstanding, respectively	1	1
Common stock; \$0.0001 par value; 100,000,000 shares authorized; 12,246,036 and 8,191,382 shares issued and outstanding, respectively	1,224	819

liabilities	-	-	191	-	-	-	-	-	189,466	-	189,466
Issuance of common stock, net	-	-	-	-	-	-	11,502	-	(4)	(1)	(5)
Conversion of series A preferred stock to common	(23,423)	(3)	-	-	-	-	1,338,456	134	(131)	-	-
Conversion of series B preferred stock to common	-	-	(2,472)	-	-	-	1,962,448	195	(195)	-	-
Conversion of series C preferred stock to common	-	-	-	-	(250)	-	185,167	19	(19)	-	-
Conversion of secured convertible debentures to common	-	-	-	-	-	-	36,000	4	6,296	-	6,300
Settlement to exchange warrant shares for convertible note	-	-	-	-	-	-	(600,000)	(60)	(899,940)	-	(900,000)
Dividend on Series A preferred stock	-	-	-	-	-	-	-	-	(273,497)	-	(273,497)
Dividend on Series B preferred stock	-	-	-	-	-	-	-	-	(90,887)	-	(90,887)
Net loss	-	-	-	-	-	-	-	-	-	(13,418,814)	(13,418,814)
Balance, December 31, 2022	<u>256,117</u>	<u>\$ 25</u>	<u>1,439</u>	<u>\$ -</u>	<u>7,630</u>	<u>\$ 1</u>	<u>12,246,036</u>	<u>\$ 1,224</u>	<u>\$ 54,202,355</u>	<u>\$(60,728,664)</u>	<u>\$ (6,525,059)</u>

See notes to consolidated financial statements.

F-4

Creek Road Miners, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
For the Years Ended December 31, 2022 and 2021 (Continued)

	Series A		Series B		Series C		Common Stock		Additional Paid In Capital	Accumulated Deficit	Non-controlling Interest	Stockholders' Equity (Deficit)
	Preferred Stock Par value \$0.0001		Preferred Stock Par value \$0.0001		Preferred Stock Par value \$0.0001		Preferred Stock Par value \$0.0001					
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2020	173,993	\$ 17	-	\$ -	-	\$ -	3,506,752	\$ 351	\$ 23,206,367	\$ (30,039,146)	\$ (12,498)	\$ (6,844,909)
Stock based compensation	-	-	-	-	-	-	-	-	9,726,950	-	-	9,726,950
Warrants issued for services	-	-	-	-	-	-	-	-	2,270,015	-	-	2,270,015
Exercise of stock options	-	-	-	-	-	-	302,644	30	50,595	-	-	50,625
Issuance of series A preferred stock to settle accrued liabilities and compensation	58,721	6	-	-	-	-	-	-	588,044	-	-	588,050
Issuance of common stock and warrants, net	-	-	-	-	-	-	2,933,340	293	3,924,757	-	-	3,925,050
Issuance of series B preferred stock and warrants, net	-	-	5,000	-	-	-	-	-	4,378,995	-	-	4,378,995
Issuance of series C preferred stock and warrants, net	-	-	-	-	7,880	1	-	-	7,733,600	-	-	7,733,601
Conversion of series A preferred stock to common	(8,750)	(1)	-	-	-	-	500,000	50	(49)	-	-	-
Conversion of series B preferred stock to common	-	-	(1,280)	-	-	-	948,646	95	(95)	-	-	-
Dividend on Series A preferred stock	-	-	-	-	-	-	-	-	(254,322)	-	-	(254,322)
Dividend on Series B preferred stock	-	-	-	-	-	-	-	-	(118,003)	-	-	(118,003)
Write-off of non-controlling interest	-	-	-	-	-	-	-	-	-	12,498	-	12,498
Net loss	-	-	-	-	-	-	-	-	-	(17,270,703)	-	(17,270,703)
Balance, December 31, 2021	<u>223,964</u>	<u>\$ 22</u>	<u>3,720</u>	<u>\$ -</u>	<u>7,880</u>	<u>\$ 1</u>	<u>8,191,382</u>	<u>\$ 819</u>	<u>\$ 51,506,854</u>	<u>\$(47,309,849)</u>	<u>\$ -</u>	<u>\$ 4,197,847</u>

See notes to consolidated financial statements.

F-5

Creek Road Miners, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2022	2021
Cash flow from operating activities:		
Net loss	\$ (13,418,814)	\$ (17,270,703)
Adjustment to reconcile net loss to net cash used in operating activities:		
Gain from sale of discontinued operations	—	(1,853,169)
Depreciation and amortization	658,080	112,512
Accretion of debt discount	—	535,784
Amortization of lease right	(7,759)	5,423
Stock based compensation	2,870,665	12,585,008
Impairment of cryptocurrency	107,174	59,752
Impairment of fixed assets	5,231,752	—
Realized loss on sale of cryptocurrency	127,222	—
Loss on sale of investment	19,104	—
PPP loan forgiveness	(197,662)	(183,567)
Changes in operating assets and liabilities:		
Accounts receivable	428	33,025
Prepaid expenses	67,047	(54,435)
Receivable from sale of investment	(90,000)	—
Inventory	18,725	(18,725)
Cryptocurrency, net of mining fees	(507,150)	(302,654)
Current assets associated with discontinued operations	—	233,018
Security deposits	(92,149)	102

Assets associated with discontinued operations	—	180,683
Accounts payable and accrued expenses	3,371,431	569,459
Accrued and unpaid dividends on preferred stock	(364,384)	(372,325)
Liabilities associated with discontinued operations	13,683	(1,228,911)
Net cash used in operating activities	(2,192,607)	(6,969,723)
Cash flow from investing activities:		
Proceeds from sale of cryptocurrency	575,408	—
Purchase of investment	(125,000)	—
Proceeds from sale of investment	90,000	—
Deposits on mining equipment, net	2,939,550	(7,613,230)
Purchase of property and equipment	(5,295,478)	(2,315,496)
Net cash used in investing activities	(1,815,520)	(9,928,726)
Cash flow from financing activities:		
Proceeds from the issuance of common stock and warrants, net	—	3,925,050
Proceeds from the issuance of series B preferred stock and warrants, net	—	4,378,995
Proceeds from the issuance of series C preferred stock and warrants, net	—	7,733,601
Proceeds from the exercise of stock options	—	50,625
Proceeds from the exercise of warrants	983,330	—
Proceeds from (payments to) SBA/PPP loans payable	(14,033)	197,662
Proceeds from note payable	500,000	—
Proceeds from the sale of discontinued operations	—	1,500,000
Net cash provided by financing activities	1,469,297	17,785,933
Net increase (decrease) in cash and cash equivalents	(2,538,830)	887,484
Cash and cash equivalents, beginning of period	2,785,187	1,897,703
Cash and cash equivalents, end of period	\$ 246,357	\$ 2,785,187

See notes to consolidated financial statements.

F-6

Creek Road Miners, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)

	Years Ended December 31,	
	2022	2021
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$ —	\$ —
Cash paid for interest	\$ —	\$ —
Supplemental disclosures of noncash investing and financing activity:		
Issuance of series A preferred stock to settle accrued liabilities and compensation	\$ 555,700	\$ 588,044
Issuance of series B preferred stock to settle accrued liabilities	\$ 189,466	\$ —
Dividends on preferred stock	\$ 364,384	\$ 372,325
Issuance of common stock for investment	\$ 100,000	\$ —
Conversion of preferred stock to common stock	\$ 348	\$ 145
Conversion of secured convertible debentures to common stock	\$ 6,300	\$ —
Settlement to exchange warrant shares for convertible note	\$ 900,000	\$ —

See notes to consolidated financial statements.

F-7

CREEK ROAD MINERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

Note 1. Organization, Nature of Business and Basis of Presentation

Organization

Creek Road Miners, Inc. (formerly known as Wizard Brands, Inc., Wizard Entertainment, Inc., Wizard World, Inc., and GoEnergy, Inc.) was incorporated in Delaware on May 2, 2001. Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (known collectively as "legacy operations").

On August 6, 2021, we entered into an Asset Purchase Agreement (the "Informa Agreement") with Informa Pop Culture Events, Inc., a Delaware corporation ("Informa"). Pursuant to the Informa Agreement, Creek Road Miners Corp. (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recognized other income of this amount.

On September 15, 2021, we sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain on the transaction of approximately \$1,130,740.

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price

which resulted from this action.

Merger Agreement

On October 24, 2022, the Company, Creek Road Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company, and Prairie Operating Co., LLC, a Delaware limited liability company ("Prairie"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into Prairie (the "Merger"), with Prairie surviving and continuing to exist as a Delaware limited liability company and a wholly-owned subsidiary of the Company.

At the effective time of the Merger (the "Effective Time"), the Company will (a) deliver the greater of (A) 2,000,000 shares of its common stock, par value \$0.0001 per share ("common stock"), and (B) the product of (x) the number of issued and outstanding shares of common stock immediately following the consummation of the Restructuring Transactions (as defined below) by the Company multiplied by (y) 33.33% to the members of Prairie (the "Prairie Members") and (b) convert certain options to purchase membership interests of Prairie into restricted performance-based options to purchase, in the aggregate, 8,000,000 shares of common stock for \$0.25 per share only exercisable if specific production hurdles are achieved.

In connection with the Merger, the Company will cause the following restructuring transactions (the "Restructuring Transactions"): (1) all holders of the Company's outstanding shares of Series A preferred stock, Series B preferred stock, Series C preferred stock, and 12% senior secured convertible debentures (the "Convertible Debentures"), and holders of certain warrants, certain convertible promissory notes and certain other accrued liabilities, will convert their respective shares of Series A preferred stock, Series B preferred stock, Series C preferred stock and Convertible Debentures, and respective warrants, convertible promissory notes and accrued liabilities into shares of common stock and (2) thereafter, the Company shall effect a reverse stock split of the common stock at a ratio between 1-23 and 1-30 (the "Reverse Stock Split").

Nature of Business

Cryptocurrency Mining

We generate substantially all our revenue through cryptocurrency we earn through our mining activities. We have historically mined and held Bitcoin exclusively, which we may sell to fund our operating and capital expenditures. Our mining operations commenced on October 24, 2021. We use special cryptocurrency mining computers (known as "miners") to solve complex cryptographic algorithms to support the Bitcoin blockchain and, in return, receive Bitcoin as our reward. Miners measure their processing power, which is known as "hashing" power, in terms of the number of hashing algorithms solved (or "hashes") per second, which is the miner's "hash rate." We participate in mining pools that pool the resources of groups of miners and split cryptocurrency rewards earned according to the "hashing" capacity each miner contributes to the mining pool. Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

F-8

Mining Equipment

All of our miners were manufactured by Bitmain, and incorporate application-specific integrated circuit ("ASIC") chips specialized to solve blocks on the Bitcoin blockchains using the 256-bit secure hashing algorithm ("SHA-256") in return for Bitcoin cryptocurrency rewards. As of December 31, 2022, we had 510 Bitmain S19J Pro miners with 51.0 Ph/s of hashing capacity and 270 Bitmain S19 miners with 24.3 Ph/s of hashing capacity, none of which were in service.

On December 17, 2021 the Company entered into a Non-Fixed Price Sales and Purchase Agreement (the "Bitmain Agreement") with Bitmain Technologies Limited ("Bitmain") for 600 Bitmain S19XP miners with a reference price of approximately \$11,250 per miner. The miners have a total of 84 Ph/s of hashing capacity and an initial estimated purchase commitment of \$6,762,000 (the "total reference price"), subject to price adjustments and related offsets, including potential adjustments related to the market price of miners. As of December 31, 2022, the Company has made payments of \$3,969,000 (classified as deposits on mining equipment) to Bitmain pursuant to the Bitmain Agreement, and the remaining amount due under the Bitmain Agreement is \$47,600 and presented in the table below:

	Market Price per Miner	Total Amount
July 2022 batch (100 miners)	\$ 7,756	\$ 775,600
August 2022 batch (100 miners)	7,140	714,000
September 2022 batch (100 miners)	7,140	714,000
October 2022 batch (100 miners)	6,510	651,000
November 2022 batch (100 miners)	5,810	581,000
December 2022 batch (100 miners)	5,810	581,000
Estimated total amount due		<u>4,016,600</u>
Less: Payments made		<u>3,969,000</u>
Remaining amount due		<u>\$ 47,600</u>

As of December 31, 2022, all 600 miners purchased from Bitmain have not been delivered to the Company, and will remain undelivered until all fees are paid to ship the miners from the Bitmain facility to the Company.

Mining Results

The Company measures its operations by the number and U.S. Dollar (US\$) value of the cryptocurrency rewards it earns from its cryptocurrency mining activities. The following table presents additional information regarding our cryptocurrency mining operations:

	Quantity of Bitcoin	US\$ Amounts
Balance September 30, 2021	—	\$ —
Revenue recognized from cryptocurrency mined	6.7	369,804
Mining pool operating fees	(0.1)	(7,398)
Impairment of cryptocurrencies	—	(59,752)
Balance December 31, 2021	<u>6.6</u>	<u>\$ 302,654</u>
Revenue recognized from cryptocurrency mined	8.3	343,055
Mining pool operating fees	(0.2)	(6,868)
Impairment of cryptocurrencies	—	(106,105)
Balance March 31, 2022	<u>14.7</u>	<u>\$ 532,736</u>
Revenue recognized from cryptocurrency mined	4.6	166,592
Mining pool operating fees	(0.1)	(3,428)
Proceeds from the sale of cryptocurrency	(18.9)	(564,205)
Realized loss on the sale of cryptocurrency	—	(131,075)
Impairment of cryptocurrencies	—	(34)

Balance June 30, 2022 ⁽¹⁾	0.3	\$	586
Revenue recognized from cryptocurrency mined	0.3		7,955
Mining pool operating fees	—		(156)
Impairment of cryptocurrencies	—		(1,035)
Balance September 30, 2022 ⁽¹⁾	0.6	\$	7,350
Revenue recognized from cryptocurrency mined	—		—
Mining pool operating fees	—		—
Proceeds from the sale of cryptocurrency	(0.6)		(11,203)
Realized gain on the sale of cryptocurrency	—		3,853
Balance December 31, 2022 ⁽¹⁾	—	\$	—

(1) Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

F-9

Factors Affecting Profitability

Our business is heavily dependent on the market price of Bitcoin. The prices of cryptocurrencies, specifically Bitcoin, have experienced substantial volatility. Further affecting the industry, and particularly for the Bitcoin blockchain, the cryptocurrency reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a Proof-of-Work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving". For Bitcoin the reward was initially set at 50 Bitcoin currency rewards per block. The Bitcoin blockchain has undergone halving three times since its inception as follows: (1) on November 28, 2012 at block 210,000; (2) on July 9, 2016 at block 420,000; and (3) on May 11, 2020 at block 630,000, when the reward was reduced to its current level of 6.25 Bitcoin per block. The next halving for the Bitcoin blockchain is anticipated to occur in March 2024 at block 840,000, when the reward will be reduced to 3.125 Bitcoin per block. This process will reoccur until the total amount of Bitcoin currency rewards issued reaches 21 million and the theoretical supply of new Bitcoin is exhausted. Many factors influence the price of Bitcoin, and potential increases or decreases in prices in advance of, or following, a future halving is unknown.

We have historically mined and held Bitcoin exclusively, which we may sell to fund our operating and capital expenditures. Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Our business is heavily dependent on the market price of Bitcoin, which has experienced substantial volatility and has recently dropped to its lowest price since December 2020. As of December 31, 2022 the market price of Bitcoin was \$16,547, which reflects a decrease of approximately 60% since the beginning of 2022, and of approximately 75% from its all-time high of approximately \$67,000. In addition, the cost of natural gas that we use to produce electricity to power our miners has increased substantially. The cost of natural gas in the United States during 2022 has increased by as much as approximately 260% since the beginning of 2022. These price movements result in decreased cryptocurrency mining revenue and increased cryptocurrency mining costs, both of which have a material adverse effect on our business and financial results.

Government Regulation

Cryptocurrency is increasingly becoming subject to governmental regulation, both in the U.S. and internationally. State and local regulations also may apply to our activities and other activities in which we may participate in the future. Numerous regulatory bodies have shown an interest in regulating blockchain or cryptocurrency activities. For example, on March 9, 2022 President Biden signed an executive order on cryptocurrencies. While the executive order does not mandate any specific regulations, it instructs various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. Central Bank digital currency. Future changes to existing regulations or entirely new regulations may affect our business in ways it is not presently possible for us to predict with any reasonable degree of reliability. As the regulatory and legal environment evolves, we may become subject to new laws and regulation which may affect our mining and other activities. For additional discussion regarding our belief about the potential risks existing and future regulation pose to our business, see the Section entitled "Risk Factors".

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

F-10

Note 2. Going Concern Analysis

Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. The Company had net losses from continuing operations of \$13,401,076, and \$19,202,114, for the years ended December 2022 and 2021, respectively. We cannot predict if we will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to achieve profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to achieve or sustain profitability on a quarterly or annual basis. On December 31, 2022, we had cash and cash equivalents of \$246,358, a working capital deficit of approximately \$8.1 million, and an accumulated deficit of approximately \$61 million.

We have evaluated the significance of the uncertainty regarding the Company's financial condition in relation to our ability to meet our obligations, which has raised substantial doubts about the Company's ability to continue as a going concern. While it is very difficult to estimate our future liquidity requirements the Company believes that if it is unable close the Merger, or obtain debt and/or equity financing, existing cash resources will be depleted in early 2023. The Company may be able to generate cash through the sale of fixed assets, specifically cryptocurrency miners. However, the total cash generated would be significantly less than the total of the Company's liabilities. There are no assurances that the Merger will close, that debt and/or equity financing can be obtained, or that the sale of fixed assets, specifically cryptocurrency miners can be achieved.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the matters discussed herein.

The Company's ability to continue as a going concern is dependent upon the Company's ability to close the merger with Prairie, or obtain debt and/or equity financing, and there are no assurances that either can occur.

Note 3. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying financial statements are consolidated and include the accounts of the Company and its wholly-owned subsidiaries. Intercompany balances and

transactions have been eliminated in consolidation. The following table lists the Company's wholly-owned subsidiaries as of December 31, 2022:

Name of consolidated subsidiary or entity	State or other jurisdiction of incorporation or organization	Date of incorporation or formation (date of acquisition, if applicable)	Attributable interest
Creek Road Miners Corp. (fka Kick the Can Corp.)	Nevada, U.S.A.	September 20, 2010	100%
Wizard Special Events, LLC	California, U.S.A.	June 5, 2018	100%
Creek Road Merger Sub, LLC	Delaware, U.S.A.	October 4, 2022	100%

Use of Estimates

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 assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

These estimates and assumptions include estimates for reserves of uncollectible accounts, accruals for potential liabilities, assumptions made in valuing equity instruments issued for services or acquisitions, and realization of deferred tax assets.

Reclassification

Certain prior period amounts have been reclassified to conform to current period presentation.

Cash and cash equivalents

For purposes of the statements of cash flows, the Company defines cash equivalents as all highly liquid debt instruments purchased with an original maturity of three months or less. In all periods presented, cash equivalents consist primarily of money market funds.

F-11

Fair value of financial instruments

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied. A fair value hierarchy prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs, other than the quoted prices in active markets, are observable either directly or indirectly.

Level 3 – Unobservable inputs based on the Company's assumptions.

The Company is required to use observable market data if such data is available without undue cost and effort. The Company has no fair value items required to be disclosed as of December 31, 2022 or 2021 under these requirements. The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, accounts receivable and accounts payable, approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties typically cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free market dealings may not exist. However, in the case of the secured convertible debentures due to related parties, the Company obtained a fairness opinion from an independent third party which supports that the transaction was carried out at an arm's length basis.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents. The Company places its cash with high quality financial institutions and at times may exceed the FDIC \$250,000 insurance limit. The Company does not anticipate incurring any losses related to these credit risks.

Cryptocurrency

Cryptocurrency (Bitcoin) is included in current assets in the accompanying consolidated balance sheets. The classification of cryptocurrencies as a current asset has been made after the Company's consideration of the significant consistent daily trading volume on readily available cryptocurrency exchanges and the absence of limitations or restrictions on Company's ability to sell Bitcoin. Cryptocurrencies awarded to the Company through its mining activities are accounted for in connection with the Company's revenue recognition policy disclosed below. Cryptocurrencies held are 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, it 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. Cryptocurrencies awarded to the Company through its mining activities are included within operating activities on the accompanying consolidated statements of cash flows.

Impairment of Long-Lived Assets

Long-lived assets are comprised of intangible assets and property and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An estimate of undiscounted future cash flows produced by the asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists, pursuant to the provisions of FASB ASC 360-10 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". If an asset is determined to be impaired, the loss is measured based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows and fundamental analysis. The Company reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

F-12

Property and equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives of 3 to 9 years. Leasehold improvements are amortized over the shorter of the useful lives of the related assets, or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Gains and losses on disposals are included in the consolidated statements of operations.

Management assesses the carrying value of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value.

Leases

The Company accounts for leases in accordance with the provisions of ASC 842, Leases. This standard requires lessees to recognize on the balance sheet assets and liabilities for leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend primarily on its classification as a finance or operating lease.

We determine if an arrangement contains a lease at inception. Right of use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Our leases consist of leaseholds on office space. We utilized a portfolio approach in determining our discount rate. The portfolio approach takes into consideration the range of the term, the range of the lease payments, the category of the underlying asset and our estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. We also give consideration to our recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing rates.

We recognize lease expense for these leases on a straight-line basis over the lease term. We recognize variable lease payments in the period in which the obligation for those payments is incurred. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date, otherwise variable lease payments are recognized in the period incurred.

Revenue Recognition

The Company accounts for revenue in accordance with ASC 606, Revenue from Contracts with Customers. The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as we fulfill our obligations under each of our agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company has entered into digital asset mining pools by executing contracts with the mining pool operators to provide computing power to the mining pool. The contracts are terminable at any time by either party and the Company's enforceable right to compensation only begins when the Company provides computing power to the mining pool operator. In exchange for providing computing power, the Company is entitled to a fractional share of the fixed cryptocurrency award the mining pool operator receives (less digital asset transaction fees to the mining pool operator which are recorded as a component of cost of revenues) for successfully adding a block to the blockchain. The Company's fractional share is based on the proportion of computing power the Company contributed to the mining pool operator to the total computing power contributed by all mining pool participants in solving the current algorithm.

F-13

Providing computing power in digital asset transaction verification services is an output of the Company's ordinary activities. The provision of providing such computing power is the only performance obligation in the Company's contracts with mining pool operators. The transaction consideration the Company receives, if any, is noncash consideration, which the Company measures at fair value on the date received, which is not materially different than the fair value at contract inception or the time the Company has earned the award from the pools. The consideration is all variable. Because it is not probable that a significant reversal of cumulative revenue will not occur, the consideration is constrained until the mining pool operator successfully places a block (by being the first to solve an algorithm) and the Company receives confirmation of the consideration it will receive, at which time revenue is recognized. There is no significant financing component in these transactions.

Fair value of the cryptocurrency award received is determined using the market rate of the related cryptocurrency at the time of receipt. There is currently no specific definitive guidance under GAAP or alternative accounting framework for the accounting for cryptocurrencies recognized as revenue or held, and management has exercised significant judgment in determining the appropriate accounting treatment. In the event authoritative guidance is enacted by the FASB, the Company may be required to change its policies, which could have an effect on the Company's consolidated financial position and results from operations.

Cryptocurrency Mining Costs

The Company's cryptocurrency mining costs consist primarily of direct costs of earning Bitcoin related to mining operations, including mining pool fees, fuel and natural gas costs, turbine rental costs, and mobile data center rental costs, but exclude depreciation and amortization, which are separately stated in the Company's consolidated statements of operations.

Reverse Stock Split

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price which resulted from this action.

Stock-Based Compensation

The Company periodically issues stock options, warrants and restricted stock to employees and non-employees for services, in capital raising transactions, and for financing costs. The Company accounts for share-based payments under the guidance as set forth in the Share-Based Payment Topic 718 of the FASB Accounting Standards Codification, which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees, officers, directors, and consultants, including employee stock options, based on estimated fair values. The Company estimates the fair value of stock option and warrant awards to employees and directors on the date of grant using an option-pricing model, and the value of the portion of the award that is ultimately expected to vest is recognized as expense over the required

service period in our Statements of Operations. We estimate the fair value of restricted stock awards to employees and directors using the market price of our common stock on the date of grant, and the value of the portion of the award that is ultimately expected to vest is recognized as expense over the required service period in our Statements of Operations.

Income taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Discontinued Operations

On August 6, 2021, the Company entered into the Informa Agreement with Informa. Pursuant to the Informa Agreement, Creek Road Miners Corp. (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recognized other income of this amount.

F-14

On September 15, 2021, the Company sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain on the transaction of approximately \$1,130,740.

In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022.

The related assets and liabilities associated with the discontinued operations in our consolidated balance sheets for the years ending December 31, 2022 and 2021, are classified as discontinued operations. Additionally, the financial results associated with discontinued operations in our consolidated statement of operations for the years ending December 31, 2022 and 2021, are classified as discontinued operations.

Earnings (Loss) Per Common Share

Basic earnings (loss) per share is computed by dividing earnings (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing earnings (loss) attributable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued, using the treasury stock method. The dilutive effect of potentially dilutive securities is reflected in diluted net income per share if the exercise prices were lower than the average fair market value of common shares during the reporting period. Potential common shares are excluded from the computation when their effect is antidilutive. Basic and diluted earnings (loss) attributable to common stockholders is the same for the years ended December 31, 2022 and 2021, because the Company has only incurred losses and all potentially dilutive securities are anti-dilutive. Potentially dilutive securities that were not included in the computation of diluted earnings (loss) attributable to common stockholders at December 31, 2022 because their inclusion would be anti-dilutive are as follows:

Potentially Dilutive Security	Quantity	Stated Value Per Share ⁽¹⁾	Total Value or Stated Value	Assumed Conversion Price ⁽¹⁾	Resulting Common Shares
Common stock options	259,250	\$ —	\$ —	—	259,250
Common stock warrants	21,984,266	—	—	—	21,984,266
Series A preferred stock	256,117	10	2,561,170	0.175	14,635,257
Series B preferred stock	1,439	1,080	1,554,120	0.500	3,108,240
Series C preferred stock	7,630	1,111	8,476,930	0.500	16,953,860
Series B preferred stock warrants	10,000	1,080	10,800,000	0.500	21,600,000
Secured convertible debentures – related parties	—	—	4,993,700	0.175	28,535,429
Convertible notes payable	—	—	1,400,000	0.500	2,800,000
Total					109,876,302

(2) As of December 31, 2022

Related Parties

The Company follows ASC 850-10, Related Parties, for the identification of related parties and disclosure of related party transactions. Pursuant to Section 850-10-20, the related parties include: (a) affiliates of the Company ("Affiliate" means, with respect to any specified person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person, as such terms are used in and construed under Rule 405 under the Securities Act); (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Recently Issued Accounting Pronouncements

Recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

F-15

Note 4. Deposits on Mining Equipment

Deposits on mining equipment, consisted of the following:

	Cryptocurrency Miners	Mobile Data Centers	Total
Balance December 31, 2020	\$ —	\$ —	\$ —

Deposits on equipment during the period	7,089,000	524,230	7,613,230
Equipment delivered during the period	—	—	—
Balance December 31, 2021	\$ 7,089,000	\$ 524,230	\$ 7,613,230
Deposits on equipment during the period	1,602,300	530,430	2,132,730
Equipment delivered during the period	(4,722,300)	(349,980)	(5,072,280)
Balance December 31, 2022	\$ 3,969,000	\$ 704,680	\$ 4,673,680

All of our miners were manufactured by Bitmain, and incorporate application-specific integrated circuit ("ASIC") chips specialized to solve blocks on the Bitcoin blockchains using the 256-bit secure hashing algorithm ("SHA-256") in return for Bitcoin cryptocurrency rewards. As of December 31, 2022, we had 510 Bitmain S19J Pro miners with 51.0 Ph/s of hashing capacity and 270 Bitmain S19 miners with 24.3 Ph/s of hashing capacity, none of which were in service.

On December 17, 2021 the Company entered into a Non-Fixed Price Sales and Purchase Agreement (the "Bitmain Agreement") with Bitmain Technologies Limited ("Bitmain") for 600 Bitmain S19XP miners with a reference price of approximately \$11,250 per miner. The miners have a total of 84 Ph/s of hashing capacity and an initial estimated purchase commitment of \$6,762,000 (the "total reference price"), subject to price adjustments and related offsets, including potential adjustments related to the market price of miners. As of December 31, 2022, the Company has made payments of \$3,969,000 (classified as deposits on mining equipment) to Bitmain pursuant to the Bitmain Agreement, and the remaining amount due under the Bitmain Agreement is \$47,600 and presented in the table below:

	Market Price per Miner	Total Amount
July 2022 batch (100 miners)	\$ 7,756	\$ 775,600
August 2022 batch (100 miners)	7,140	714,000
September 2022 batch (100 miners)	7,140	714,000
October 2022 batch (100 miners)	6,510	651,000
November 2022 batch (100 miners)	5,810	581,000
December 2022 batch (100 miners)	5,810	581,000
Estimated total amount due		4,016,600
Less: Payments made		3,969,000
Remaining amount due		\$ 47,600

As of December 31, 2022, all 600 miners purchased from Bitmain have not been delivered to the Company, and will remain undelivered until all fees are paid to ship the miners from the Bitmain facility to the Company.

Note 5. Cryptocurrency

The Company measures its operations by the number and U.S. Dollar (US\$) value of the cryptocurrency rewards it earns from its cryptocurrency mining activities. The Company recognized an impairment, or write down, of cryptocurrency (Bitcoin) rewards to the lowest fair market value of Bitcoin from the time the reward was earned through December 31, 2022. The impairment amounted to \$107,174 and \$59,752 for the years ended December 31, 2022 and 2021, respectively. The following table presents additional information regarding our cryptocurrency mining operations:

	Quantity of Bitcoin	US\$ Amounts
Balance December 31, 2020	—	\$ —
Revenue recognized from cryptocurrency mined	6.7	369,804
Mining pool operating fees	(0.1)	(7,398)
Impairment of cryptocurrencies	—	(59,752)
Balance December 31, 2021	6.6	\$ 302,654
Revenue recognized from cryptocurrency mined	13.2	517,602
Mining pool operating fees	(0.3)	(10,452)
Proceeds from the sale of cryptocurrency	(19.5)	(575,408)
Realized loss on the sale of cryptocurrency	—	(127,222)
Impairment of cryptocurrencies	—	(107,174)
Balance December 31, 2022 ⁽¹⁾	—	\$ —

(1) Since June 30, 2022 the Company is neither receiving meaningful cryptocurrency awards nor generating meaningful revenue from cryptocurrency mining.

Note 6. Property and Equipment

Property and equipment, excluding those associated with discontinued operations, stated at cost, less accumulated depreciation and amortization, consisted of the following:

	December 31,	
	2022	2021
Cryptocurrency miners	\$ 2,152,970	\$ 1,784,062
Mobile data centers	219,372	518,663
Computer equipment	6,881	12,771
Total	2,379,223	2,315,496
Less accumulated depreciation	(747,216)	(89,136)
Net, Property and equipment	\$ 1,632,007	\$ 2,226,360

Depreciation expense, excluding that associated with discontinued operations, for the years ended December 31, 2022 and 2021 amounted to \$658,080 and \$112,512, respectively. On December 31, 2022 the Company recorded an impairment on fixed assets, specifically cryptocurrency miners and mobile data centers, of \$5,231,752 due to their significant drop in value.

All of our miners were manufactured by Bitmain, and incorporate application-specific integrated circuit ("ASIC") chips specialized to solve blocks on the Bitcoin blockchains using the 256-bit secure hashing algorithm ("SHA-256") in return for Bitcoin cryptocurrency rewards. As of December 31, 2022, we had 510 Bitmain S19J Pro miners with 51.0 Ph/s of hashing capacity and 270 Bitmain S19 miners with 24.3 Ph/s of hashing capacity, none of which were in service.

Note 7. Investment

On May 28, 2022, the Company entered into a Binding Memorandum of Understanding for a Proposed Transaction with Highwire to acquire certain energy assets including natural gas production opportunities in South Dakota, North Dakota, and Wyoming as well as an opportunity for fixed-price electricity generation in Wyoming. Under the terms of the agreement and subject to certain conditions, the Company has the following obligations to Highwire (i) \$125,000 upon execution, (ii) \$100,000 in common stock, (iii) \$125,000 within 72 hours after Bitcoin mining operations commence, (iv) \$110,000 to release Highwire from its bonding obligations, (v) an amount not to exceed \$450,000 for the construction of a road on the South Dakota location, (vi) \$20,000 for the installation of a mobile data center on the North Dakota property, (vii) the operating costs of each property, (viii) 15% of Bitcoin mining gross profit on the properties, and up to \$400,000 if the Company elects to proceed with operations in Wyoming.

The Company paid Highwire \$125,000 upon execution and issued \$100,000 worth of common stock, which amounted to 169,205 shares of common stock, both of which were classified as an investment asset. In addition, the Company paid Highwire \$110,000 to release its bonding obligations, which is classified as a non-current asset.

On December 30, 2022 the Company sold its investment in Highwire and recorded the transaction as follows:

Description	Amount
Basis of Investment	\$ 225,000
Less:	
Cash receivable at closing	90,000
Offset of account payable to seller	115,896
Total	205,896
Loss from sale	\$ 19,104

F-17

Note 8. Amounts Due to Related Parties

Amounts due to related parties as of December 31, 2022 consisted of the following:

	Bristol Capital, LLC	Bristol Investment Fund, Ltd.	Barlock 2019 Fund, LP	Total
Accrued Interest and expenses	\$ 318,750	\$ 1,825,195	\$ 912,044	\$ 3,055,989
Current secured convertible debentures	—	2,496,850	2,496,850	4,993,700
Total	\$ 318,750	\$ 4,322,045	\$ 3,408,894	\$ 8,049,689

Amounts due to related parties as of December 31, 2021 consisted of the following:

	Bristol Capital, LLC	Bristol Investment Fund, Ltd.	Barlock 2019 Fund, LP	Total
Accrued Interest and expenses	\$ 93,750	\$ 1,525,479	\$ 612,329	\$ 2,231,558
Current secured convertible debenture	—	2,500,000	—	2,500,000
Non-current secured convertible debenture	—	—	2,500,000	2,500,000
Total	\$ 93,750	\$ 4,025,479	\$ 3,112,329	\$ 7,231,558

As of December 31, 2022, the Convertible Debentures with an aggregate principal amount of \$4,993,700, comprised of a Convertible Debenture with a principal amount of \$2,496,850 held by Bristol Investment Fund (the "Bristol Convertible Debenture") and the Barlock Convertible Debenture with a principal amount of \$2,496,850, were convertible into an aggregate of 28,535,429 shares of common stock (exclusive of any accrued and unpaid interest), using a conversion price of \$0.175.

Note 9. Related Party Transactions

The Company has entered into transactions with the following related parties:

Related Party: Bristol Capital, LLC

Bristol Capital, LLC ("Bristol Capital"), is managed by Paul L. Kessler. Mr. Kessler served as Executive Chairman of the Company from December 29, 2016, through November 24, 2020, when Mr. Kessler resigned his position, but continued to serve as member of the Board of Directors. On December 1, 2021 Mr. Kessler was again appointed Executive Chairman of the Company.

Consulting Agreement

On December 29, 2016, the Company entered into a Consulting Services Agreement with Bristol Capital (the "Consulting Agreement"). Pursuant to the Consulting Agreement, Mr. Kessler agreed to serve as Executive Chairman of the Company. The initial term of the Consulting Agreement is from December 29, 2016 through March 28, 2017. The term of the Consulting Agreement will be automatically extended for additional terms of 90-day periods, unless either the Company or Bristol Capital gives prior written notice of non-renewal to the other party no later than thirty (30) days prior to the expiration of the then current term. Upon the execution of the agreement the Company granted Bristol Capital options to purchase up to an aggregate of 30,000 shares of the Company's common stock at an exercise price of \$0.25 per share, as amended.

During the term, the Company will pay Bristol Capital, as amended, a monthly fee \$18,750 payable in cash or preferred stock, at the Company's election. In addition, Bristol Capital may receive an annual bonus in an amount and under terms determined by the Compensation Committee of the Board and approved by the Board in its sole and absolute discretion. The Company shall also, in association with the uplisting of the Company's common stock to a national exchange, issue to Bristol Capital (i) shares of common stock equal to 5% of the fully diluted shares of common stock of the Company, calculated with the inclusion of Bristol Capital's equity stock holdings and shares issuable upon conversion of convertible instruments, preferred stock, options, and warrants; and (ii) a onetime non-accountable expense reimbursement of \$200,000.

On November 22, 2018, the Company agreed to issue 202,022 shares of preferred stock for settlement of \$496,875 due under the consulting agreement as of October 31, 2018.

F-18

On August 3, 2020, the Company cancelled the 202,022 shares of preferred stock previously determined to be issued, and issued 49,688 shares of Series A preferred stock

for the settlement of the previous outstanding amount due. In addition, on August 3, 2020, the Company issued 38,438 shares of Series A preferred stock for the settlement of \$384,375 due under the consulting agreement as of July 31, 2020.

On March 1, 2021, the Company issued 22,500 shares of Series A preferred stock to Bristol Capital for the settlement of \$225,000 due under the consulting agreement as of July 31, 2021.

During the years ended December 31, 2022 and 2021, the Company incurred expenses of approximately \$225,000, for each period for consulting services provided by Bristol Capital. As of December 31, 2022, and 2021, the amount accrued to Bristol Capital for consulting services was \$318,750 and \$93,750, respectively.

Non-Accountable Expense Reimbursement

On September 7, 2021, Bristol Capital received a one-time non-accountable expense reimbursement of \$200,000 in consideration for significant efforts and diligence in negotiating and structuring investment transactions.

Reimbursement of Legal Fees

In January 2022, Bristol Capital was reimbursed for \$12,040 in legal fees.

Related Party: Bristol Capital Advisors, LLC

Bristol Capital Advisors, LLC ("Bristol Capital Advisors"), is managed by Paul L. Kessler.

Operating Sublease

On June 16, 2016, the Company entered into a Standard Multi-Tenant Sublease with Bristol Capital Advisors (the "Sublease"). The leased premises are owned by an unrelated third party and Bristol Capital Advisors passes the lease costs down to the Company. The term of the Sublease is for 5 years and 3 months beginning on July 1, 2016, with monthly payments of approximately \$8,000. During the year ended December 31, 2022 and 2021, the Company paid lease obligations of \$0 and \$83,054, respectively, under the Sublease. On September 30, 2021, the lease term ended, and the Company vacated the premises.

Related Party: Bristol Investment Fund, Ltd.

Bristol Investment Fund, Ltd. ("Bristol Investment Fund") is managed by Bristol Capital Advisors, which in turn is managed by Paul L. Kessler.

Securities Purchase Agreement – December 2016

On December 1, 2016, the Company entered into the Purchase Agreement with Bristol Investment Fund, pursuant to which the Company sold to Bristol Investment Fund, for a cash purchase price of \$2,500,000, securities comprising of: (i) the Bristol Convertible Debenture, (ii) Series A common stock purchase warrants, and (iii) Series B common stock purchase warrants. Pursuant to the Purchase Agreement, the Company paid \$25,000 to Bristol Investment Fund and issued 25,000 shares of common stock with a grant date fair value of \$85,000 to Bristol Investment Fund to cover legal fees. The Company recorded as a debt discount of \$25,791 related to the cash paid and the relative fair value of the shares issued for legal fees.

i) Secured Convertible Debenture

On December 1, 2016, the Company issued the Bristol Convertible Debenture with an initial principal balance of \$2,500,000, and a maturity date of December 30, 2018. The Bristol Convertible Debenture will accrue interest on the aggregate unconverted and then outstanding principal amount at the rate of 12% per annum. Interest is payable quarterly on (i) January 1, April 1, July 1 and October 1, beginning on January 1, 2017, (ii) on each date the purchaser converts, in whole or in part, the Bristol Convertible Debenture into common stock (as to that principal amount then being converted), and (iii) on the day that is 20 days following the Company's notice to redeem some or all of the of the outstanding principal of the secured convertible debenture (only as to that principal amount then being redeemed) and on the maturity date. Interest may be paid in cash, common stock, or a combination thereof at the sole discretion of the Company.

F-19

The Bristol Convertible Debenture is convertible into shares of the Company's common stock at any time at the option of the holder. The initial conversion price was \$3.00 (as converted) per share, subject to adjustment. In the event of default occurs, the conversion price shall be the lesser of (i) the initial conversion price of \$3.00 and (ii) 50% of the average of the 3 lowest trading prices during the 20 trading days immediately prior to the applicable conversion date.

The Bristol Convertible Debenture contains anti-dilution provisions where, if the Company, at any time while the Bristol Convertible Debenture is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than that is lower than the conversion price then in effect, the conversion price shall be reduced to the lower effective price per share.

On December 19, 2019, the maturity date of the Bristol Convertible Debenture was amended to December 30, 2021.

On May 1, 2020, the maturity date of the Bristol Convertible Debenture was amended to December 31, 2022.

On August 3, 2020, as a result of the anti-dilution provisions, the effect of repricing stock options held by directors and employees to \$0.25 decreased the conversion price to \$0.25. As of December 31, 2020, the Bristol Convertible Debenture held by Bristol Investment Fund was convertible into 10,000,000 shares of common stock.

On October 31, 2021, in consideration for the release of senior security interest in certain of the assets, properties, and rights of discontinued operations that were sold during the year, the Bristol Convertible Debenture was amended to reduce the conversion price to \$0.175.

During March 2022, Bristol Convertible Debenture principal in the amount of \$3,150 was converted into 18,000 shares of common stock using a conversion price of \$0.175.

On December 31, 2022 the maturity date of the Bristol Convertible Debenture was amended to May 31, 2023.

As of December 31, 2022 and 2021, the Bristol Convertible Debenture with a principal amount of \$2,496,850 and \$2,500,000, respectively, held by Bristol Investment Fund was convertible into 14,267,714 and 14,285,714 shares of common stock, respectively, using a conversion price of \$0.175.

As of December 31, 2022 and 2021, the amount of accrued interest payable to Bristol Investment Fund under the Bristol Convertible Debenture was \$1,825,195, and \$1,525,479, respectively.

(ii) Series A Common Stock Purchase Warrants

On December 1, 2016, the Company issued series A common stock purchase warrants to acquire up to 833,333 shares of common stock at exercise price of \$3.00, and expiring on December 1, 2021. The warrants contain anti-dilution provisions where, if the Company, at any time while the warrant is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than the exercise price then in effect, the exercise price shall be reduced, and the number of warrant shares shall be increased such that the aggregate exercise price payable hereunder, shall be equal to the aggregate exercise price prior to such adjustment.

On December 19, 2019, as a result of the anti-dilution provisions, the issuance of the Barlock Convertible Debenture with a conversion price of \$2.50 increased the number of shares of common stock issuable upon exercise of the series A common stock purchase warrants to 1,000,000, and decreased the exercise price to \$2.50.

On December 19, 2019, Bristol Investment Fund assigned 300,000 series A common stock purchase warrants to Barlock Capital Management, LLC, and the expiration date of the warrants was extended to December 1, 2024. After the assignment, Bristol Investment Fund held series A common stock purchase warrants to acquire 700,000 shares of common stock at an exercise price to \$2.50.

On August 3, 2020, as a result of the anti-dilution provisions, the effect of repricing stock options held by directors and employees to \$0.25 increased the number of shares of common stock issuable upon exercise of the series A common stock purchase warrants to 7,000,000, and decreased the exercise price to \$0.25. As of December 31, 2020, Bristol Investment Fund held series A common stock purchase warrants to acquire 7,000,000 shares of common stock at an exercise price to \$0.25.

F-20

On October 31, 2021, as a result of the anti-dilution provisions, the effect of reducing the conversion price of the Convertible Debentures to \$0.175 increased the common stock issuable upon the exercise of the series A common stock purchase warrants to 10,000,000, and decreased the exercise price to \$0.175.

On September 9, 2022, Bristol Investment Fund assigned 20% of its series A common stock purchase warrants shares to Leviston Resources, LLC.

As of December 31, 2022, Bristol Investment Fund held series A common stock purchase warrants to acquire 10,000,000 shares of common stock at an exercise price of \$0.175.

In addition, the warrants may be exercised, in whole or in part, at any time until they expire. If at any time after the 6-month anniversary of the closing date there is no effective registration statement, or no current prospectus available for the resale of the warrant shares, then the warrants may be exercised, in whole or in part, on a cashless basis at any time until they expire.

(iii) Series B Common Stock Purchase Warrants

On December 1, 2016, the Company issued series B common stock purchase warrants to acquire up to 833,333 shares of common stock at an initial exercise price of \$0.002, and expiring on December 1, 2021. The series B common stock purchase warrants were exercised immediately on the issuance date, and the Company received gross proceeds of \$1,667.

Upon issuance of the Bristol Convertible Debenture, the Company valued the warrants using the Black-Scholes Option Pricing model and accounted for it using the relative fair value of \$1,448,293 as debt discount on the consolidated balance sheet. Debt discount is amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the effective interest method which approximates the interest method. The amortization of debt discount is included as a component of interest expense on the consolidated statement of operations. There was unamortized debt discount of \$0 as of December 31, 2022 and 2021.

Related Party: Barlock 2019 Fund, LP

Barlock is managed by Scott D. Kaufman, who has served as Chief Executive Officer of the Company from November 24, 2020, through May 11, 2022, and as co-Chief Executive Officer from May 12, 2022 through August 8, 2022, and a former Director from November 4, 2019, through August 8, 2022, and former Chairman of the Board of Directors from November 24, 2020, through December 1, 2021.

Securities Purchase Agreement – December 2019

On December 19, 2019, the Company entered into the purchase agreement with Barlock, pursuant to which the Company sold to Barlock, for a cash purchase price of \$2,500,000, securities comprising of: (i) the Barlock Convertible Debenture, and (ii) Series A common stock purchase warrants assigned from Bristol Investment Fund. Pursuant to the purchase agreement, the Company paid \$25,400 to Barlock for legal fees which was recorded as a debt discount.

(ii) Secured Convertible Debenture

On December 19, 2019, the Company entered issued a Barlock Convertible Debenture with an initial principal balance of \$2,500,000, and a maturity date of December 30, 2021. The Barlock Convertible Debenture will accrue interest on the aggregate unconverted and then outstanding principal amount at the rate of 12% per annum. Interest is payable quarterly on (i) January 1, April 1, July 1 and October 1, beginning on January 1, 2020, (ii) on each date the purchaser converts, in whole or in part, the Barlock Convertible Debenture into common stock (as to that principal amount then being converted), and (iii) on the day that is 20 days following the Company's notice to redeem some or all of the of the outstanding principal of the Barlock Convertible Debenture (only as to that principal amount then being redeemed) and on the maturity date. Interest may be paid in cash, common stock, or a combination thereof at the sole discretion of the Company.

The Barlock Convertible Debenture is convertible into shares of the Company's common stock at any time at the option of the holder. The initial conversion price was \$2.50 (as converted) per share, subject to adjustment. In the event of default occurs, the conversion price shall be the lesser of (i) the initial conversion price of \$2.50 and (ii) 50% of the average of the 3 lowest trading prices during the 20 trading days immediately prior to the applicable conversion date.

F-21

The Barlock Convertible Debenture contains anti-dilution provisions where, if the Company, at any time while the Barlock Convertible Debenture is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than that is lower than the conversion price then in effect, the conversion price shall be reduced to the lower effective price per share.

On August 3, 2020, as a result of the anti-dilution provisions, the effect of repricing stock options held by directors and employees to \$0.25 decreased the conversion price to \$0.25. As of December 31, 2020, the Barlock Convertible Debenture held by Barlock was convertible into 10,000,000 shares of common stock.

On October 31, 2021, in consideration for the release of senior security interest in certain of the assets, properties, and rights of discontinued operations that were sold during the year, the Barlock Convertible Debenture was amended to reduce the conversion price to \$0.175, and the maturity date was amended to December 31, 2023.

During March 2022, the principal amount of \$3,150 under the Barlock Convertible Debenture was converted into 18,000 shares of common stock at a conversion price of \$0.175.

As of December 31, 2022 and 2021, the Barlock Convertible Debenture with a principal amount of \$2,496,850 and \$2,500,000, respectively, held by Barlock was convertible into 14,267,714 and 14,285,714 shares of common stock, respectively, at a conversion price of \$0.175.

As of December 31, 2022 and 2021, the amount of accrued interest payable to Barlock under the Barlock Convertible Debenture was \$912,044, and \$612,239, respectively.

(ii) Series A Common Stock Purchase Warrants

On December 19, 2019, Bristol Investment Fund assigned to Barlock Capital Management, LLC series A common stock purchase warrants to acquire up to 300,000 shares of common stock at exercise price of \$2.50, and expiring on December 1, 2024. The warrants contain anti-dilution provisions where, if the Company, at any time while the warrant is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than the exercise price then in effect, the exercise price shall be reduced, and the number of warrant shares shall be increased such that the aggregate exercise price payable hereunder, shall be equal to the aggregate exercise price prior to such adjustment.

On August 3, 2020, as a result of the anti-dilution provisions, the effect of repricing stock options held by directors and employees to \$0.25 increased the number of shares of common stock issuable upon exercise of the series A common stock purchase warrants to 3,000,000, and decreased the exercise price to \$0.25. As of December 31, 2020, Barlock Capital Management, LLC held series A common stock purchase warrants to acquire 3,000,000 shares of common stock at an exercise price to \$0.25.

On October 31, 2021, as a result of the anti-dilution provisions, the effect of reducing the conversion price of the secured convertible debenture to \$0.175 increased the number of shares of common stock issuable upon exercise of the series A common stock purchase warrants to 4,285,714, and decreased the exercise price to \$0.175.

As of December 31, 2022, Barlock Capital Management, LLC held series A common stock purchase warrants to acquire 4,285,714 shares of common stock at an exercise price to \$0.175.

In addition, the warrants may be exercised, in whole or in part, at any time until they expire. If at any time after the six-month anniversary of the closing date there is no effective registration statement, or no current prospectus available for the resale of the warrant shares, then the warrants may be exercised, in whole or in part, on a cashless basis at any time until they expire. Shares of common stock issuable upon exercise of warrants are subject to a 4.99% beneficial ownership limitation, which may increase to 9.99% upon notice to the Company.

Upon issuance of the secured convertible debenture, the Company valued the warrants using the Black-Scholes Option Pricing model and accounted for it using the relative fair value of \$545,336 as debt discount on the consolidated balance sheet. Debt discount is amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the effective interest method which approximates the interest method. The amortization of debt discount is included as a component of interest expense on the consolidated statement of operations. There was unamortized debt discount of \$0, as of December 31, 2022 and 2021.

Related Party: Barlock Capital Management, LLC

Barlock Capital Management, LLC, is managed by Scott D. Kaufman, who served as Chief Executive Officer of the Company from November 24, 2020, through May 11, 2022, and as co-Chief Executive Officer from May 12, 2022 through August 8, 2022, and a former Director from November 4, 2019, through August 8, 2022, and former Chairman of the Board of Directors from November 24, 2020, through December 1, 2021. From September 2021 through December 2021, the Company rented executive office space located at 2700 Homestead Road, Park City, UT 84098, for approximately \$3,000 per month from Barlock Capital Management, LLC. The amount of rent paid to Barlock Capital Management, LLC for the years ended December 31, 2022 and 2021, amounted to \$0 and \$9,410, respectively.

In addition, the Company paid management fees to Barlock Capital Management, LLC in the amount of \$0 and \$81,000, for the years ended December 31, 2022 and 2021, respectively.

Related Party: American Natural Energy Corporation

Scott D. Kaufman is a director and shareholder of American Natural Energy Corporation ("ANEC"). In addition, Richard G. Boyce is a former director of the Company who resigned from the Board on July 22, 2022, is also a director of ANEC. On October 22, 2021, the Company entered into an agreement with ANEC, where ANEC would: (i) allow the Company to moor a barge on the ANEC operations site with the Company's mobile data center that houses cryptocurrency miners and a mobile turbine, and, (ii) supply natural gas to power a mobile turbine that produces electricity that, in turn, is used to power the miners. ANEC charges the Company for the amount of natural gas used based on the daily spot price of an unaffiliated third party, and a daily fee of \$1,500 during the initial 90-day term, and \$2,000 thereafter, for the use of their operations site to moor the barge. The agreement terminated on May 24, 2022. The total amount paid to ANEC under the agreement for the year ended December 31, 2022 amounted to approximately \$400,000.

In addition, in January 2022, the Company began renting executive office space located at 2700 Homestead Road, Park City, UT 84098, for approximately \$3,000 per month from ANEC. The amount of rent paid to ANEC for the year ended December 31, 2022 amounted to approximately \$19,000.

Related Party: Scott D. Kaufman, former Chief Executive Officer

On September 7, 2021, Scott D. Kaufman received a one-time non-accountable expense reimbursement of \$200,000 in consideration for significant efforts and diligence in negotiating and structuring investment transactions.

Related Party: K2PC Consulting, LLC

K2PC Consulting, LLC is managed by the spouse of Scott D. Kaufman. The company paid marketing fees to K2PC Consulting, LLC in the amount of \$7,850 and \$24,500, for the years ended December 31, 2022 and 2021, respectively.

Related Party: John D. Maatta, Director and Chief Executive Officer

John D. Maatta is a current director, and served as Chief Executive Officer of the Company until November 24, 2020, as co-Chief Executive Officer from May 12, 2022 through July 8, 2022, and again as Chief Executive Officer beginning on July 9, 2022. On November 22, 2018, the Company agreed to issue 86,466 shares of preferred stock for settlement of the outstanding compensation due to Mr. Maatta of \$212,707, for the period June 17, 2017 through November 15, 2018.

On August 3, 2020, the Company cancelled the 86,466 shares of preferred stock previously determined to be issued, and issued 21,271 shares of Series A preferred stock for the settlement of the previous outstanding amount due. In addition, on August 3, 2020, the Company issued 29,496 shares of Series A preferred stock for the settlement of

\$294,965 in additional outstanding compensation due to Mr. Maatta, and 35,100 shares of Series A preferred stock for the settlement of \$351,000 in loans to the Company made by Mr. Maatta. The non-interest-bearing loans were made as follows: during the year ended December 31, 2019, Mr. Maatta loaned \$100,000 to the Company, during the year ended December 31, 2020, Mr. Maatta loaned an additional \$125,000 to the Company, and paid for other amounts on behalf of the Company amounting to \$126,000. The outstanding balance of the loan payable to Mr. Maatta as of December 31, 2022 and 2021, was \$0, for both periods.

On March 1, 2021, 8,500 shares of Series A preferred stock were issued to Mr. Maatta in satisfaction of an aggregate of \$85,546 due to Mr. Maatta under his separation agreement.

Related Party: CONtv

CONtv is a joint venture with third parties and Bristol Capital, LLC. The Company holds a limited and passive interest of 10% in CONtv. As of December 31, 2022 and 2021, the investment in CONtv and the amount due to CONtv was \$0, for both periods.

Note 10. Convertible Notes Payable

Creecal Holdings LLC (Assigned from Leviston Resources LLC)

In connection with a loan in the principal amount of \$500,000 received on May 18, 2022 pursuant to an oral agreement between the Company's then-CEO and Leviston Resources LLC on September 9, 2022 the Company documented such loan with the issuance of a convertible note assigned to Creecal Holdings LLC, dated as of September 8, 2022 in the principal amount of \$500,000 (the "Creecal Note"). The Creecal Note is due on March 8, 2023 and shall accrue interest at 4% per annum. The due date of the note was extended to the earlier of May 31, 2023 or the closing of the Merger. Any principal or interest which is not paid when due shall bear interest at the rate of 22% per annum from the due date thereof until the same is paid.

The Creecal Note is convertible at the holder's option at the conversion price of the Company's Series C preferred stock then in effect (the "Creecal Note Conversion Price"), provided that so long as an event of default has not occurred under the Note and the Company's Series B preferred stock remains outstanding, the Creecal Note Conversion Price shall not be lower than the conversion price of the Series B preferred stock. Unless the holder opts to convert the Creecal Note contemporaneously with the Merger, the Creecal Note will be immediately due and paid at the closing of the Merger. In the event the Merger is abandoned or cancelled the Creecal Note will be due 30 days after such event.

Alpha Capital Anstalt

On August 24, 2022, the Company entered into an Agreement (the "Settlement") with Alpha Capital Anstalt ("Alpha"). The Settlement relates to a dispute with the Company's then-CEO in connection with Alpha's partial exercise on March 20, 2022 of warrants to purchase 600,000 shares of the Company's common stock, par value \$0.0001 (the "Warrant Shares"), at an aggregate conversion price of \$900,000.

Pursuant to the Settlement, Alpha agreed to exchange the 600,000 Warrant Shares for a convertible promissory note in the principal amount of \$900,000 due August 25, 2023 (the "Alpha Note"). Upon the occurrence and during the continuation of any event of default under the Alpha Note, interest shall accrue at a default interest rate of 22% per annum. As of December 31, 2022 Alpha had returned 600,000 shares of common stock in connection with the Settlement.

The Alpha Note is convertible at Alpha's option at the conversion price of the Company's Series C preferred stock then in effect (the "Alpha Note Conversion Price"). Upon notice that the Merger is imminent, Alpha will convert the Alpha Note at a 10% discount of the amounts owed thereunder into shares of common stock at the lower of: (i) the Alpha Note Conversion Price; or (ii) the lowest per share valuation attributed to the common stock in the Merger and any capital raise completed by the Company in connection with the Merger.

Note 11. Lease Obligations

Office Lease Obligation

On June 16, 2016, the Company entered into a Standard Multi-Tenant Sublease with Bristol Capital Advisors, a related party. The leased premises are owned by an unrelated third party and Bristol Capital Advisors passes the lease costs down to the Company. The term of the Sublease is for 5 years and 3 months beginning on July 1, 2016, with monthly payments of approximately \$8,000.

The Company classified the lease as an operating lease and determined that the value of the lease assets and liability on January 1, 2019, the date the Company adopted ASC 842 using the modified retrospective approach, was \$252,980 using a discount rate of 12%. During the years ended December 31, 2022 and 2021, the Company made payments towards the lease liability of \$0 and \$83,054, respectively. As of December 31, 2022 and 2021, the ROU assets amounted to \$0, for both years. As of December 31, 2022 and 2021, lease liability amounted to \$0, for both years. During the years ended December 31, 2022 and 2021, the Company reflected amortization of right of use asset related to this lease of \$0 and \$85,035, respectively. The lease term ended in September 2021.

Warehouse Lease Obligation

On April 18, 2020 the Company entered into a commercial lease for 3,200 square feet warehouse space at 16142 Wyandotte Street, Van Nuys, California 91405. The monthly lease payment is approximately \$3,900, with an approximate 2% escalation in rent per year. The term of the lease is for five years, expiring on May 1, 2025. On April 8, 2022, the Company paid approximately \$20,000 for the right to advance the termination of the lease to April 30, 2022.

The Company classified the lease as an operating lease and determined that the value of the lease assets and liability at the inception of the lease was \$173,938 using a discount rate of 12%. During the years ended December 31, 2022 and 2021, the Company made payments towards the lease liability of \$31,920, and \$47,424, respectively. As of December 31, 2022 and 2021, the ROU assets amounted to \$0 and \$127,335, respectively. As of December 31, 2022 and 2021, lease liability amounted to \$0 and \$135,094, respectively. During the years ended December 31, 2022 and 2021, the Company reflected amortization of right of use asset related to this lease of \$7,759 and \$72,331, respectively.

The following table presents lease expense for the following years:

	For the Years Ended December 31,	
	2022	2021
Operating lease	\$ 32,604	\$ 89,956

Note 12. SBA/PPP Notes Payable

Small Business Administration Paycheck Protection Program Loans

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted and included a provision for the Small Business Administration ("SBA") to implement its Paycheck Protection Program ("PPP"). The PPP provides small businesses with funds to pay payroll costs, including some benefits over a covered period of up to 24 weeks. Funds received under the PPP may also be used to pay interest on mortgages, rent, and utilities. Subject to certain criteria being met, all or a portion of the loan may be forgiven. The loans bear interest at an annual rate of one percent (1%), are due two (2) years from the date of issuance, and all payments are deferred for the first six (6) months of the loan. Any unforgiven balance of loan principal and accrued interest at the end of the six (6) month loan deferral period is amortized in equal monthly installments over the remaining 18-months of the loan term.

SBA Guaranteed PPP Loan

On April 30, 2020, the Company entered into an SBA guaranteed PPP loan. The Company received aggregate proceeds of \$197,600 under the loan. The loan accrues interest at a rate of 1.00%. On December 11, 2021, the SBA forgave \$183,567 of loan principal. As of December 31, 2022 and 2021, the outstanding balance under the loan was \$0 and \$14,033, respectively.

SBA Loan

On May 31, 2020, the Company entered into a loan agreement with the SBA. The Company received aggregate proceeds of \$149,900 under the loan. The loan accrues interest at a rate of 3.75%, and will mature in June 2050. As of December 31, 2022 and 2021, the outstanding balance under the loan was \$149,900, for both periods.

Second Draw SBA Guaranteed PPP Loan

On February 24, 2021, the Company entered into a Second Draw SBA guaranteed PPP loan. The Company received aggregate proceeds of \$197,662 under the loan. The loan accrues interest at a rate of 1.00%, and will mature in February 2026. On March 10, 2022, the SBA forgave \$197,662 of loan principal. As of December 31, 2022 and 2021, the outstanding balance under the loan was \$0 and \$197,662, respectively.

The following table summarizes PPP/SBA loans payable:

	As of	
	December 31, 2022	December 31, 2021
SBA Guaranteed PPP Loan	\$ —	\$ 14,033
SBA Loan	149,900	149,900
Second Draw SBA Guaranteed PPP Loan	—	197,662
Total	<u>\$ 149,900</u>	<u>\$ 361,595</u>

F-25

Note 13. Contingencies and Commitments

Russia – Ukraine Conflict

The Russia – Ukraine conflict is a global concern. The Company does not have any direct exposure to Russia or Ukraine through its operations, employee base, investments or sanctions. The Company does not receive goods or services sourced from those countries, does not anticipate any disruption in its supply chain and has no business relationships, connections to or assets in Russia, Belarus or Ukraine. No impairments to assets have been made due to the conflict. We are unable at this time to know the full ramifications of the Russia – Ukraine conflict and its effects on our business.

Note 14. Common Stock Options

On May 9, 2011, the Company adopted the 2016 Incentive Stock Award Plan (the "2011 Plan"), on August 12, 2016, the Company adopted the 2016 Incentive Stock Award Plan (the "2016 Plan"), on August 3, 2020, the Company adopted the 2020 Stock Plan (the "2020 Plan"), and on December 1, 2021, the Company adopted the 2021 Incentive Stock Award Plan (the "2021 Plan"), collectively (the "Plans"). The purpose of the Plans is to grant options to purchase our common stock, and other incentive awards, to our employees, directors and key consultants.

The maximum number of shares of common stock that may be issued pursuant to awards granted under the 2020 Plan was 500,000. On December 1, 2021, all prior stock award plans were retired, and the 2021 Plan was adopted. The maximum number of shares of common stock that may be issued pursuant to awards granted under the 2021 Plan is 10,000,000. The shares of our common stock underlying cancelled and forfeited awards issued under the 2021 Plan may again become available for grant under the 2021 Plan. As of December 31, 2022, there were 10,000,000 shares available for grant under the 2021 Plan, and no shares were available for grant under the 2020 Plan, 2016 Plan, or 2011 Plan.

On August 21, 2020 the Board approved the repricing of the exercise price of outstanding stock options that had been issued to directors and employees to \$0.25 per share.

Stock-based compensation cost is measured at the grant date, based on the fair value of the awards that are ultimately expected to vest, and recognized on a straight-line basis over the requisite service period, which is generally the vesting period.

The following table summarizes stock option activity during the years ended December 31, 2022 and 2021:

	Options	Weighted Average Exercise Price
Outstanding at December 31, 2020	789,250	\$ 0.32
Granted	7,300,000	2.55
Exercised	(317,500)	0.29
Forfeited/Cancelled	(120,000)	0.30
Outstanding at December 31, 2021	7,651,750	\$ 2.45
Granted	—	—
Exercised	(217,500)	0.42
Forfeited/Cancelled	(7,175,000)	2.59
Outstanding at December 31, 2022	<u>259,250</u>	<u>\$ 0.25</u>

Exercisable at December 31, 2020	451,448	\$	0.32
Exercisable at December 31, 2021	4,151,750	\$	2.28
Exercisable at December 31, 2022	259,250	\$	0.25

F-26

The following table presents the assumptions used to estimate the fair values based upon a Black-Scholes option pricing model of the stock options granted during the years ended December 31, 2022 and 2021:

	<u>Assumptions</u>
Expected dividend yield	0%
Risk-free interest rate	0.12 - 0.82%
Expected life (in years)	2.5 - 3.0
Expected volatility	297 - 545%

The weighted average remaining contractual life of all options outstanding, vested and exercisable as of December 31, 2022 was 2.1 years. Furthermore, the aggregate intrinsic value of options outstanding as of December 31, 2022 and 2021, was \$0 and \$3,641,063, respectively, and in each case based on the fair value of the Company's common stock on December 31, 2022 and 2021, respectively.

During the year ended December 31, 2022, the Company issued 185,216 net shares of common stock upon the cashless exercise of options underlying 217,500 shares of common stock, and option holders cancelled options to purchase 7,175,000 shares of common stock.

During the year ended December 31, 2021, the Company granted to Directors and employees options to purchase a total of 7,300,000 shares of the Company's common stock with a fair value of \$17,850,000, which will be amortized over the vesting period. The total fair value of options that vested during the year ended December 31, 2021 was \$9,726,950 and was included in stock based compensation expense in the accompanying statement of operations. As of December 31, 2021, the amount of unvested compensation related to the unvested options was \$8,925,000 which will be recorded as an expense in future periods as the options vest. During the year ended December 31, 2021, the Company issued 302,644 net shares of common stock upon the exercise of options underlying 317,500 shares of common stock, resulting in net cash proceeds of \$50,625.

On December 1, 2021, the Company granted certain of its Directors and employees options to purchase a total of 7,000,000 shares of the Company's common stock with an exercise price of \$2.65 per share, a term of 5 years, and a shall vest upon a VWAP of the Company's common stock reaching the following targets: at such time as there is a VWAP equal to \$2.50 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; at such time as there is a VWAP equal to \$3.00 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; at such time as there is a VWAP equal to \$3.50 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest; and at such time as there is a VWAP equal to \$4.00 of the Company's common stock when computed over 30 consecutive trading days, 25% of each Executive's Options shall vest.

Additional information regarding stock options outstanding and exercisable as of December 31, 2022 is as follows:

Option Exercise Price	Options Outstanding	Remaining Contractual Life (in years)	Options Exercisable
\$ 0.25	259,250	2.1	259,250

Note 15. Common Stock Warrants

During the year ended December 31, 2022, the Company granted warrants to purchase a total of 900,000 shares of the Company's common stock to a consultant. In addition, the Company granted fully vested warrants to purchase 600,000 shares of the Company's common stock to shareholder as replacement for warrants. Using the Black-Scholes model the warrants to purchase 600,000 shares of the Company's common stock had a grant date fair value of \$1,608,000 which was expensed on the grant date. The total fair value of options that vested during the year ended December 31, 2022, was \$2,080,501 and is included in stock based compensation expense in the accompanying statement of operations. As of December 31, 2022, the amount of unvested compensation related to the unvested options was \$0.

On January 1, 2022, the Company granted warrants to purchase shares of the Company's common stock to a consultant in connection with the issuance of Series C preferred stock as follows: a warrant to purchase 400,000 shares with an exercise price of \$1.50 per share, and a term of 5 years; a warrant to purchase 250,000 shares with an exercise price of \$2.50 per share, and term of 5 years; and a warrant to purchase 250,000 shares with an exercise price of \$2.75 per share, and term of 5 years.

F-27

On March 29, 2022, the Company offered 16 warrant holders replacement warrants with an exercise price of \$1.50 per common share, in exchange for any warrants exercised at this time at the exercise price of \$1.50 per common share. The issuance of replacement warrants has the effect of resetting the conversion price of all outstanding shares of Series C preferred stock to \$1.50 per common share and resetting the exercise price of all outstanding warrants to \$1.50 per common share in instances where those conversion and exercise prices are above \$1.50.

In late-August and early-September 2022, the Company and holders of Series B and Series C preferred stock entered into Support Agreements (the "Support Agreements") relating to the Merger. Pursuant to the Support Agreements, the holders of Series B and Series C preferred stock agreed to use its reasonable best efforts to cooperate with the Company in connection with the Merger. The Support Agreement amends the exercise price of all outstanding warrants held by Series B and Series C Preferred Stockholders to \$0.50 per common share.

On March 30, 2022, warrants to purchase 600,000 shares of the Company's common stock were exercised by one warrant holder resulting in \$900,000 in cash proceeds being received by the Company. The Company issued replacement warrants to purchase 600,000 shares of the Company's common stock to such warrant holder.

During the three months ended September 30, 2022, warrants to purchase 166,660 shares of the Company's common stock were exercised by two warrant holders resulting in \$83,330 in cash proceeds being received by the Company, in addition, warrants holders cancelled warrants to purchase 1,210,000 shares of common stock.

During the three months ended December 31, 2022, warrants to purchase 1,120,000 shares of the Company's common stock were cancelled by the warrant holders.

On March 1, 2021, the Company granted warrants to purchase shares the Company's common stock to certain consultants as follows: two warrants to purchase 100,000 shares with an exercise price of \$0.50 per share, a term of 5 years, and a vesting period of 2 years; and two warrants to purchase 100,000 shares with an exercise price of \$1.00 per share, a term of 5 years, and a vesting period of 2 years. Prior to December 31, 2021, warrants to purchase 350,000 shares of the Company's common stock were forfeited or cancelled leaving outstanding warrants to purchase 50,000 shares of the Company's common stock at \$0.50 per share.

On March 24, 2021, the Company granted warrants to purchase shares the Company's common stock to a consultant as follows: a warrant to purchase 300,000 shares with

an exercise price of \$1.00 per share, and a term of 5 years; and, in connection with the issuance of Series B preferred stock, a warrant to purchase 180,000 shares with an exercise price of \$1.5278 per share, and term of 5 years.

From August 2021 through October 2021, in connection with the issuance of common stock, the Company issued warrants to acquire 2,933,340 shares of common stock at an exercise price of \$1.50 per share, which became exercisable immediately upon issuance and with a term of 5 years. The warrants contain anti-dilution provisions where, if the Company, at any time while the warrant is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than the exercise price then in effect, the exercise price shall be reduced, and the number of warrant shares shall be increased such that the aggregate exercise price payable hereunder, shall be equal to the aggregate exercise price prior to such adjustment. If at any time after the 6-month anniversary of the closing date there is no effective registration statement, or no current prospectus available for the resale of the warrant shares, then the warrants may be exercised, in whole or in part, on a cashless basis at any time until they expire. Shares of common stock issuable upon exercise of warrants are subject to a 4.99% beneficial ownership limitation, which may increase to 9.99% upon notice to the Company.

On October 12, 2021, the Company granted certain directors warrants to purchase a total of 60,000 shares of the Company's common stock with an exercise price of \$1.50 per share, and a term of 3 years.

On October 20, 2021, the Company granted a director a warrant to purchase 400,000 shares of the Company's common stock with an exercise price of \$1.50 per share, a term of 3 years, and vesting as follows: 20% upon execution of the Services Agreement; 20% on January 20, 2022; 20% on April 20, 2022; 20% on July 20, 2022; and 20% on October 20, 2022.

On October 31, 2021, the Company granted a consultant warrants to purchase 750,000 shares of the Company's common stock with an exercise price of \$1.50 per share, a term of 3 years, and vesting as follows: 40% upon execution of the Services Agreement; 20% on April 1, 2022; 20% on August 1, 2022; and 20% on December 1, 2022.

F-28

During December 2021, in connection with the issuance of Series C preferred stock, the Company issued (i) warrants to acquire 1,750,936 shares of Common Stock at an exercise price of \$2.50 per share, which became exercisable immediately upon issuance and with a term of 5 years; and (ii) warrants to acquire 1,750,936 shares of Common Stock at an exercise price of \$2.75 per share, which became exercisable immediately upon issuance and with a term of 5 years. The warrants contain anti-dilution provisions where, if the Company, at any time while the warrant is outstanding, sells or grants any option to purchase, right to reprice, or otherwise dispose of or issue any common stock or common stock equivalents, at an effective price per share less than the exercise price then in effect, the exercise price shall be reduced, and the number of warrant shares shall be increased such that the aggregate exercise price payable hereunder, shall be equal to the aggregate exercise price prior to such adjustment. If at any time after the 6-month anniversary of the closing date there is no effective registration statement, or no current prospectus available for the resale of the warrant shares, then the warrants may be exercised, in whole or in part, on a cashless basis at any time until they expire. The warrants are callable by the Company if the VWAP as calculated over 20 consecutive trading days exceeds 200% of the then exercise price, and the average daily dollar volume for such measurement period exceeds 100,000 shares per trading day. Shares of common stock issuable upon exercise of warrants are subject to a 4.99% beneficial ownership limitation, which may increase to 9.99% upon notice to the Company.

The following table summarizes common stock warrant activity during the years ended December 31, 2022 and 2021:

	Common Stock Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2020	10,300,000	\$ 0.26
Results of anti-dilution provisions ⁽¹⁾	4,285,714	(1)
Granted	8,525,212	1.91
Exercised	—	—
Forfeited/Cancelled	(650,000)	1.81
Outstanding at December 31, 2021	22,460,926	\$ 0.82
Results of anti-dilution provisions	—	—
Granted	1,500,000	1.48
Exercised	(766,660)	1.28
Forfeited/Cancelled	(1,210,000)	1.50
Outstanding at December 31, 2022	21,984,266	\$ 0.37 ⁽²⁾
Exercisable at December 31, 2020	10,300,000	\$ 0.26
Exercisable at December 31, 2021	22,460,926	\$ 0.80
Exercisable at December 31, 2022	21,984,266	\$ 0.37 ⁽²⁾

(1) On October 31, 2021, as a result of the anti-dilution provisions, the effect of reducing the conversion price of the secured convertible debenture to \$0.175 increased the common stock issuable upon the exercise of the series A common stock purchase warrants held cumulatively by related parties Bristol Investment Fund and Barlock Capital Management, LLC, from 10,000,000 to 14,285,714, and decreased the exercise price to \$0.175.

(2) On March 29, 2022, the Company offered 16 warrant holders replacement warrants with an exercise price of \$1.50 per common share, in exchange for any warrants exercised at this time at the exercise price of \$1.50 per common share. The issuance of replacement warrants has the effect of resetting the conversion price of all outstanding shares of Series C preferred stock to \$1.50 per common share and resetting the exercise price of all outstanding warrants to \$1.50 per common share in instances where those conversion and exercise prices are above \$1.50. Additionally, in late-August and early-September 2022, the Company and holders of Series B and Series C preferred stock entered into the Support Agreements. Pursuant to the Support Agreements, the holders of Series B and Series C preferred stock agreed to use its reasonable best efforts to cooperate with the Company in connection with the Merger. The Support Agreements amend the exercise price of all outstanding warrants held by Series B and Series C Preferred Stockholders to \$0.50 per common share.

The following table presents the assumptions used to estimate the fair values based upon a Black-Scholes calculation for the common stock warrants granted during the year ended December 31, 2021 and 2022:

	Assumptions
Expected dividend yield	0%
Risk-free interest rate	0.32 – 2.09%
Expected life (in years)	2-3
Expected volatility	291-297%

The weighted average remaining contractual life of all common stock warrants outstanding as of December 31, 2022 was 2.56 years. Furthermore, the aggregate intrinsic value of common stock warrants outstanding as of December 31, 2022 was \$0, based on the fair value of the Company's common stock on December 31, 2022.

