
Rating Report

TAO - Bittensor

Q2 2025

Free report

Disclaimer. This report is not financial advice and it is made voluntary by our team.
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Issued by

C4r

The purpose of this report is to gather all the important characteristics of the cryptocurrency or token. The report is performed in the following order:

1. Basic information
2. Analysis
3. Conclusion

Note that the result of this report should be interpreted as an independent analysis, not as a signal to buy or sell an asset. Please, always DYOR.

1. Basic information

TAO (Bittensor) is a cryptocurrency developed by Bittensor, a platform aimed at creating a decentralized network for machine learning. Its primary purposes are:

- **Ecosystem and Machine Learning Incentives:** TAO is used to incentivize and reward miners for contributing computational resources to the network. It's used for transaction fees, participating in network governance through staking, and accessing machine learning services.
- **Staking and Network Security:** Validators can lock their tokens to secure the network and validate transactions, similar to how staking works on other proof-of-stake (PoS) blockchains. This not only helps in maintaining network integrity, but also enables validators to earn rewards.

This evolution signifies TAO's transition from a Polkadot parachain's niche token within machine learning to a more versatile cryptocurrency with significant implications for the AI sector within the broader web3 ecosystem.

2. Analysis

In the following tables we will show the different areas researched, such as tech, strategy and economy.

TAO							
Tech	Type	Cryptocurrency		Token		Others	
	Layer	0	1	2	3	Others	
	Blockchain	Ethereum	Cosmos	Solana	BNB Chain	Others	
	Category	Utility	Security	Stable	Meme	Others	
	Consensus	PoW	PoS	PoA	PoB	Others	
	ISO	Yes			No		
	Bug Bounty	Yes			No		
	Audits	Yes			No		
	Auto Audit ⁽¹⁾	0	1	2	3	4	5

*(1) The auto audit score is performed by 6 different digital audits: Certik Skynet, Quick Intel, Go Plus, HoneyPot, Token Sniffer and StaySAFU through the DEXTools app

On the one hand, the tech block shows that the project is a layer 1 cryptocurrency with a unique Yuma Consensus protocol, which blends elements of Proof of Work and Proof of Stake. This makes it independent, innovative, and efficient, respectively, thanks to low fees and being hosted on its own blockchain, the Bittensor Network.

However, although it is a digital asset categorized as 'utility', it has not been subject to audits and ISO certifications, so this aspect prevents it from achieving a higher score in this block. The only one audit found was a Certik Skynet auto audit and it doesn't count in our standards as a direct audit. Additionally, the project does not have a bug bounty program, which could further enhance its security credibility.

TAO							
Strategy	Governance	Centralized		Decentralized		Others	
	Open Source	Yes			No		
	Roadmap	Yes			No		
	Partnerships	Yes			No		
	Public Team	Yes			No		
	Social media	Abandoned		Active		Others	
	CAPED (2)	0	1	2	3	4	5

*(2) The CAPED score is an analysis of capitalization, trader's activity, price performance, development and engagement. This analysis was deployed initially by the Alpha Intelligence team of Hacken

On the other hand, with regard to the strategy block, being an already established project, it's normal for the roadmap to be public, indicating ongoing development and planning. The project operates under a decentralized governance model, meaning that key decisions are made collectively by stakeholders, often through voting mechanisms, rather than by a centralized authority. This approach aligns with the principles of decentralization and community involvement.

Furthermore, the project is either totally or partly open source, allowing for transparency and community contributions to its development. With a public team, active social media engagement, and a lack of notable partnerships, TAO achieves an average rating in this type of block.

TAO							
Economy	Supply	Limited			Infinite		
	Burn	Yes			No		
	Collateral	Yes			No		
	Buybacks	Yes			No		
	Tokenomics (3)	0	1	2	3	4	5

*(3) The tokenomics score is performed by COIN4RATING considering factors as supply, burn mechanism, distribution, vesting and possibility of staking/liquidity pools

Finally, let's look at the token economy. Knowing that TAO has a limited supply and does not employ a burn mechanism or collateral, the tokenomics score is still high, rated at 4, due to a 'halving' system, like Bitcoin. This kind of halving works each year and it's a strategy to make validators more competitive according to their own whitepaper.

However, the project does not currently have a buyback program in place, which could otherwise influence token demand and price stability. Summarizing, TAO has a well-considered economic model for its ecosystem.

Overall, the analysis has been carried out satisfactorily.

3. Conclusion

The report provides a comprehensive yet concise analysis of the project's key characteristics. After thorough investigation, we confidently assess the project's performance as achieving the following rating:



(*) Note: Rating is from AAA+ to C- scoring.

QR verification:

