OTC Markets

Alternative Reporting Standard:
Disclosure Guidelines for the Pink® Market

ELRAY RESOURCES, INC.

3651 Lindell Road, Suite D131, Las Vegas, NV 89103

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http://elraygaming.com
info@elraygaming.com

Quarterly Report

For the period ending September 30, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

4,307,112,176 as of September 30, 2025 (current report)

4,307,112,176 as of December 31, 2024 (most recent fiscal year end)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control[4] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[4] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Elray Resources Inc. December 13, 2006
Current State and Date of Incorporation or Registration: Nevada, December 13, 2006
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

3651 Lindell Road, Suite D131, Las Vegas NV 89103

Address of the issuer's principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

_____

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

_____

2) Security Information

Transfer Agent

Name: Empire Stock Transfer Inc.
Phone: 702-818-5898
Email: info@empirestock.com
Address: 1859 Whitney Mesa Dr.,
Henderson NV 89014

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	ELRA
Exact title and class of securities outstanding:	Common Stock
CUSIP:	29015T702
Par or stated value:	$0.001

Total shares authorized: 7,500,000,000 as of date: September 30, 2025
Total shares outstanding: 4,307,112,176 as of date: September 30, 2025
Total number of shareholders of record: 126 as of date: September 30, 2025

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

NONE

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: Series A Preferred Stock
Par or stated value: $0.001
Total shares authorized: 300,000,000 as of date: September 30, 2025
Total shares outstanding: 90,000,000 as of date: September 30, 2025
Total number of shareholders of record: 1 as of date: September 30, 2025

Exact title and class of the security: Series B Preferred Stock
Par or stated value: $0.001
Total shares authorized: 280,000,000 as of date: September 30, 2025
Total shares outstanding: 192,000,000 as of date: September 30, 2025
Total number of shareholders of record: 1 as of date: September 30, 2025

Exact title and class of the security: Series C Preferred Stock
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of date: September 30, 2025
Total shares outstanding: 7,083,333 as of date: September 30, 2025
Total number of shareholders of record: 2 as of date: September 30, 2025

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

None

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

Dividend rights

Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

Voting rights

Each outstanding share of Common Stock shall entitle the holder thereof to 1 (one) vote, in person or by proxy granted in accordance with Nevada law, with respect to each matter properly submitted to the shareholders of the Company for their vote, consent, waiver, release or other action

Preemption rights

In the event that the Company proposes to issue any equity (including shares of Common Stock or shares of Company Preferred Stock), or any securities, options or debt that are convertible or exchangeable into equity or that include an equity component (the "New Securities"), the holders of outstanding shares of the common stock shall have the right to purchase for cash, at the price and on the same terms, such number of New Securities as are required to enable it to maintain its proportionate Common Stock-equivalent interest in the Company immediately prior to any such issuance of New Securities.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Dividend rights

The holders of the then outstanding shares of preferred stock will be entitled to receive, when, as and if declared by the Board of Directors cash dividends, as determined by the dividend calculated on each common share multiplied by the conversion ratio of the preferred stock.

Voting rights

The holders of outstanding shares of the preferred stock: (i) shall be entitled to vote together with the holders of the common stock as a single class on all matters submitted for a vote of holders of common stock; (ii) shall have such other voting rights as are specified in the Articles of Incorporation or as otherwise provided by Nevada law; and (iii) shall be entitled to receive notice of any stockholders' meeting in accordance with the Articles of Incorporation and By-laws of the Company.

Each share of preferred stock shall entitle the holder thereof to cast (i) 100 (one hundred) votes for Series A Preferred Stock , (ii) 1,000 (one thousand) votes for Series B Preferred Stock, and (iii) 1 (one) vote for Series c Preferred Stock for each whole vote that such holder would be entitled to cast had such holder converted its preferred stock into shares of common stock as of the date immediately prior to the record date for determining the stockholders of the Company eligible to vote on any such matter.

Conversion rights:

The holders of the shares of preferred stock shall be entitled, at their option, at any time to convert all or any such shares of Preferred stock into a number of fully paid and non-assessable shares of common stock.

Each share of preferred stock shall automatically convert, immediately upon the earlier of (i) the written consent of holders of more than 50% of issued and outstanding preferred stock, and (ii) the Company Election (each, an "Automatic Conversion Date") into fully paid and non-assessable shares of common stock.

The conversion ratio shall be (i) 100 (one hundred) for Series A Preferred Stock, (ii) 1 (one) for Series B Preferred Stock, and (iii) 100 (one hundred) for Series C Preferred Stock, which shall be appropriately increased or decreased in proportion to increase or decrease in outstanding shares of common stock caused by stock subdivisions/splits or combinations.

3. **Describe any other material rights of common or preferred stockholders.**

None

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 01/01/2023 Common: 4,097,112,176 Preferred: 199,083,333			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to.** ***You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
March 6, 2023	New Issuance	70,000,000	Common Stock	0.0005	Yes	GENEVA ROTH REMARK HOLDINGS, INC Control Person: Curt Kramer	For Cash	Unrestricted	Regulation A Exemption
June 14, 2023	New Issuance	40,000,000	Common Stock	0.0005	No	James H. Caplan	For Corporate Communication and Investor Relation Services	Restricted	4(a)(2)
March 1, 2024	New Issuance	90,000,000	Common Stock	0.0005	Yes	Brian Herman	For Consulting Services	Restricted	Rule 144
March 1, 2024	New Issuance	10,000,000	Common Stock	0.0005	Yes	James St. Clair	For Consulting Services	Restricted	Rule 144
September 2, 2024	New Issuance	90,000,000	Series A Preferred Stock	0.001	No	Luxor Capital LLC Anthony Brian Goodman	For acquisition of assets	Restricted	Regulation S Exemption
Shares Outstanding on Date of This Report: Ending Balance: Date 09/30/2025 Common: 4,307,112,176 Preferred: 289,083,333									

Use the space below to provide any additional details, including footnotes to the table above:

None

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
05/06/2013	$10,670	$50,000	$13,111	12/03/2013	Conversion Price: 50% multiplied by the market price	JSJ Investments, Inc. Sameer Hirji	Loan
08/21/2014	$45,560	$50,000	$100,671	02/21/2015	Conversion Price: 40% multiplied by the market price	JSJ Investments, Inc. Sameer Hirji	Loan
01/20/2015	$40,000	$40,000	$51,317	07/20/2015	Conversion Price: 40% multiplied by the market price	JSJ Investments, Inc. Sameer Hirji	Loan
01/20/2015	$32,623	$60,000	$41,340	01/20/2010	Conversion Price: 50% multiplied by the market price	JSJ Investments, Inc. Sameer Hirji	Loan
09/02/2014	$10,966	$30,000	$22,935	03/02/2015	Conversion Price: 50% multiplied by the market price	Beaufort Capital Partners LLC Robert Marino	Loan
10/13/2014	$15,393	$55,000	$38,403	10/13/2015	Conversion Price: 45% multiplied by the market price	Tangiers Investment Group, LLC Michael Sobeck	Loan
10/13/2014	$33,000	$33,000	$68,604	10/13/2015	Conversion Price: 45% multiplied by the market price	Tangiers Investment Group, LLC Michael Sobeck	Loan
02/23/2015	$4,654	$20,000	$5,613	01/23/2017	Conversion Price: 40% multiplied by the market price	Microcap Equity Group, LLC Ibrahim Almagarby	Loan
04/15/2014	$5,800	$25,000	$9,212	04/14/2016	Conversion Price: 60% multiplied by the market price	Vista Capital Investments, LLC David Clark	Loan
09/02/2024	$400,000	$500,000	$40,526	09/01/2025	Convrsion Price: 100% multiplied by the market price	Luxor Capital LLC Anthony Brian Goodman	Acquisition of assets

Use the space below to provide any additional details, including footnotes to the table above:

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Elray Resources was formed in 2004 when a group of Successful Online Software marketing specialists identified an opportunity: the market need for professional and qualified consultants to effectively manage, market and operate online e-commerce businesses.

B. List any subsidiaries, parent company, or affiliated companies.

None

C. Describe the issuers' principal products or services.

Elray Resources was formed in 2004 when a group of Successful Online Software marketing specialists identified an opportunity: the market need for professional and qualified consultants to effectively manage, market and operate online e-commerce businesses. Elray Resources provides a complete turnkey solution for numerous successful online e-commerce companies as well as performs strategic marketing and consulting services for companies from all parts of the world.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Issuer uses shared office space at a nomimal monthly cost located at 3651 Lindell Road, Suite D131, Las Vegas NV 89103

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Anthony Brian Goodman	Director, CEO, CFO, President and Secretary	Dover Heights, Australia	234,418,992	Common	5.44%	
Weiting Feng	Treasurer and Director	Bondi Junction, Australia	5	Common	0%	
Luxor Capital LLC	5% or great holder	Las Vegas, Nevada	90,000,000 192,000,000	Preferred A Preferred B	100% 100%	Anthony Brian Goodman
Virtual Technology Group Inc.	5% or great holder	Jackson's Gap, AL	5,000,000 290	Preferred C Common	70.59% 0%	Andrew McGreer
Yangjiu Xie	5% or great holder	No. 51-19 Hanxibei Road	2,083,333	Preferred C	29.41%	

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: The Loev Law Firm, PC/David M. Loev
Address 1: 6300 West Loop South, Suite 280
Address 2: Bellaire, Texas 77401

Phone: 713-524-4110
Email: dloev@loevlaw.com

Accountant or Auditor

Name: Fruci & Associates II, PLLC/Kory Kolterman
Address 1: 802 N. Washington St.
Address 2: Spokane, WA 99201
Phone: 509-624-9223
Email: kory_kolterman@fruci.com

Investor Relations

Name: James H. Caplan
Firm: N/A
Address 1: 2005 Key West Cove
Address 2: Austin, TX 78746
Phone: 512-329-9505
Email: jimmycaplan@me.com

All other means of Investor Communication:

X (Twitter): ELRA_Official
Discord: N/A
LinkedIn elray-gaming
Facebook: elraygamingofficial
[Other] None

Other Service Providers
Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Jacqueline Danforth
Firm: The Ideal Connection
Nature of Services: Compliance consulting
Address 1: 30 North Gould, Suite 5953
Address 2: Sheridan WY 82801
Phone: 646-831-6244
Email: jd@theidealconnection.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Anthony B. Goodman**
Title: **CEO and CFO**
Relationship to Issuer: **Officer and director**

B. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Anthony B. Goodman**
Title: **CEO and CFO**

Relationship to Issuer: **Officer and director**

Describe the qualifications of the person or persons who prepared the financial statements:[5] Mr. Goodman serves as Chief Executive Officer, senior officer or managing director of several corporate entities, both public and private, and has filled similar roles for over 30 years. In these roles as senior officer, Mr. Goodman has also been required to prepare and review financial statements and has developed sufficient financial literacy to fulfill this role. While Mr. Goodman does not have a specific degree in financial accounting his work efforts are supported by accounting personnel.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

10) Issuer Certification

Principal Executive and Financial Officer:

I, Anthony Brian Goodman certify that:

1. I have reviewed this Disclosure Statement for Elray Resources Inc;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 13, 2025
/s/Anthony B. Goodman

[5] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

ELRAY RESOURCES, INC.
Condensed Balance Sheets
(Unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash	4,360,066	477,368
Account receivable	13,068	-
Account receivable-related party	106,841	106,841
Prepaid Expenses	18,721	13,436
Loan Receivable	338,543	254,966
Total current assets	4,837,239	852,611
Non-Current assets:		
Intangible asset	945,948	1,316,100
Equity method investments	-	2,833,700
Investments at fair value	-	4,371,273
Total non-current assets	945,948	8,521,073
Total assets	5,783,187	9,373,684
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	2,328,482	6,941,050
Accounts payable and accrued liabilities– related parties	2,731,633	3,112,602
Advances from shareholders	59,391	59,391
Other payable-related party	39,824	39,824
Short-term debt	8,989,783	1,727,266
Notes payable	45,429	45,429
Notes Payable in Default	250,000	250,000
Convertible notes payable, net of discounts	198,666	2,639,602
Convertible notes payable, net of discounts - Related Party	400,000	500,000
Derivative liabilities - note conversion feature	436,638	2,609,233
Derivative liabilities - note conversion feature Related Party	170,211	227,677
Total liabilities	15,650,057	18,152,075

ELRAY RESOURCES, INC.
Condensed Balance Sheets
(Unaudited)

	September 30, 2025	December 31, 2024
Shareholders' deficit:		
Series A preferred stock, par value $0.001, 300,000,000 shares authorized, 90,000,000 and 90,000,000 shares issued and outstanding, respectively	90,000	90,000
Series B preferred stock, par value $0.001, 280,000,000 shares authorized, 192,000,000 and 192,000,000 shares issued and outstanding, respectively	192,000	192,000
Series C preferred stock, par value $0.001, 10,000,000 shares authorized,7,083,333 and 7,083,333 shares issued and outstanding, respectively	7,083	7,083
Common stock, par value $0.001,7,500,000,000 shares authorized, 4,307,112,176 and 4,307,112,176 shares issued and outstanding, respectively	4,307,112	4,307,112
Additional paid-in capital	21,435,479	19,342,799
Subscription receivable	(75,672)	(75,672)
Stock issuable	5,022	5,022
Accumulated deficit	(35,827,894)	(32,646,735)
Total shareholders' deficit	(9,866,870)	(8,778,391)
Total liabilities and shareholders' deficit	5,783,187	9,373,684

ELRAY RESOURCES, INC.
Condensed Statements of Operations
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	12,068	140,976	240,883	335,184
Cost of goods sold - Related Party	4,018	13,178	17,953	32,919
Cost of goods sold	52,585	93,274	158,179	203,516
Gross Profit	(44,535)	34,524	64,751	98,749
Costs and expenses				
General and administrative expenses	113,840	11,342	172,661	52,107
General and administrative expenses - Related Party	22,500	22,500	67,500	67,500
Amortization expense	123,384	41,128	370,152	41,128
Total operating expenses	259,724	74,970	610,313	160,735
Loss from operations	(304,259)	(40,446)	(545,562)	(61,986)
Other income (expense):				
Interest income	28,406	23,239	79,240	53,214
Unrealized loss on changes in fair value of investments	-	-	(2,647,977)	-
Gain (Loss) on disposal of investment	2,470,560	-	(13,140)	-
Dividends income	7,969	-	7,969	-
Interest expense	(9,367)	(156,439)	(171,804)	(470,458)
Interest expense - Related Party	(8,066)	(3,178)	(27,266)	(3,178)
Unrealized gain (loss) on derivative liability - note conversion feature	(8,361)	(286,456)	119,673	(187,208)
Unrealized gain (loss) on derivative liability - note conversion feature - Related Party	(37,266)	-	17,708	-
Total other expense	2,443,875	(422,834)	(2,635,597)	(607,630)
Net income (loss)	2,139,616	(463,280)	(3,181,159)	(669,616)
Net loss per common share - basic	-	-	-	-
Net loss per common share - diluted	-	-	-	-
Weighted average number of common shares outstanding - basic	4,307,112,176	4,307,112,176	4,307,112,176	4,287,404,147
Weighted average number of common shares outstanding - diluted	7,500,000,000	4,307,112,176	4,307,112,176	4,287,404,147

ELRAY RESOURCES, INC.
Condensed Statements of Shareholders' Deficit
Nine Months Ended September 30, 2024 and 2025

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid-in Capital	Subscription Receivable	Stock Issuable	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Shares	Shares	Amount	Shares	Amount	Shares	Amount					
Balance as of December 31, 2023	-	-	192,000,000	192,000	7,083,333	7,083	4,217,112,176	4,217,112	15,292,427	(75,672)	5,022	(35,379,945)	(15,741,973)
Adjustment of Shares issued	-	-	-	-	-	-	(10,000,000)	(10,000)	5,000	-	-	-	(5,000)
Issuance of restricted shares for service	-	-	-	-	-	-	100,000,000	100,000	(50,000)	-	-	-	50,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	(144,041)	(144,041)
Balance as of March 31, 2024	-	-	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	15,247,427	(75,672)	5,022	(35,523,986)	(15,841,014)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(62,295)	(62,295)
Balance as of June 30, 2024	-	-	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	15,247,427	(75,672)	5,022	(35,586,281)	(15,903,309)
Issuance of shares for acquisition of asset	90,000,000	90,000	-	-	-	-	-	-	3,510,000	-	-	-	3,600,000
Issuance of options for acquisition of asset	-	-	-	-	-	-	-	-	585,372	-	-	-	585,372
Net loss	-	-	-	-	-	-	-	-	-	-	-	(463,280)	(463,280)
Balance as of September 30, 2024	90,000,000	90,000	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	19,342,799	(75,672)	5,022	(36,049,561)	(12,181,217)

ELRAY RESOURCES, INC.
Condensed Statements of Shareholders' Deficit
Nine Months Ended September 30, 2024 and 2025

Balance as of December 31, 2024	90,000,000	90,000	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	19,342,799	(75,672)	5,022	(32,646,735)	(8,778,391)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(2,575,243)	(2,575,243)
Balance as of March 31, 2025	90,000,000	90,000	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	19,342,799	(75,672)	5,022	(35,221,978)	(11,353,634)
Settlement of derivative liabilities	-	-	-	-	-	-	-	-	2,092,680	-	-	-	2,092,680
Net loss	-	-	-	-	-	-	-	-	-	-	-	(2,745,532)	(2,745,532)
Balance as of June 30, 2025	90,000,000	90,000	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	21,435,479	(75,672)	5,022	(37,967,510)	(12,006,486)
Net income	-	-	-	-	-	-	-	-	-	-	-	2,139,616	2,139,616
Balance as of September 30, 2025	90,000,000	90,000	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	19,342,799	(75,672)	5,022	(35,827,894)	(9,866,870)