F-29

Additional information regarding common stock warrants outstanding and exercisable as of December 31, 2022 is as follows:

Warrant Exercise Price	Warrants Outstanding	Remaining Contractual Life (in years)	Warrants Exercisable
\$ 0.175	14,285,714	1.9	14,285,714
0.50	6,318,552	3.9	6,318,552
1.00	300,000	1.2	300,000
1.50	400,000	4.0	400,000
1.53	180,000	1.7	180,000
2.50	250,000	4.0	250,000
2.75	250,000	4.0	250,000
Total	21,948,266		21,948,266

Note 16. Series B Preferred Stock Warrants

From March 2021 through December 2021, in connection with the issuance of Series B preferred stock, the Company issued (i) a warrant to acquire 5,000 shares of the Series B preferred stock at an exercise price of \$1,000 per share of Series B preferred stock, which became exercisable immediately upon issuance and which expires on March 26, 2023; and (ii) a warrant to acquire 5,000 shares of the Series B preferred stock at an exercise price of \$1,000 per share of Series B preferred stock, which became exercisable immediately upon issuance and which expires on March 26, 2024. If at any time after the 60-day anniversary of the closing date there is no effective registration statement, or no current prospectus available for the resale of the warrant shares, then the warrants may be exercised, in whole or in part, on a cashless basis at any time until they expire. The Company can force the exercise of the warrants if the VWAP exceeds \$3.75 per share per share for 20 consecutive trading days and the daily average trading volume of the Common Stock exceeds \$100,000 in aggregate value for such period. The Warrant holder may not be forced to exercise the warrant if such exercise would cause the holder's beneficial ownership to exceed 4.9%.

In late-August and early-September 2022, the Company and holders of Series B and Series C preferred stock entered into the Support Agreements. Pursuant to the Support Agreements, the holders of Series B and Series C preferred stock agreed to use its reasonable best efforts to cooperate with the Company in connection with the Merger. The Support Agreements amend the exercise price of all outstanding warrants held by Series B and Series C Preferred Stockholders to \$0.50 per common share.

The Series B preferred stock issuable upon exercise of the Series B preferred stock warrants are automatically convertible into shares of common stock at the Series B conversion price. Each share of our Series B preferred stock is convertible into a number of shares of our common stock determined by dividing the aggregate stated value for the Series B preferred stock being converted (\$1,080 per share, as amended, subject to adjustment as set forth in the currently effective Series B Certificate of Designation) by the then-applicable conversion price (initially \$1.50 per share), subject to adjustment as set forth in the currently effective Series B Certificate of Designation. As of December 31, 2022, in connection with the issuance of Series B preferred stock, there were outstanding warrants to acquire 10,000 shares of Series B preferred stock at an exercise price of \$1,000, resulting in Series B preferred stock with a stated value of \$10,800,000, and convertible into 21,600,000 shares of common stock, using a conversion price of \$0.50.

F-30

The following table summarizes Series B preferred stock warrant activity during the year ended December 31, 2022:

	Series B Preferred Stock Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2021	—	\$ —
Granted	10,000	1,000
Exercised	—	—
Forfeited/Cancelled	—	—
Outstanding at December 31, 2022	10,000	\$ 1,000
Exercisable at December 31, 2022	10,000	\$ 1,000

The weighted average remaining contractual life of all Series B preferred stock warrants outstanding as of December 31, 2022 was 0.7 years.

Note 17. Common Stock

Holders of our common stock are entitled to one vote per share. Our Certificate of Incorporation does not provide for cumulative voting. Holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our Board out of legally available funds. However, the current policy of our Board is to retain earnings, if any, for our operations and expansion. Upon liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all of our assets which are legally available for distribution, after payment of or provision for all liabilities. The holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue.

We implemented a 1-for-20 reverse stock split of our outstanding shares of common stock that was effective on January 23, 2020. Unless otherwise noted, all share and related option, warrant, and convertible security information presented has been retroactively adjusted to reflect the reduced number of shares, and the increase in the share price which resulted from this action.

From August 2021 through October 2021, we consummated the transactions contemplated by the securities purchase agreement with the investors party thereto, pursuant to which, we generated net cash proceeds of \$3,925,050, and issued in a private placement: (i) 2,933,340 shares of common stock for \$1.50 per share and (ii) warrants to acquire 2,933,340 shares of common stock at an exercise price of \$1.50 per share, which became exercisable immediately upon issuance and with a term of 5 years. The issuance generated net cash proceeds of approximately \$3.9 million.

On January 25, 2022, the Company granted an officer 30,000 shares of common stock as compensation under his employment agreement for services provided through December 31, 2021. On December 31, 2022 the shares were rescinded and returned to the Company.

On May 31, 2022, the Company issued 169,205 shares of common stock to Highwire under the terms of the Binding Memorandum of Understanding for a Proposed Transaction.

On August 24, 2022, the Company entered into the Settlement with Alpha. The Settlement relates to a dispute with the Company's then-CEO in connection with Alpha's partial exercise on March 20, 2022 of the Warrant Shares. Pursuant to the Settlement, Alpha agreed to exchange the Warrant Shares for the Alpha Note. As of December 31, 2022 Alpha had returned 600,000 shares of common stock in connection with the Settlement.

Note 18. Preferred Stock

Under the terms of the Certificate of Incorporation, our Board is expressly granted authority to authorize the issuance from time to time of shares of preferred stock in one or more series, for such consideration and for such corporate purposes as our Board may from time to time determine, and by filing a certificate pursuant to applicable law of the State of Delaware to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent permitted by the Certificate of Incorporation and the laws of the State of Delaware, including, without limitation, voting rights (if any), dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof.

F-31

Series A Preferred Stock

Holders of our Series A preferred stock are entitled to the number of votes per share equal to 2,000 shares of common stock. Holders of our Series A preferred stock are entitled to receive a cumulative dividend on each share of Series A preferred stock issued and outstanding at the rate of twelve percent (12%) per annum on the Aggregate Stated Value (as defined in the Certificate of Designation and Restatement of Rights, Preferences and restrictions of Series A preferred stock, the "Series A Certificate of Designation") then in effect, payable quarterly on January 1, April 1, July 1 and October 1. Such dividend is payable in cash but may be paid in shares of common stock in our sole discretion if the shares of common stock are listed on a national securities exchange. In the event of any liquidation, dissolution or winding up of our company, whether voluntary or involuntary, holders of our Series A preferred stock are entitled to receive, prior and in preference to any distribution of any of our assets to the holders of common stock by reason of their ownership thereof, for each share held, an amount equal to the Stated Value (as defined in the Series A Certificate of Designation), plus unpaid dividends, if any. The Series A preferred stock is convertible, at the option of the holder thereof, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the Aggregate Stated Value (initially \$10.00 per share, subject to adjustment as set forth in the currently effective Series A Certificate of Designation) by the Conversion Price (as defined in the Series A Certificate of Designation), in effect on the date the certificate is surrendered for conversion, initially set at \$0.25. Each share of Series A preferred stock is redeemable at the option of the holder for the payment of cash by us to the holder equal to the Aggregate Stated Value of the shares that the holder elects to redeem. The Series A preferred stock is entitled to certain protective provisions and we may not take certain actions without the written consent of at least a majority of the Series A preferred stock, including, without limitation, amend, alter or repeal any provision of the Series A Certificate of Designation to change the rights of the Series A preferred stock, create or authorize additional class or series of stock senior to the Series A preferred stock or create, authorize the creation of, issue or authorize the issuance of, any debt security which is convertible into or exchangeable for any equity security, if such equity security ranks senior to the Series A preferred stock as to dividends or liquidation rights.

On January 1, 2022, the Company granted an officer 7,722 shares Series A preferred stock for settlement of \$77,216 in compensation under his employment agreement for services provided through March 31, 2022.

On March 31, 2022, we issued 3,409 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$34,090 of compensation payable to Mr. Kaufman under his employment agreement from January 1, 2022 through March 31, 2022. In addition, on March 31, 2022 we issued 4,941 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$49,410 of compensation payable to Mr. Kessler under his employment agreement from January 1, 2022 through March 31, 2022.

On June 30, 2022, we issued 5,361 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$53,610 of compensation payable to Mr. Kaufman under his employment agreement from April 1, 2022 through June 30, 2022. In addition, on June 30, 2022 we issued 4,941 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$49,410 of compensation payable to Mr. Kessler under his employment agreement from April 1, 2022 through June 30, 2022.

On September 30, 2022, we issued: 902 shares of our Series A preferred stock to Scott D. Kaufman, our former co-Chief Executive Officer, for settlement of \$9,020 of compensation payable to Mr. Kaufman under his employment agreement from July 1, 2022 through July 8, 2022; 2,958 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$29,580 of compensation payable to Mr. Kessler under his employment agreement from July 1, 2022 through September 30, 2022; 8,333 shares of our Series A preferred stock to John D. Maatta, our Chief Executive Officer, for settlement of \$83,333 of compensation payable to Mr. Maatta under his employment agreement from May 1, 2022 through September 30, 2022; and 3,426 shares of our Series A preferred stock to Scott Sheikh, our Chief Operating Officer and General Counsel, for settlement of \$34,260 of compensation payable to Mr. Sheikh under his employment agreement from July 16, 2022 through September 30, 2022.

On December 31, 2022, we issued: 3,792 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$37,920 of compensation payable to Mr. Kessler under his employment agreement from October 1, 2022 through December 31, 2022; 5,000 shares of our Series A preferred stock to John D. Maatta, our Chief Executive Officer, for settlement of \$50,000 of compensation payable to Mr. Maatta under his employment agreement from October 1, 2022 through December 31, 2022; 4,110 shares of our Series A preferred stock to Scott Sheikh, our Chief Operating Officer and General Counsel, for settlement of \$41,110 of compensation payable to Mr. Sheikh under his employment agreement from October 1, 2022 through December 31, 2022, and 685 shares of our Series A preferred stock to Alan Urban, our former Chief Financial Officer, for settlement of \$6,850 of compensation payable to Mr. Urban under his employment agreement from October 1, 2022 through December 31, 2022.

F-32

During the year ended December 31, 2022 and 2021, 23,423 and 8,750 shares of Series A preferred stock were converted into 1,338,456 and 500,000 shares of common stock, respectively.

As of December 31, 2022, there were 256,117 shares of Series A preferred stock outstanding resulting in Series A preferred stock with a stated value of \$2,567,170 and convertible into 14,635,257 shares of common stock, using a conversion price of \$0.175.

On March 1, 2021, we issued shares of our Series A preferred stock as follows: 8,500 shares to Mr. Maatta in satisfaction of an aggregate of \$85,546 due and owing to Mr. Maatta under his Separation Agreement; 22,500 shares to Bristol Capital, LLC in satisfaction of \$225,000 due and owing to Bristol Capital, LLC for additional consulting services rendered by Mr. Kessler from July 1, 2020 through April 1, 2021; and 8,300 shares to Scott D. Kaufman, our Chief Executive Officer, in satisfaction of \$83,332 of compensation payable to Mr. Kaufman under his Employment Agreement from November 24, 2020 through March 31, 2021.

On June 30, 2021, we issued 6,249 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,490 of compensation payable to Mr. Kaufman under his employment agreement from April 1, 2021 through June 30, 2021.

On September 30, 2021, we issued 6,249 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,490 of compensation payable to Mr. Kaufman under his employment agreement from July 1, 2021 through September 30, 2021.

On December 31, 2021, we issued 6,250 shares of our Series A preferred stock to Scott D. Kaufman, our Chief Executive Officer, for settlement of \$62,500 of compensation payable to Mr. Kaufman under his employment agreement from October 1, 2021 through December 31, 2021. In addition, on December 31, 2021 we issued 673 shares of our Series A preferred stock to Paul L. Kessler, our Executive Chairman, for settlement of \$6,730 of compensation payable to Mr. Kessler under his employment agreement from December 23, 2021 through December 31, 2021.

Series B Preferred Stock

Holders of our Series B preferred stock have no voting rights. Holders of our Series B preferred stock are entitled to receive a cumulative dividend on each share of Series B preferred stock issued and outstanding at the rate of five percent (5%) per annum, in cash or at the holder's option, in fully paid and non-assessable shares of Series B preferred stock, at the Dividend Conversion Rate (as defined in the Series B Certificate of Designation). Such dividends are payable quarterly on January 1, April 1, July 1 and October 1. In the event of any liquidation, dissolution or winding up of our company, whether voluntary or involuntary, holders of our Series B preferred stock are entitled to receive, prior and in preference to any distribution of any of our assets to the holders of Common Stock and Common Stock Equivalents (as defined in the Series B Certificate of Designation, and which includes the Series A preferred stock and the Series C preferred stock) by reason of their ownership thereof, for each share held an amount equal to the Stated Value (as defined in the Series B Certificate of Designation), plus unpaid dividends or liquidated damages, if any. The Series B preferred stock is convertible, at the option of the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Stated Value, currently \$1,080 as amended, by the Series B Conversion Price, subject to a minimum of \$1.00, but not to exceed \$1.50, subject to further adjustment in the event that the Company, subject to certain exemptions, disposes of or issues any Common Stock or securities convertible into, exercisable, or exchangeable for Common Stock for no consideration or for consideration less than the applicable Series B Conversion Price in effect immediately prior to such issuance. We are entitled to redeem some or all of the outstanding shares of Series B preferred stock for cash in an amount equal to the Optional Redemption Amount (as defined in the Series B Certificate of Designation). The Series B preferred stock is entitled to certain protective provisions and we may not take certain actions without the written consent of at least fifty one percent (51%) in Stated Value of the outstanding shares of the Series B preferred stock, including, without limitation, amend, alter or repeal any provision of the Series B Certificate of Incorporation or the Bylaws that materially and adversely affects the rights of the Series B preferred stock, pay cash dividends or distributions on Junior Securities (as defined in the Series B Certificate of Designation), or repay, repurchase or offer to repay, or otherwise acquire more than a de minimis number of shares of Common Stock, Common Stock Equivalents (as defined in the Series B Certificate of Designation) or Junior Securities. Shares of common stock issuable upon the conversion of Series B preferred stock are subject to a 9.99% beneficial ownership limitation.

F-33

From March 2021 through December 2021, we consummated the transactions contemplated by the securities purchase agreement with Leviston Resources LLC, pursuant to which, we generated net cash proceeds of \$4,378,995, and issued in a private placement: (i) 5,000 shares of Series B preferred stock, convertible by dividing the stated value, currently \$1,080, as amended, by the Series B conversion price; and (ii) a warrant to acquire 5,000 shares of the Series B preferred stock at an exercise price of \$1,000 per share of Series B preferred stock, which became exercisable immediately upon issuance and which expires on March 26, 2023; and (iii) a warrant to acquire 5,000 shares of the Series B preferred stock at an exercise price of \$1,000 per share of Series B preferred stock, which became exercisable immediately upon issuance and which expires on March 26, 2024. The Series B preferred stock issuable upon exercise of the Series B preferred stock warrants are automatically convertible into shares of common stock at the Series B conversion price.

In late-August and early-September 2022, the Company and holders of Series B and Series C preferred stock entered into Support Agreements. Pursuant to the Support Agreements, the holders of Series B and Series C preferred stock agreed to use its reasonable best efforts to cooperate with the Company in connection with the Merger. The Support Agreements amend the conversion price of the Series B and Series C preferred stock to \$0.50, amends the exercise price of all outstanding warrants held by Series B and Series C Preferred Stockholders to \$0.50 per common share, and provides for the conversion of the Series B and Series C preferred stock into shares of the Company's common stock immediately prior to the closing of the Merger.

During the years ended December 31, 2022 and 2021, 2,472 and 1,280 shares of Series B preferred stock had been converted into 1,962,448 and 948,646 shares of common stock, respectively.

As of December 31, 2022, there were 1,439 shares of Series B preferred stock outstanding resulting in Series B preferred stock with a stated value of \$1,554,120, and convertible into 3,108,240 shares of common stock, using a conversion price of \$0.50.

Series C Preferred Stock

Holders of our Series C preferred stock have no voting rights. Holders of our Series C preferred stock are entitled to receive dividends on Series C preferred stock equal (on an as-if-converted-to-Common-Stock basis) to any dividends paid on common stock. In the event of any liquidation, dissolution or winding up of our company, whether voluntary or involuntary, holders of our Series C preferred stock are entitled to receive, prior and in preference to any distribution of any of our assets to the holders of common stock and Common Stock Equivalents (as defined in the Certificate of Designation) by reason of their ownership thereof, for each share held an amount equal to the Stated Value (as defined in the Certificate of Designation), plus fees, if any. The Series C preferred stock is convertible, at the option of the holder thereof, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the Stated Value, currently \$1,111, by the Series C Conversion Price, subject to further adjustment in the event that the Company, subject to certain exemptions, disposes of or issues any common stock or securities convertible into, exercisable, or exchangeable for Common Stock for no consideration or for consideration less than the applicable Series C Conversion Price in effect immediately prior to such issuance. We are entitled to redeem some or all of the outstanding shares of Series C preferred stock for cash in an amount equal to the Optional Redemption Amount (as defined in the Certificate of Designation). The Series C preferred stock is entitled to certain protective provisions and, without the written consent of at least 50.1% in Stated Value of the outstanding shares of the Series C preferred stock, we may not (or permit any of our subsidiaries to) enter into, create, incur, assume, guarantee or suffer to exist any indebtedness, other than Permitted Indebtedness (as defined in the Certificate of Designation). Shares of common stock issuable upon the conversion of Series C preferred stock are subject to a 4.99% beneficial ownership limitation, which may increase to 9.99% upon notice to the Company.

On March 29, 2022, the Company offered 16 warrant holders replacement warrants with an exercise price of \$1.50 per common share, in exchange for any warrants exercised at this time at the exercise price of \$ 1.50 per common share. The issuance of replacement warrants has the effect of resetting the conversion price of all outstanding shares of Series C preferred stock to \$1.50 per common share and resetting the exercise price of all outstanding warrants to \$1.50 per common share in instances where those conversion and exercise prices are above \$1.50.

On July 7, 2022, 250 shares of Series C preferred stock were converted into 185,167 shares of common stock.

In late-August and early-September 2022, the Company and holders of Series B and Series C preferred stock entered into Support Agreements. Pursuant to the Support Agreements, the holders of Series B and Series C preferred stock agreed to use its reasonable best efforts to cooperate with the Company in connection with the Merger. The Support Agreements amend the conversion price of the Series B and Series C preferred stock to \$0.50, amends the exercise price of all outstanding warrants held by Series B and Series C Preferred Stockholders to \$0.50 per common share, and provides for the conversion of the Series B and Series C preferred stock into shares of the Company's common stock immediately prior to the closing of the Merger.

F-34

As of December 31, 2022, there were 7,630 shares of Series C preferred stock outstanding resulting in Series C preferred stock with a stated value of \$8,476,930,

and convertible into 16,953,860 shares of common stock, using a conversion price of \$0.50.

During December 2021, we consummated the transactions contemplated by the securities purchase agreement with the investors party thereto, pursuant to which we generated net cash proceeds of \$7,733,601, and issued in the Private Placement: (i) 7,880 shares of Series C preferred stock, convertible by dividing the stated value, currently \$1,111, by the Series C Conversion Price; and (ii) warrants to acquire 1,750,936 shares of Common Stock at an exercise price of \$2.50 per share, which became exercisable immediately upon issuance and with a term of 5 years; and (iii) warrants to acquire 1,750,936 shares of Common Stock at an exercise price of \$2.75 per share, which became exercisable immediately upon issuance and with a term of 5 years.

Note 19. Discontinued Operations

On August 6, 2021, the Company entered into the Informa Agreement with Informa. Pursuant to the Informa Agreement, Creek Road Miners Corp. (fka Kick the Can Corp.) sold, transferred, and assigned certain assets, properties, and rights to Informa related to the business of operating and producing live pop culture events. The Company released deferred revenue and other liabilities totaling \$722,429 and recorded a gain from sale of discontinued operations of this amount.

On September 15, 2021, the Company sold our wholly owned subsidiary which contained our Jevo assets and all rights to our Jevo operations for \$1,500,000 and recognized a gain from sale of discontinued operations on the transaction of approximately \$1,130,740. The gain from sale of discontinued operations consists of the following:

Description	Amount
Net cash paid on the closing date	\$ 1,500,000
Less:	
Current assets	36,060
Inventory	193,300
Fixed assets, net	16,700
Intangible assets, net	123,200
Total	369,260
Gain from sale	\$ 1,130,740

CONtv is a joint venture with third parties and Bristol Capital, LLC. The Company holds a limited and passive interest of 10% in CONtv. As of December 31, 2022 and 2021, the investment in CONtv was \$0, for both periods. As of December 31, 2022 and 2021, the amount due to CONtv was \$0, respectively, and classified as a discontinued operation.

Prior to cryptocurrency mining operations that began in October 2021, the Company produced live and virtual pop culture conventions and events, and sold a gelatin machine and related consumables that were discontinued in 2021. In addition, the Company operated an eCommerce site selling pop culture memorabilia that was discontinued on June 30, 2022 (collectively known as "legacy operations").

The related assets and liabilities associated with the discontinued operations in our consolidated balance sheets for the years ending December 31, 2022 and 2021, are classified as discontinued operations. Additionally, the financial results associated with discontinued operations in our consolidated statement of operations for the years ending December 31, 2022 and 2021, are classified as discontinued operations.

F-35

The assets and liabilities related to discontinued operations consists of the following:

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Prepaid expenses	\$ —	\$ —
Inventory	—	—
Total current assets	—	—
Other assets:		
Property and equipment, net	—	—
Intangible assets, net	—	—
Total assets	\$ —	\$ —
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 485,712	\$ 472,029
Deferred revenue	—	—
Due to CONtv	—	—
Total liabilities	\$ 485,712	\$ 472,029

In addition, revenue and expenses from discontinued operations were as follows:

	Years Ended December 31,	
	2022	2021
Revenue	\$ 43,580	\$ 829,767
Operating costs and expenses:		
Cost of revenue	59,037	776,719
General and administrative	—	842,097
Total operating expenses	59,037	1,618,816
Loss from operations	(15,457)	(789,049)
Other income (expense):		
Other income	(2,281)	867,288
Interest income	—	—
Loss on disposal of fixed assets	—	1,853,169
Total other income (expense)	(2,281)	2,720,457

Note 20. Subsequent Events***Decrease in Market Price of Bitcoin, and Increase in Cost of Natural Gas***

Our business is heavily dependent on the market price of Bitcoin, which has experienced substantial volatility and has recently dropped to its lowest price since December 2020. As of December 31, 2022 the market price of Bitcoin was \$16,547, which reflects a decrease of approximately 60% since the beginning of 2022, and of approximately 75% from its all-time high of approximately \$67,000. In addition, the cost of natural gas that we use to produce electricity to power our miners has increased substantially. The cost of natural gas in the United States during 2022 has increased by as much as approximately 260% since the beginning of 2022. These price movements result in decreased cryptocurrency mining revenue and increased cryptocurrency mining costs, both of which have a material adverse effect on our business and financial results.

On March 2, 2023, we entered into a Master Services Agreement and Order Form (the "Master Services Agreement") with Atlas Power Hosting, LLC ("Atlas"). Atlas will provide us with cryptocurrency mining services for our miners at its facility in North Dakota. The Master Services Agreement has a term of two years unless otherwise terminated pursuant to its terms. Under the Master Services Agreement, we will pay Atlas a monthly hosting service fee for the quantity of electricity consumed by our miners, with an initial price per kilowatt-hour of \$0.08. In lieu of a deposit or prepayment, all cryptocurrency mined by our miners will be transferred to wallets in the control of Atlas. Atlas will then deduct the hosting service fee from the monthly total mined currency produced by our miners and remit the net mined currency to us.

F-36

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

There were no changes in or disagreements with our accountants on accounting and financial disclosure during the last two fiscal years.

Item 9A. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. For purposes of this section, the term *disclosure controls and procedures* means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2022, the end of the period covered by this report, our disclosure controls and procedures were effective at a reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2022, using the framework set forth in the report of the Treadway Commission's Committee of Sponsoring Organizations ("COSO"), "2013 Internal Control - Integrated Framework." Based upon that evaluation, management believes our internal control over financial reporting was effective as of December 31, 2022.

33

Inherent Limitations on the Effectiveness of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated

goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Controls Over Financial Reporting

Management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

Item 9B. Other Information

On March 30, 2023, the Company and the holder of the Company's convertible promissory note in the principal amount of \$500,000 entered into an amendment pursuant to which the maturity date of the note was extended to the earlier of May 31, 2023, or the closing of the Merger.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

34

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth the name, age, position, and date of appointment of each of our directors and executive officers as of March 31, 2023:

Name	Age	Position	Date of Appointment
Paul L. Kessler	62	Executive Chairman	March 17, 2013 ⁽¹⁾
John D. Maatta	71	Director and Chief Executive Officer	May 25, 2011 ⁽²⁾
Scott Sheikh	41	Chief Operating Officer and General Counsel	December 23, 2021
Michael Breen ⁽³⁾	60	Director	March 29, 2017

- (1) Mr. Kessler served as Executive Chairman of the Company from December 29, 2016, through November 24, 2020, when Mr. Kessler resigned his position, but continued to serve as member of the Board of Directors. On December 1, 2021, Mr. Kessler was again appointed Executive Chairman of the Company.
- (2) Mr. Maatta has served as a member of the Board since May 25, 2011, serving as Chairman of the Board from February 5, 2016 through April 22, 2016. In addition, Mr. Maatta served as the Company's President and Chief Executive Officer from May 3, 2016 through November 24, 2020, as co-Chief Executive Officer from May 12, 2022 through July 8, 2022, and again as Chief Executive Officer beginning on July 9, 2022.
- (3) Chairman of Audit Committee and Compensation Committee

Paul L. Kessler – Executive Chairman

Mr. Kessler combines over 30 years of experience as an investor, financier and venture capitalist. In 2000, Mr. Kessler founded Bristol Capital Advisors, LLC, a Los Angeles based investment advisor, where he has served as the Principal and Portfolio Manager from 2000 through the present. Mr. Kessler has broad experience in operating, financing, capital formation, negotiating, structuring and re-structuring investment transactions. He is involved in all aspects of the investment process including identification and engagement of portfolio companies. His investment experience encompasses both public and private companies. Mr. Kessler has actively worked with executives and boards of companies on corporate governance and oversight, strategic repositioning and alignment of interests with shareholders. The Board believes Mr. Kessler's extensive experience make him uniquely qualified to serve as a director, and his extensive experience in matters including capital formation, corporate finance, investment banking, operations, corporate governance, as well as his understanding of capital markets, will provide a significant contribution to the growth of the Company.

John D. Maatta – Director and Chief Executive Officer

Mr. Maatta served as EVP of The CW Television Network, prior to which he was the Chief Operating Officer of The CW Network. From September 2005 through September 2006, Mr. Maatta served as the Chief Operating Officer of The WB, a Warner Bros. television network. While Chief Operating Officer at The WB, Mr. Maatta also served as The WB's General Counsel. Mr. Maatta is currently a director of Trader Vic's, Inc., a Polynesian-style restaurant chain, a position he has held since 1998. Formerly, Mr. Maatta was engaged in the practice of law, and received a Bachelor of Arts in Government from the University of San Francisco in 1974, and a Juris Doctorate from the University of California, Hastings College of the Law, in 1977. Between 2013 and 2016 Mr. Maatta served as the President of UNICEF for the Southern California region, and is a current member of the UNICEF Southern California Board and the Chairman of the UNICEF Chinese Children's Initiative. Mr. Maatta is also a member of the Southern California Board of the Asia Society. The Board believes that Mr. Maatta's extensive experience make him uniquely qualified to serve as a director.

Scott Sheikh – Chief Operating Officer and General Counsel

Mr. Sheikh has a background in logistics, emerging technologies (such as blockchain), crypto mining and cutting-edge law. His expertise ranges from the business and legal aspects of blockchain-based businesses and cryptocurrency mining operations. He was admitted to the State Bar of California on July 3, 2007 and received his Juris Doctorate from the University of California, Hastings College of the Law in 2007. Prior, he studied Chemistry and History at the University of California, Los Angeles.

35

Michael Breen - Director

Mr. Breen is an English qualified solicitor and was the Managing Director of the Sports and Entertainment Division of Bank Insigner de Beaufort N.V, a wealth management organization and part of the BNP Paribas Group, one of the world's largest banks. In addition, Mr. Breen was an equity partner with the law firm Clyde & Co, where he specialized in all aspects of sports and entertainment law. Mr. Breen also has extensive experience in event-based entertainment, having been responsible for the legal documentation relating to the world-famous UK music awards known as the Brit Awards. Mr. Breen holds an Honours LLB degree in law from the University College of Wales, Aberystwyth. The Board believes Mr. Breen's extensive experience make him uniquely qualified to serve as a director.

Term of Office

The term of office for directors is one year, or until his or her successor is duly elected and qualified.

Family Relationships

There are no family relationships between any of our officers and directors.

Corporate Governance

Director Independence

Our board of directors consists of three persons, one of whom, Mr. Breen, is "independent" as defined under the applicable NASDAQ rules. Mr. Kessler is a significant shareholder of the Company, and Mr. Maatta is an executive officer of the Company, neither is independent.

Audit Committee

The Audit Committee was created on March 17, 2013. Currently, the Audit Committee is comprised of Mr. Breen who is the Chairman and an independent Director. The Audit Committee's functions include: selecting our independent registered public accountants; reviewing the results and scope of the audit and other services provided by our independent registered public accountants; reviewing our financial statements for each interim period and for our year end and our internal financial and accounting controls; and recommending, establishing and monitoring the Company's disclosure controls and procedures. The Company does not have an audit committee financial expert serving on its audit committee in light of its size and the need to control administrative costs.

Compensation Committee

The Compensation Committee was created on March 17, 2013. Currently, the Compensation Committee is comprised of Mr. Breen who is the Chairman and an independent Director. The Compensation Committee is responsible for establishing and administering our policies involving the compensation of all of our executive officers and establishing and recommending to our Board the terms and conditions of all employee and consultant compensation and benefit plans.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee was created on March 13, 2014. The Nominating and Corporate Governance Committee reviews and provides oversight with regard to the Company's corporate governance related policies and procedures and also recommends nominees to the Board and committees of the Board, develops and recommends to the Board corporate governance principles, and oversees the evaluation of the Board and management.

Code of Ethics

Our board of directors has adopted a Code of Ethical Conduct that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The code is available on our website, www.creekroadminers.com.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish the Company with copies of all Section 16(a) forms they file. Our review of copies of the Section 16(a) reports filed to report transactions occurring during the fiscal year ended December 31, 2022 indicates that all filing requirements applicable to our officers, directors, and greater than ten percent beneficial owners were complied with except as follows: Mr. Maatta did not file a Form 4 for the purpose of reporting one transaction.

Legal Proceedings

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

Item 11. Executive Compensation

Compensation of Executive Officers

The following table summarizes all compensation for the last two fiscal years awarded to, earned by, or paid to our Chief Executive Officer (principal executive officer) and our two most highly compensated executive officers other than our CEO who were serving as executive officers at the end of our last completed fiscal year, whose total compensation exceeded \$100,000 during such fiscal year ends.

Compensation of Executive Officers for Fiscal Years Ended December 31, 2022 and 2021

Name and Principal Position	Fiscal Year	Salary (\$)	Stock Awards (\$)	All other Compensation (\$)	Total (\$)
Paul L. Kessler, Executive Chairman	2022	48,342	166,320(8)	14,355	229,017
	2021	48,219	6,700,480(1)(2)	12,015	6,760,714
John D. Maatta, President and Chief Executive Officer, and Director	2022	—	133,330(9)	—	133,330
	2021	—	85,564(5)	60,000(6)	145,564
Scott Sheikh, Chief Operating Officer and General Counsel	2022	84,142	152,580(10)	3,008	239,730
	2021	99,362	2,231,250(7)	536	2,331,148
Scott D. Kaufman, Former President and Chief Executive Officer, and Director	2022	22,104	69,720(11)	811	92,635
	2021	19,518	6,964,563(1)(3)	200,111(4)	7,184,192
Alan L. Urban, Former Chief Financial Officer	2022	196,610	6,850(12)	49,495	252,955
	2021	—	2,231,250(7)	—	2,331,250
Heidi Bowman, Former Chief Financial Officer	2022	—	—	—	—
	2021	140,192	—	116	140,308

- (1) Represents the grant date fair value of options granted on December 1, 2021, to purchase 2,625,000 shares of the Company's common stock with an exercise price of \$2.65 per share, a term of 5 years, and a shall vest upon a volume weighted average price ("VWAP") of the Company's common stock reaching the following targets: at such time as there is a VWAP equal to \$2.50 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; at such time as there is a

VWAP equal to \$3.00 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; at such time as there is a VWAP equal to \$3.50 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; and at such time as there is a VWAP equal to \$4.00 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest. These options were cancelled by the option holder during the year ended December 31, 2022.

- (2) Represents 673 shares of Series A preferred stock for settlement of \$6,730 of compensation payable to Mr. Kessler under his employment agreement from December 23, 2021 through December 31, 2021.
- (3) Represents 27,048 shares of Series A preferred stock for settlement of \$270,812 of compensation payable to Mr. Kaufman under his employment agreement from November 24, 2020 through December 31, 2021, and the grant date fair value of 37,500 options granted on August 3, 2020, to purchase the Company's common stock with an exercise price of \$0.25 per share, as amended, and a term of 5 years.

37

- (4) Represents a one-time non-accountable expense reimbursement of \$200,000 in consideration for significant efforts and diligence in negotiating and structuring investment transactions paid on September 7, 2021.
- (5) Represents 50,767 shares of Series A preferred stock issued for the settlement of \$507,672 in outstanding compensation.
- (6) Consulting fees.
- (7) Represents the grant date fair value of options granted on December 1, 2021, to purchase 875,000 shares of the Company's common stock with an exercise price of \$2.65 per share, a term of 5 years, and a shall vest upon a volume weighted average price ("VWAP") of the Company's common stock reaching the following targets: at such time as there is a VWAP equal to \$2.50 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; at such time as there is a VWAP equal to \$3.00 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; at such time as there is a VWAP equal to \$3.50 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest; and at such time as there is a VWAP equal to \$4.00 of the Company's common stock when computed over 30 consecutive trading days, 25% shall vest. These options were cancelled by the option holder during the year ended December 31, 2022.
- (8) Represents 16,632 shares of Series A preferred stock for settlement of \$166,320 of compensation payable to Mr. Kessler under his employment agreement for the year ended December 31, 2022.
- (9) Represents 13,333 shares of Series A preferred stock for settlement of \$133,330 of compensation payable to Mr. Maatta under his employment agreement for the year ended December 31, 2022.
- (10) Represents 15,258 shares of Series A preferred stock for settlement of \$152,580 of compensation payable to Mr. Sheikh under his employment agreement for the year ended December 31, 2022.
- (11) Represents 6,972 shares of Series A preferred stock for settlement of \$69,720 of compensation payable to Mr. Kaufman under his employment agreement for the year ended December 31, 2022.
- (12) Represents 685 shares of Series A preferred stock for settlement of \$6,850 of compensation payable to Mr. Urban under his employment agreement for the year ended December 31, 2022.

Outstanding Equity at Fiscal Year Ended December 31, 2022

The following table sets forth information regarding stock options, warrants and other stock awards for each named executive officer as of December 31, 2022.

Outstanding Equity Awards at Fiscal Year Ended December 31, 2022

Name	Number of securities underlying unexercised options/warrants exercisable (#)	Number of Securities Underlying Unexercised options/warrants unexercisable (#)	Option/Warrant exercise price (\$)	Option/Warrant expiration date
Paul L. Kessler	15,000	15,000	\$ 0.25	1/22/2024
John D. Maatta	100,000	100,000	\$ 0.25	8/3/2025
John D. Maatta	20,000	20,000	\$ 0.25	1/22/2024

38

Compensation of Directors

The following table sets forth compensation awarded or paid to our directors for the last two fiscal years for the services rendered by them to the Company in all capacities.

Director Compensation for the Fiscal Years Ended December 31, 2022 and 2021

Name	Fiscal Year	Fees earned or paid in cash ⁽⁷⁾ (\$)	Stock Awards (\$)	Officer Compensation (\$)	Total (\$)
Paul L. Kessler ⁽⁸⁾	2022	—	—	229,017(1)	229,017
	2021	—	—	6,760,714(1)	6,760,714
John D. Maatta ⁽²⁾	2022	—	—	133,330(1)	133,330
	2021	—	30,096(3)	145,564(1)	175,660
Michael Breen ⁽⁴⁾	2022	—	—	—	—
	2021	—	30,096(3)	—	30,096

Scott D. Kaufman ⁽⁵⁾ (former Director)	2022	—	—	92,635(1)	92,635
	2021	—	—	7,184,192(1)	7,184,192
Richard G. Boyce (former Director)	2022	—	—	—	—
	2021	—	546,924(6)	—	546,924
Greg Suess (former Director)	2022	—	—	—	—
	2021	—	30,096(3)	—	30,096

- (1) For details see Item 11. Executive Compensation.
- (2) Outstanding equity awards as of December 31, 2022 consists of options to purchase 120,000 shares of common stock at an exercise price of \$0.25 per share.
- (3) Represents the grant date fair value of warrants granted on October 12, 2021, to purchase 20,000 shares of the Company's common stock with an exercise price of \$1.50 per share, and a term of 5 years.
- (4) Outstanding equity awards as of December 31, 2022, consists of options to purchase 67,500 shares of common stock at an exercise price of \$0.25 per share.
- (5) Outstanding equity awards as of December 31, 2022, consists of options to purchase 37,500 shares of common stock at an exercise price of \$0.25 per share.
- (6) Represents the grant date fair value of warrants granted on October 12, 2021, to purchase 400,000 shares of the Company's common stock with an exercise price of \$1.50 per share, a term of 5 years, and vesting as follows: 20% upon execution of the Services Agreement; 20% on January 20, 2022; 20% on April 20, 2022; 20% on July 20, 2022; and 20% on October 20, 2022.
- (7) Non-employee Directors are compensated for their participation in meetings of the Board of Directors and its committees, in the amount of (i) \$1,000 for in person meeting, and \$250 - \$500 per telephonic meeting, depending on the length of the telephonic meeting, and (ii) are provided a monthly retainer of \$750 per month. During the years ended December 2021 and 2020, no cash compensation was paid to non-employee Directors; rather such compensation remained accrued and unpaid. The Company may issue stock to non-employee Directors in place and stead of cash compensation with regard to the amounts that have been accrued, and on a going-forward basis.
- (8) Outstanding equity awards as of December 31, 2022, consists of options to purchase 15,000 shares of common stock at an exercise price of \$0.25 per share.

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

The following table sets forth certain information, as of March 31, 2023, with respect to the holdings of (1) each person who is the beneficial owner of more than five percent of our common stock, (2) each of our directors, (3) each named executive officer, and (4) all of our directors and executive officers as a group.

Beneficial ownership of the common stock is determined in accordance with the rules of the Securities and Exchange Commission and includes any shares of common stock over which a person exercises sole or shared voting or investment powers, or of which a person has a right to acquire ownership at any time within 60 days of March 31, 2023. Except as otherwise indicated, and subject to applicable community property laws, the persons named in this table have sole voting and investment power with respect to all shares of common stock held by them. The address of each director and officer is c/o Creek Road Miners, Inc., 35 E Horizon Ridge Pkwy, Suite 110-502, Henderson, Nevada 89002. Applicable percentage ownership in the following table is based on 12,246,036 shares of common stock outstanding as of March 31, 2023 plus, for each person, any securities that person has the right to acquire within 60 days of March 31, 2023.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares
Greater than 5% Shareholder:		
Bristol Investment Fund, Ltd. ⁽¹⁾ 555 Marin Street, Suite 140 Thousand Oaks, CA 91360	33,750,725	77.9%
Barlock 2019 Fund LP ⁽²⁾ 2700 Homestead Road Park City, UT 84098	19,500,757	61.4%
Leviston Resources, LLC ⁽³⁾ 708 Third Avenue, Suite 600 New York, NY 10017	25,237,808	68.3%
Directors and Executive Officers:		
Paul L. Kessler ⁽¹⁾	34,130,821	81.4%
John D. Maatta ⁽⁴⁾	6,334,343	32.4%
Scott Sheikh ⁽⁵⁾	721,866	5.6%
Michael Breen ⁽⁶⁾	77,500	0.6%
All Directors and Executive Officers as a group (4 persons)	40,884,454	92.4%

(1) Paul L. Kessler exercises voting and investment power over the shares held by Bristol Investment Fund, Ltd., Bristol Capital, LLC, Bristol Capital Advisors Profit Sharing Plan, as well as the shares owned by Mr. Kessler himself. Includes 2,589,986 shares of common stock as indicated on the most recent 13D filing, and 14,267,714 shares of common stock issuable upon the conversion of the \$2,496,850 secured convertible debenture held by Bristol Investment Fund, Ltd., at a conversion price to \$0.175; warrants held by Bristol Investment Fund, Ltd. to acquire 10,000,000 shares of Common Stock at an exercise price of \$0.175 per share; 24,450 shares of common stock held by Bristol Capital, LLC; 3,935 shares of common stock held by Mr. Kessler's IRA; 39,350 shares of common stock held by Bristol Capital Advisors Profit Sharing Plan; options held by Mr. Kessler to acquire 15,000 shares of Common Stock at an exercise price of \$0.25 per share; and 6,810,290 shares of common stock issuable upon the conversion of 119,180 shares of Series A preferred stock held by Mr. Kessler, convertible by dividing the stated value per share, currently \$10 per share, by the Series A Conversion Price, currently \$0.175.

(2) Scott D. Kaufman exercises voting and investment power over the shares held by Barlock 2019 Fund LP, and Barlock Capital Management, LLC, as well as the shares owned by Mr. Kaufman himself. Includes 14,267,714 shares of common stock issuable upon the conversion of the \$2,496,850 secured convertible debenture held by Barlock 2019 Fund LP, at a conversion price to \$0.175; warrants held by Barlock Capital Management, LLC to acquire 4,285,517 shares of Common Stock at an exercise price of \$0.175 per share; options held by Mr. Kaufman to acquire 37,500 shares of Common Stock at an exercise price of \$0.25 per share; and 909,829 shares of common stock issuable upon the conversion of 15,922 shares of Series A preferred stock held by Mr. Kaufman, convertible by dividing the stated value per share, currently \$10 per share, by the Series A Conversion Price, currently \$0.175.

(3) Includes 530,00 shares of common stock as indicated on the most recent 13G filing, and 3,107,808 shares of common stock issuable upon the conversion of Series B preferred

stock, convertible by dividing the stated value per share, currently \$1080 per share, by the Series B Conversion Price, currently \$0.50; and warrants to acquire 10,000 shares of Series B preferred stock at an exercise price of \$1,000 per share, resulting in 21,600,000 shares of common stock issuable upon the conversion of 1,000 shares of Series B preferred stock, convertible by dividing the stated value per share, currently \$1,080, by the Series B Conversion Price, currently \$0.50.

- (4) Includes 60,000 shares of common stock; 6,154,343 shares of common stock issuable upon the conversion of 107,107 shares of Series A preferred stock, convertible by dividing the stated value per share, currently \$10 per share, by the Series A Conversion Price, currently \$0.175; and options to acquire 120,000 shares of common stock at an exercise price of \$0.25 per share.
- (5) Includes 721,866 shares of common stock issuable upon the conversion of 12,633 shares of Series A preferred stock, convertible by dividing the stated value per share, currently \$10 per share, by the Series A Conversion Price, currently \$0.175
- (6) Includes 10,000 shares of common stock, and options to acquire 67,500 shares of common stock at an exercise price of \$0.25 per share.

Equity Compensation Plan Information

On May 9, 2011, the Company adopted the 2016 Incentive Stock Award Plan (the "2011 Plan"), on August 12, 2016, the Company adopted the 2016 Incentive Stock Award Plan (the "2016 Plan"), on August 3, 2020, the Company adopted the 2020 Stock Plan (the "2020 Plan"), and on December 1, 2021, the Company adopted the 2021 Incentive Stock Award Plan (the "2021 Plan"), collectively (the "Plans"). The purpose of the Plans is to grant options to purchase our common stock, and other incentive awards, to our employees, directors and key consultants.

The maximum number of shares of common stock that may be issued pursuant to awards granted under the 2020 Plan was 500,000. On December 1, 2021, all prior stock award plans were retired, and the 2021 Plan was adopted. The maximum number of shares of common stock that may be issued pursuant to awards granted under the 2021 Plan is 10,000,000. The shares of our common stock underlying cancelled and forfeited awards issued under the 2021 Plan may again become available for grant under the 2021 Plan. As of December 31, 2022, there were 10,000,000 shares available for grant under the 2021 Plan, and no shares were available for grant under the 2020 Plan, 2016 Plan, or 2011 Plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
2021 Incentive Stock Award Plan	0	\$ N/A	10,000,000

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

See Note 8. Related Party Transactions, to the consolidated financial statements.

Director Independence

Our board of directors currently consists of three members: Messrs. Kessler (Executive Chairman), Maatta, and Breen. Our board of directors has determined that Mr. Breen is an independent director as that term is defined in the applicable NASDAQ rules as well as the SEC rules governing the independence of audit committee members. Mr. Breen is a member of the Audit Committee and Compensation Committee of our board of directors. The common stock of the Company is currently quoted on the OTCQB, which currently does not have director independence requirements.

On an annual basis, each director and executive officer will be obligated to disclose any transactions with the Company in which a director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest in accordance with Item 407(a) of Regulation S-K. Following completion of these disclosures, the Board will make an annual determination as to the independence of each director as that term is defined in the applicable NASDAQ rules.

Item 14. Principal Accounting Fees and Services

Summary of Principal Accounting Fees for Professional Services Rendered

The following table presents the aggregate fees for professional audit services and other services rendered by Maughan Sullivan LLC, our independent registered public accountants in the fiscal years ended December 31, 2022 and 2021.

	Years Ended December 31,	
	2022	2021
Audit Fees	\$ 37,756	\$ 37,732
Audit-Related Fees	—	—
Tax Fees	8,500	8,000
All Other Fees	—	—
Total	\$ 45,732	\$ 45,732

Audit Fees consist of amounts billed for professional services rendered for the audit of our annual consolidated financial statements included in our Annual Reports on Form 10-K, and reviews of our interim consolidated financial statements included in our Quarterly Reports on Form 10-Q, including amendments thereto.

Audit-Related Fees consist of fees billed for professional services that are reasonably related to the performance of the audit or review of our consolidated financial statements but are not reported under "Audit Fees."

Tax Fees consist of fees for professional services for tax compliance activities, including the preparation of federal and state tax returns and related compliance matters.

All Other Fees consists of amounts billed for services other than those noted above.

The audit committee of our board of directors has considered whether the provision of the services described above for the fiscal years ended December 31, 2022 and

All audit and non-audit services that may be provided by our principal accountant to us shall require pre-approval by the audit committee of our board of directors. Further, our auditor shall not provide those services to us specifically prohibited by the SEC, including bookkeeping or other services related to the accounting records or financial statements of the audit client; financial information systems design and implementation; appraisal or valuation services, fairness opinion, or contribution-in-kind reports; actuarial services; internal audit outsourcing services; management functions; human resources; broker-dealer, investment adviser, or investment banking services; legal services and expert services unrelated to the audit; and any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements.

The financial statements of Creek Road Miners, Inc. and its subsidiaries and the independent registered public accounting firm’s report dated March 31, 2023, are incorporated by reference to Item 8 of this report.

(a)(2) and (c) Financial Statement Schedules

Not required.

(a)(3) and (b) Exhibits

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Agreement and Plan of Merger, dated October 24, 2022, by and among Creek Road Miners, Inc., Creek Road Merger Sub, LLC and Prairie Operating Co., LLC (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on October 25, 2022).</u>
3.1	<u>Amended and Restated Certificate of Incorporation of Wizard Entertainment, Inc. (incorporated by reference to Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q filed on August 14, 2020).</u>
3.2	<u>Bylaws (as filed as Exhibit 2.1 to the Company’s Registration Statement on Form SB-2, filed with the SEC on March 25, 2003).</u>
3.3	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q filed on August 14, 2020).</u>
3.4	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on July 15, 2021).</u>
3.5	<u>Certificate of Designation and Restatement of Rights, Preferences and Restrictions of Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K filed on November 30, 2022).</u>
3.6	<u>Amended and Restated Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock, dated July 16, 2021 (incorporated by reference to Exhibit 10.12 to the Company’s Quarterly Report on Form 10-Q filed with the SEC on August 13, 2021).</u>
3.7	<u>Certificate of Designation of Preferences, Rights and Limitations of Series C Preferred Stock, dated December 1, 2021 (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on December 7, 2021).</u>
3.8	<u>First Amendment to the Bylaws of Wizard World, Inc. (as filed as Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q, filed with the SEC on November 21, 2016).</u>
4.1*	<u>Description of Company’s securities.</u>
10.1	<u>Form of Securities Purchase Agreement (as filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed on December 23, 2019).</u>
10.2	<u>Form of 12% Senior Secured Convertible Debenture (as filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed on December 23, 2019).</u>
10.3	<u>Form of Warrant (as filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K, filed on December 23, 2019).</u>
10.4	<u>Form of Security Agreement (as filed as Exhibit 10.4 to the Company’s Current Report on Form 8-K, filed on December 23, 2019).</u>
10.5+	<u>Employment Agreement dated as of March 1, 2021 but effective as of November 24, 2020, by and between Wizard Brands, Inc. and Scott D. Kaufman (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed on March 3, 2021).</u>

10.6+	<u>Employment Agreement dated as of March 1, 2021 but effective as of November 24, 2020, by and between Wizard Brands, Inc. and Heidi C. Bowman (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed on March 3, 2021).</u>
10.7+	<u>Separation Agreement entered into as of February 20, 2021 between Wizard Brands, Inc. and John D. Maatta (incorporated by reference to the Company’s Current Report on Form 8-K, filed on March 3, 2021).</u>
10.8	<u>Securities Purchase Agreement dated March 26, 2021, between Wizard Brands, Inc. and Leviston Resources LLC (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed on April 2, 2021).</u>
10.9	<u>Amendment No.1 to Securities Purchase Agreement, dated as of July 16, 2021, between Creek Road Miners, Inc. and Leviston Resources, LLC (incorporated by reference to Exhibit 10.8 to the Company’s Quarterly Report on Form 10-Q filed on August 13, 2021).</u>
10.10	<u>Registration Rights Agreement dated March 26, 2021, between Wizard Brands, Inc. and Leviston Resources LLC (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed on April 2, 2021).</u>
10.11	<u>Amendment No. 1 to Registration Rights Agreement, dated July 16, 2021, between Creek Road Miners, Inc. and Leviston Resources, LLC (as filed as Exhibit 10.9 to the Company’s Quarterly Report on Form 10-Q filed on August 13, 2021).</u>
10.12	<u>Series B Preferred Stock Purchase Warrant (Series 1) issued to Leviston Resources LLC (as filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K, filed on April 2, 2021).</u>
10.13	<u>Amendment No. 1 to Series B Preferred Stock Purchase Warrant (Series 1) issued to Leviston Resources LLC, dated July 16, 2021 (incorporated by reference to Exhibit 10.10 to the Company’s Quarterly Report on Form 10-Q filed on August 13, 2021).</u>
10.14	<u>Series B Preferred Stock Purchase Warrant (Series 2) issued to Leviston Resources LLC (incorporated by reference to Exhibit 10.4 to the Company’s Current Report on Form 8-K, filed on April 2, 2021).</u>
10.15	<u>Amendment No. 1 to Series B Preferred Stock Purchase Warrant (Series 2) issued to Leviston Resources LLC, dated July 16, 2021 (incorporated by reference to Exhibit 10.11 to the Company’s Quarterly Report on Form 10-Q filed on August 13, 2021).</u>
10.16	<u>Asset Purchase Agreement dated August 6, 2021, between Kick the Can Corp. and Informa Pop Culture Events, Inc. (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed on August 10, 2021).</u>
10.17	<u>Form of Securities Purchase Agreement (incorporated by reference to the Company’s Current Report on Form 8-K, filed on August 31, 2021).</u>
10.18	<u>Form of Common Stock Purchase Warrant (incorporated by reference to the Company’s Current Report on Form 8-K, filed August 31, 2021).</u>
10.19	<u>Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed on December 10, 2021).</u>
10.20	<u>Form of Warrants (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed on December 10, 2021).</u>

10.21 [Form of Registration Rights Agreement \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on December 10, 2021\).](#)
10.22+ [Employment Agreement dated as of December 23, 2021, by and between Creek Road Miners, Inc. and Paul L. Kessler \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on December 23, 2021\).](#)
10.23+ [Amended and Restated Employment Agreement of Scott D. Kaufman dated as of December 23, 2021, by and between Creek Road Miners, Inc. and Paul L. Kessler \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on December 23, 2021\).](#)
10.24+ [Employment Agreement dated as of December 23, 2021, by and between Creek Road Miners, Inc. and Scott A. Sheikh \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on December 23, 2021\).](#)
10.25+ [Employment Agreement dated as of December 23, 2021, by and between Creek Road Miners, Inc. and Alan Urban \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed on December 23, 2021\).](#)
10.26+ [Employment Agreement between Creek Road Miners, Inc. and John D. Maatta, entered into as of May 1, 2022 \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)
10.27+ [Amendment to Employment Agreement between Creek Road Miners, Inc. and John D. Maatta, dated July 7, 2022 \(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)
10.28+ [Second Amendment to Amended and Restated Employment Agreement between Creek Road Miners, Inc. and Paul L. Kessler, dated July 7, 2022 \(incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)
10.29+ [Second Amendment to Amended and Restated Employment Agreement between Creek Road Miners, Inc. and Scott Kaufman, dated July 8, 2022 \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)
10.30+ [Amendment to Employment Agreement between Creek Road Miners, Inc. and Scott A. Sheikh, dated July 7, 2022 \(incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)

44

10.31+ [Amendment to Employment Agreement between Creek Road Miners, Inc. and Alan Urban, dated July 28, 2022 \(incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on August 15, 2022\).](#)
10.32 [Contract with CDMG, Inc. \(incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q filed on November 12, 2021\).](#)
10.33 [Contract with CDMG, Inc. \(incorporated by reference to Exhibit 10.14 to the Company's Quarterly Report on Form 10-Q filed on November 12, 2021\)](#)
10.34 [Contract with Retro Wall Street Consulting, LLC \(incorporated by reference to Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q filed on November 12, 2021\).](#)
10.35 [Non-Fixed Price Sales and Purchase Agreement dated December 17, 2021 between Creek Road Miners, Inc. and Bitmain Technologies Limited \(incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-1 filed on March 11, 2022\).](#)
10.36 [Gas Supply Agreement dated as of October 22, 2021 between Creek Road Miners, Inc. and American Natural Energy Corporation \(incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-1 filed on March 11, 2022\).](#)
10.37 [Terms and Conditions of Brains Mining Limited \(incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-1 filed on March 11, 2022\).](#)
10.38 [Binding Memorandum of Understanding between Creek Road Miners, Inc. and Highway Energy Partners, Inc. dated as of May 28, 2022.](#)
10.39 [Agreement between Creek Road Miners, Inc. and Alpha Capital Anstalt made as of August 24, 2022 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 7, 2022\).](#)
10.40 [Convertible Promissory Note dated August 31, 2022 issued by Creek Road Miners, Inc. \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on September 7, 2022\).](#)
10.41 [Convertible Promissory Note issued September 9, 2022. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 15, 2022\).](#)
10.42 [Purchase and Sale Agreement, dated October 24, 2022, by and between Exok, Inc. and Prairie Operating Co., LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2022\).](#)
10.43 [Form of Stockholders Agreement, by and among Creek Road Miners, Inc., Bristol Capital Advisors, LLC, Paul Kessler, Edward Kovalik and Gary Hanna \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2022\).](#)
10.44 [Form of Lock-Up Agreement, by and between Creek Road Miners, Inc., and certain directors and officers of Creek Road Miners, Inc., Edward Kovalik and Gary Hanna \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2022\).](#)
10.45 [Form of Support Agreement, by and between Creek Road Miners, Inc. and certain stockholders \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2022\).](#)
21.1 [List of Subsidiaries \(incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2017\).](#)
23.1* [Consent of Maughan Sullivan LLC](#)
24.1 [Power of Attorney \(included on signature pages\).](#)
31.1* [Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(Rule 13a-14\(a\) or Rule 15d-14\(a\)\)*](#)
31.2* [Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(Rule 13a-14\(a\) or Rule 15d-14\(a\)\)*](#)
32.1* [Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*](#)
32.2* [Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *](#)
101.INS* Inline XBRL Instance Document
101.SCH*† Inline XBRL Taxonomy Extension Schema
101.CAL*† Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*† Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*† Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*† Inline XBRL Taxonomy Extension Presentation Linkbase
104.0 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

+ Indicates a management contract or compensatory plan or arrangement

† Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement for purposes of Section 11 or 12 of the Securities Act, is deemed not filed for purposes of Section 18 of the Exchange Act, and otherwise is not subject to liability under these section

Item 16. Form 10-K Summary

The Company has elected not to include a summary of the Form 10-K.

45

SIGNATURES

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

By: /s/ John D. Maatta

John D. Maatta
 President and Chief Executive Officer
 (Principal Executive Officer and Principal Financial and Accounting Officer)

Date: March 31, 2023

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Scott D. Kaufman and Alan L. Urban, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution for him or her, and in his or her name in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and any of them or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange 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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ John D. Maatta</u> John D. Maatta	Chief Executive Officer and Interim Chief Financial Officer (Principal Executive Officer and Principal Financial and Accounting Officer), President and Director	March 31, 2023
<u>/s/ Paul L. Kessler</u> Paul Kessler	Executive Chairman	March 31, 2023
<u>/s/ Michael Breen</u> Michael Breen	Director	March 31, 2023

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a brief description of the common stock, par value \$0.0001 per share ("Common Stock"), of Creek Road Miners, Inc. ("we," "our," or "us"). This description of the terms of our Common Stock does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable provisions of Delaware General Corporation Law ("DGCL"), and the full text of our amended and restated certificate of incorporation ("Certificate of Incorporation") and our bylaws ("Bylaws").

As of March 31, 2023, our authorized share capital consists of 100,000,000 shares of Common Stock, of which 12,246,036 were outstanding, 5,000,000 shares of preferred stock, including 500,000 shares of Series A Preferred Stock, of which 273,133 were outstanding, 20,000 shares of Series B Preferred Stock, of which 1,478 were outstanding, and 15,000 shares of Series C Preferred Stock, of which 7,630 were outstanding.

We implemented a 1-for-20 reverse stock split of our outstanding shares of Common Stock that was effective on January 23, 2020. All share and related option and warrant information presented in this report have been retroactively adjusted to reflect the reduced number of shares and the increase in the share price which resulted from this action.

Common Stock

Holders of our Common Stock are entitled to one vote per share. Our Certificate of Incorporation does not provide for cumulative voting. Holders of our Common Stock are entitled to receive ratably such dividends, if any, as may be declared by our Board of Directors ("Board") out of legally available funds. However, the current policy of our Board is to retain earnings, if any, for our operations and expansion. Upon liquidation, dissolution or winding-up, the holders of our Common Stock are entitled to share ratably in all of our assets which are legally available for distribution, after payment of or provision for all liabilities. The holders of our Common Stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our Common Stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue.

Anti-Takeover Effects of Certain Provisions of our Certificate of Incorporation, Bylaws and the DGCL

Certain provisions of our Certificate of Incorporation and our Bylaws, which are summarized in the following paragraphs, may have the effect of discouraging potential acquisition proposals or making a tender offer or delaying or preventing a change in control, including changes a stockholder might consider favorable. Such provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. In particular, our Certificate of Incorporation and our Bylaws and Delaware law, as applicable, among other things:

- provide our Board with the ability to alter the Bylaws without stockholder approval (subject to rights of the holders of our preferred stock);
- provide that special meetings of our stockholders may be called only by a majority of the directors, the Chairman of our Board or the Chief Executive Officer;
- place limitations on the removal of directors; and
- provide that vacancies on our Board may be filled by a majority of directors in office, although less than a quorum.

These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with its board. These provisions may delay or prevent someone from acquiring or merging with us, which may cause the market price of our Common Stock to decline.

Advance Notice Bylaws. Our Bylaws contain an advance notice procedure for stockholder proposals to be brought before any meeting of stockholders, including proposed nominations of persons for election to our Board. Stockholders at any meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our corporate secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the Bylaws do not give our Board the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Interested Stockholder Transactions. We may become subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits "business combinations" between a publicly-held Delaware corporation and an "interested stockholder," which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation's voting stock for a three-year period following the date that such stockholder became an interested stockholder.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors and our Certificate of Incorporation includes such an exculpation provision. Our Certificate of Incorporation includes provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as our director or officer or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our Certificate of Incorporation also provides that we must indemnify and advance reasonable expenses to our directors and officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. Our Certificate of Incorporation expressly authorizes us to carry directors' and officers' insurance to protect us, our directors, officers and certain employees from some liabilities. The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any of our directors, officers or employees for which indemnification is sought.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our Common Stock is VStock Transfer, LLC, 18 Lafayette Place, Woodmere, New York 11598. The telephone number of VStock Transfer, LLC is (212) 828-8436.

Listing

Our Common Stock is listed on the OTC Markets under the symbol "CRKR."



Binding
Memorandum of Understanding
Proposed Transaction between
Creek Road Miners, Inc. ("Creek")
and
Highwire Energy Partners, Inc. ("Highwire")
As of May 28, 2022

Deal Term	Detail
Parties	The Parties hereto are Creek Road Miners, Inc. ("Creek") a Delaware Corporation doing business at 2700 Homestead Road, Park City, UT 84098 and Highwire Energy Partners, Inc. ("Highwire") a Wyoming Limited Liability Company with an address of P.O. Box 51208, Casper, Wyoming 82605.
Preliminary	Creek is an energy company that is actively involved in locating and securing interest in domestic gas and oil fields in the territory of the United States. Additionally, Creek is skilled at augmenting the yield of such oil and gas fields by introducing bituminous mining facilities to the operations to enhance the revenue generation potential. Highwire is an entity that is expert at locating and analyzing the potential of various oil and gas field acquisitions and in overseeing the operation of such facilities, especially in the Rocky Mountains and the states of Wyoming, North Dakota and South Dakota. Highwire has identified two natural gas production opportunities as well as a third opportunity for fixed price electricity generation that would be a desirable situation for the commencement of a Bit Coin mining operation. Creek and Highwire desire to enter into this Memorandum of Understanding with the purpose of proceeding to exploit the opportunities that Highwire has developed. For good and valuable consideration, the Parties agree as follows:
Identification of the Specific Properties Involved in Transaction	This transaction encompasses three properties: (i) The South Dakota Project (Jumbo Off field and Gilbert Angus Ranch), (ii) The North Dakota (near Sidney) project that is still being negotiated through and (iii) The (pre-20) leasehold on-gas project in Casper (Lithrop). <i>and the gas leave in Wyoming</i>
The South Dakota Property	<ul style="list-style-type: none"> Description of the South Dakota Property: The South Dakota Property is as described in that Surface Use Agreement dated December 16, 2021 and attached as Exhibit "A". Description of the Transaction: Creek will receive the irrevocable assignment of the Surface Use Agreement ("SUA") set forth Exhibit "A" together with all Mineral Leases as set forth as Exhibit "B" together with all permits, licenses, and permissions necessary to place a container containing computers and other electronic equipment on the South Dakota Property for the purpose of mining Bit Coin. Creek will have use and access to existing gas

1

	<p>wells located on the South Dakota Property to provide power for a generator or a turbine to generate electricity for the Bit Coin Mining Operation.</p> <ul style="list-style-type: none"> Financials Detail: <ul style="list-style-type: none"> Creek will pay to Highwire the sum of three hundred and fifty thousand dollars (\$350,000), to Highwire. The payment will be made as follows: \$125,000 <i>125,000 USD</i> <ul style="list-style-type: none"> \$100,000.00 upon execution of this Memorandum of Understanding \$100,000.00 in Creek Road Miners, Inc. stock \$125,000.00 will be released approximately 72 hours from when Bitcoin mining begins from any of the projects Creek will provide a payment in the amount of (\$120,000.00) as a release of Highwire's bonding. Creek will pay an amount up to and not to exceed four hundred and forty thousand dollars (\$450,000.00) to have a road constructed at the Property. All overages will be discussed in advance. The payment for the road will be paid in the following installments: <ul style="list-style-type: none"> Progress payments payable with the first 50 percent due upon signing of the bid with 2 equal installments in equal quarters during the course of construction of the subject roadway. Upon Closing of this transaction Highwire will: <ul style="list-style-type: none"> Immediately transfer and irrevocably assign all, surface lease agreements, mineral leases, permits and licenses related to the Property to Creek; and, Install, supervise, oversee and provide all necessary services incident to the finalization and deployment (i.e., final permitting of wells, installation of data centers, discussions with landowner and monitoring of road construction).
The South Dakota Property: Irrevocable Assignment of Surface Use Agreement	Reference is made to a Surface Use Agreement dated December 16, 2021 between Highwire Energy Partners, LLC and Gilbert Angus Ranch, Roy E. Gilbert and Linda J. Gilbert (the "Agreement"). A copy of the Agreement is attached hereto as Exhibit "A". Highwire hereby irrevocably assigns all right, title and interest in and to the Agreement to Creek. The Agreement is irrevocably assigned to Creek.

gpm
Commented [R11]: My client necessarily guarantee the road won't include overages. This would be between Creek and Olson 190k.

2

The South Dakota Property: Irrevocable Assignment of all Permits and Licenses	Reference is made to those mineral leases, permits and licenses set forth as Exhibit "B" to this Agreement. Highwire hereby irrevocably transfers and assigns all rights provided under such mineral leases, Permits and Licenses to Creek.
The North Dakota Property	<ul style="list-style-type: none"> Description of the North Dakota Property: The North Dakota Property is Described as follows: (ND Gas Plant Flare Gas located in Killdeer, ND, _____). Description of the Transaction: Creek will receive a Gas Purchase Agreement ("GPA") to place a container containing computers and other electronic equipment on the North Dakota Property for the purpose of mining Bit Coin. Creek will have access to existing gas on the existing gas plant to provide power for a generator or a turbine to generate electricity for the Bit Coin Mining Operation. Financial Basis: <ul style="list-style-type: none"> Creek will pay to Highwire a sum not to exceed twenty thousand dollars (\$20,000.00) to have a mining container installed on the North Dakota Property. The payment will be made as at such time that is reasonably agreed to by the Parties Upon Closing Highwire will: <ul style="list-style-type: none"> Immediately irrevocably transfer all permits, licenses surface use agreements, gas purchase agreements and mineral leases related to the Property to Creek, and; Lead, supervise, oversee and provide all necessary services incident to the finalization and deployment (i.e., final permitting of wells, installation of data centers).
The Wyoming Property:	<ul style="list-style-type: none"> Description of the Wyoming Property: The Wyoming Property is Described as follows: (Athrop Farm located at 300 Buckmore Road, Evanville, WY 83636, _____) Description of the Transaction: Creek will receive a lease and power purchase agreement to place a container or container(s) containing computers and other electronic equipment on the Wyoming Property for the purpose of mining Bit Coin. Creek will be provided with access to existing electric power to provide electricity for the Bit Coin Mining Operation. Financial Basis: <ul style="list-style-type: none"> At such time that Creek in its sole and exclusive business judgment elects to proceed with the operations in Wyoming, Creek will pay amount up to approximately four hundred thousand dollars (\$400,000.00) in infrastructure costs in converting W-y High Voltage power to power that is usable to

	generate approximately 5 mw of electricity to have a facility constructed on the Wyoming Property. Once the election is made by Creek to proceed, the Parties will mutually agree on a plan under which to proceed with the project.
Wyoming Gas Property Lease	<ul style="list-style-type: none"> Description of the Wyoming Property For Gas Use: The Wyoming Gas Property is Described as follows: _____ Description of the Transaction: Creek will receive a lease and power purchase agreement to place a container or container(s) containing computers and other electronic equipment on the Wyoming Gas Property for the purpose of mining Bit Coin. Creek will be provided with access to existing drilling gas wells to provide gas to power a turbine to power a Bit Coin Mining Operation. The Wyoming Gas Property is immediately available for utilization by Creek to commence use of the gas on the Wyoming Gas Property to operate its bit coin mining operation. Financial Basis: Creek will enter into a five (5) year lease to utilize the gas on the Wyoming Gas Property. The cost of the gas that will be utilized by Creek on the Wyoming Gas Property will be \$0.50 per L. <i>mcf</i>
Assumption of Operating Costs of the South Dakota, North Dakota and Wyoming Operations by Creek	The actual auditable costs of operating each mining location will be taxed against each individual location. The Parties will agree to a quarterly operating budget in advance of each calendar quarter. Creek will pay the actual auditable and agreed operating costs ("Allowed Costs") for each location as set forth and approved in the operating budget.
Continuing Services by Highwire	After the close Highwire will continue to operate Gas the South Dakota, North Dakota Wyoming projects providing services such as on-site supervision, accounting and field operations to be billed against each individual location as agreed.
Monthly Consideration Payable to Highwire	Between the close of the transaction and the up-listing of Creek to a National Exchange, Creek will provide Highwire with options for 20k shares of Creek common stock each month. After the Up listing the parties will reinit in good faith the share allocation.
Profit Participation	In consideration for its continuing operation of the South Dakota, North Dakota and Wyoming Projects, as provided herein, Highwire will receive a 15% participation in the "Defined Receipts". The 15% participation will be fully burdened against all "Allowed Costs" as provided herein.

Commented [WR2]: What do the options look like?
John

Defined Receipts: Definition	<ul style="list-style-type: none"> Defined Receipts shall be defined, computed, paid, and accounted for as follows: Highwire shall be entitled to fifteen (15%) of one hundred percent (100%) of the "Defined Receipts" "Defined Receipts" shall be calculated by deducting "Allowed Costs" from "Gross Receipts", on a continuing basis. "Allowed Costs" means the sum of (a) all actual auditable out-of-pocket third-party expenses paid in connection with the operation to mine bitcoin at a given location (the "Project"); "Gross Receipts" means one hundred percent (100%) of all non-refundable revenues actually received by or credited to the Project.
Data Room	All Documents that are relevant and material to this transaction will be placed in a Data Room that has been established by Creek on Google Drive.
Closing	The closing of this transaction will take place on <u> </u> May 28, 2022 <u> </u> . It is noted that May 28, 2022 is a Saturday with the following Monday being a bank holiday. The initial payment required hereunder will be wired to the account of Highwire on Tuesday May 31, 2022.
Material Adverse Event	If between the date of the execution of this Memorandum of Understanding and the Closing of the Transaction there is a Material Adverse Event disclosed through the diligence process or otherwise that makes this transaction impossible or impracticable or less financially beneficial to Creek, Creek may cancel and terminate this transaction without cost or penalty.
Obligations Assumed by Creek "Excluded Liabilities"	Creek shall not assume or become obligated in any way to pay or perform any obligation or to assume any liabilities, debts or obligations of Highwire or any third party claiming through them whatsoever, including, but not limited to, any liabilities or obligations now or hereafter arising from Highwire's business activities at such time prior to the Closing, or any liabilities arising out of or connected to the liquidation and winding down of Assignor's business, or otherwise. All liabilities, debts and obligations of Highwire not expressly assumed by Creek hereunder are hereinafter referred to as the "Excluded Liabilities."
No Liens or Liabilities	The rights granted hereunder shall pass to Creek on the Closing Date, free and clear of the following: (i) any and all encumbrances, and (ii) any and all liens, claims and liabilities except as specifically set forth herein.
Representations and Warranties of Highwire	Highwire makes the following Representations and Warranties: <ul style="list-style-type: none"> Highwire is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Wyoming. Power and Authority; No Default; Usage Transfer. Highwire has all requisite power and authority to enter into

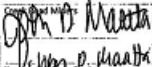
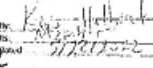
5

	<p>and deliver this Agreement and to perform its obligations hereunder. The signing, delivery and performance by Highwire of this Agreement, and the consummation of all of the transactions contemplated hereby, have been duly and validly authorized by Highwire. This Agreement, when signed and delivered by Highwire, will be duly and validly executed and delivered and will be the valid and binding obligation of Highwire, enforceable against Highwire, its assignees, in accordance with its terms as governed by applicable law, regulations and rules. Neither the signing and delivery of this Agreement by Highwire, nor the performance by Highwire of its obligations under this Agreement, will (i) violate Highwire's Articles of Organization or Operating Agreement, or (ii) to the best of Highwire's knowledge, violate any law, statute, rule or regulation, order, judgment, injunction or decree of any court, administrative agency or government body applicable to Highwire and to Assignor.</p> <ul style="list-style-type: none"> Litigation. To the best of Highwire's knowledge, after reasonable inquiry of all of its members and, key employees, and others who would be in a position to have knowledge, there is no demand, claim, action, arbitration, inquiry, investigation, suit or proceeding pending or, to Highwire's knowledge, threatened, against Highwire or any owner of the land or underlying assets that might affect in any way any of the transactions contemplated by this Agreement, nor is Highwire aware or have grounds to know of any reasonable basis therefor. To the best of Highwire's knowledge, there are no judgments, decrees, injunctions or orders of any court, governmental body, department, commission, agency, instrumentality or arbitrator against Highwire. Taxes. To the best of Highwire's knowledge, Owners of the underlying properties have duly and timely filed, in accordance with applicable law, all property tax, assessments and tax returns required to be filed by them. To the best of Highwire's knowledge, each of the underlying landowners has duly and timely paid in full all federal, state, and local taxes, assessments, charges, duties, levies or other similar governmental charges ("Taxes") due and payable prior to the Closing Date.
Representations and Warranties of Creek	Creek makes the following Representations and Warranties: <ul style="list-style-type: none"> Creek is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware Creek is possessed of full right and authority to enter into this Agreement
Conditions to Closing	Creek's obligations hereunder shall be subject to the satisfaction and fulfillment of each of the following conditions, except as Creek may expressly waive the same in writing: <ul style="list-style-type: none"> Accuracy of Representations and Warranties on the Closing Date. The representations and warranties made herein by Highwire are true and correct in all material respects, and not misleading in any material respect, on

6

	<p>and as of the date given, and on and as of the Closing Date, with the same force and effect as though such representations and warranties were made on and as of the Closing Date.</p> <ul style="list-style-type: none"> • Compliance. As of the Closing Date, Highwire shall have complied in all material respects with, and shall have fully performed, in all material respects, all conditions, covenants and obligations of this Agreement imposed on Highwire and required to be performed or complied with by Highwire at, or prior to, the Closing Date.
Right of First Refusal	Highwire hereby grants to Creek a right of first refusal and last negotiation to enter into any transaction or opportunity that is identified by Highwire to obtain rights and interests in any facility that generates gas that can be utilized for bit coal mining operations. Creek shall have no more than 7 days after notification to act on this right of first refusal at terms no worse for Highwire than those discussed herein. This right of first refusal shall not apply to any transactions or opportunities that are currently being pursued or negotiated by Highwire (other than the projects explicitly listed herein).
Governing Law	This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware (excluding application of any choice of law doctrines that would make applicable the law of any other state or jurisdiction) and, where appropriate, applicable federal law. All claims and disputes arising under or in connection with this Agreement, whether for or in respect of, breach of contract, tort, equity, or otherwise, shall be adjudicated exclusively in federal or state courts located in Delaware.
Merger	This Memorandum of Understanding constitutes the entire agreement and understanding between the parties and there are no agreements or commitments with respect to the transactions contemplated herein except as set forth in this Agreement. This Memorandum of Understanding supersedes any prior offer, agreement or understanding between the parties with respect to the transactions contemplated hereby. This Memorandum of Understanding is binding on the parties. The present intention of the parties is to enter into a long form agreement incorporating the terms hereof. However, until such time that such long form agreement is entered into, if over, the terms of the Memorandum of Understanding shall be fully binding and of full force and effect.
Notices	Any notice required or permitted to be given under this Memorandum of Understanding shall be in writing and shall be personally delivered or sent by certified or registered United States mail, postage prepaid, or sent by a nationally recognized overnight express courier and addressed to either party at the address first set forth above.

IT IS SO AGREED:

Executed by:  Christopher D. Maratta CEO	Highwire Energy Partners  Kevin J. Hoffmann President
Date: May 30, 2022	Date: 5/28/2022

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Nos. 333-255445, 333-259729 and 333-262304) on Form S-1 of our report dated March 31, 2023, with respect to the consolidated financial statements of Creek Road Miners, Inc. appearing in this Annual Report (Form 10-K) for the year ended December 31, 2022.

/s/ MaughanSullivan LLC
Manchester, VT
March 31, 2023

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, John D. Maatta, certify that:

1. I have reviewed this annual report on Form 10-K of Creek Road Miners, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 for the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) 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;

d) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 31, 2023

By: /s/ John D. Maatta

John D. Maatta

Principal Executive Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, John D. Maatta, certify that:

1. I have reviewed this annual report on Form 10-K of Creek Road Miners, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

e) 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 for the period in which this annual report is being prepared;

f) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

g) 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;

h) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 31, 2023

By: /s/ John D. Maatta

John D. Maatta
Principal Financial Officer

**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 this Annual Report of Creek Road Miners, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John D. Maatta, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the year ended December 31, 2022, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2022, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2023

By: /s/ John D. Maatta

John D. Maatta

Principal Executive Officer

**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 this Annual Report of Creek Road Miners, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2022, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John D. Maatta, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the year ended December 31, 2022, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2022, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2023

By: /s/ John D. Maatta

John D. Maatta
Principal Financial Officer