Elray Resources. INC
Condensed Cash Flow Statements
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(3,181,159)	(669,616)
Adjustments to reconcile net loss to net cash		
Unrealized loss on changes in fair value of investments	2,647,977	-
Loss on disposal of investment	13,140	-
Amortization of intangible asset	370,152	41,128
Gain on derivative liabilities - note conversion feature	(119,673)	187,208
Gain on derivative liabilities - note conversion feature - Related Party	(17,708)	-
Interest receivable	(79,083)	(53,178)
Changes in operating assets and liabilities:		
Accounts receivable	(13,068)	(83,131)
Prepaid expenses	(5,285)	(1,590)
Accounts payable	209,013	559,213
Accounts payable - Related Party	(380,970)	23,836
Advances from customers	-	(125,000)
CASH USED FOR OPERATING ACTIVITIES	(556,664)	(121,130)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment	4,543,856	-
Investment in loan receivable	(4,494)	(70,624)
CASH PROVIDED (USED) FOR INVESTING ACTIVITIES	4,539,362	(70,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlement of convertible notes payable - Related Party	(100,000)	-
CASH USD FOR FINANCING ACTIVITIES	(100,000)	-
NET INCREASE (DECREASE) IN CASH	3,882,698	(191,754)
CASH AT BEGINNING OF PERIOD	477,368	581,544
CASH AT END OF PERIOD	4,360,066	389,790

ELRAY RESOURCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Elray Resources, Inc. ("Elray" or the "Company"), a Nevada Company formed on December 13, 2006, has been providing marketing and support for online gaming operations. The Company maintains its administrative office in Australia and its gaming operations is currently targeting the Asian market.

The accompanying unaudited condensed consolidated financial statements of Elray have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments purchased with an original maturity of six months or less to be cash equivalents.

Derivative Instruments

Derivatives are measured at their fair value on the balance sheet. In determining the appropriate fair value, the Company uses the Black-Scholes-Merton option pricing model. Changes in fair value are recorded in the statements of operations.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

Our financial instruments include cash, accounts receivable – related parties, investments at fair value, accounts payable and accrued liabilities, notes payable, short-term debt payable, convertible notes payable, advances from shareholders, and derivative liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term nature except for investments at fair value and derivative liabilities. The investments at fair value and derivative liabilities are stated at their fair value as a level 3 measurement.

Equity Method Investments

The Company utilizes the equity method to account for investments when possessing the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when the investor possesses more than 20% of the voting interests of the investee. The equity method applies to investments in common stock and to other investments when such other investments possess substantially identical subordinate interests to common stock.

In applying the equity method, the Company records the investment in equity method investments on the balance sheet at cost and

subsequently increases or decreases the carrying amount of the investment by its proportionate share of the net earnings or losses and other comprehensive income of the investee. Any increase or decrease recorded is included in net investment income on the statements of operations. Dividends or other equity distributions are recorded as reductions in the carrying value of the investment. Should net losses of the investee reduce the carrying amount of the investment to zero. The basis difference, calculated as the difference between the cost of investment and the amount of underlying equity in net assets acquired in the investee, is amortized over the life of the related assets and included in the Company's share of the net earnings or losses of the investee.

The Company monitors on an ongoing basis its equity method investments for indicators of other-than-temporary declines in fair value below carrying value.

Investments at fair value

The Company measures its investment in equity at fair value in the balance sheet, and records the unrealized gain or loss on changes in fair value in the statement of operations.

Revenues

Prior to January 1, 2018, revenues were recognized when the four basic criteria for recognition were met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) consideration is fixed or determinable; and (4) collectability is reasonably assured. The Company adopted new accounting guidance for revenue recognition effective January 1, 2018 which did not have a material impact on the Company's financial statements.

Beginning January 1, 2018, the Company analyzes contracts to determine the appropriate revenue recognition using the following steps: (i) identification of contracts with customers; (ii) identification of distinct performance obligations in the contract; (iii) determination of contract transaction price; (iv) allocation of contract transaction price to the performance obligations; and (v) determination of revenue recognition based on timing of satisfaction of the performance obligation. The Company recognizes revenues upon the satisfaction of its performance obligations (upon transfer of control of promised goods or services to customers) in an amount that reflects the consideration to which it expects to be entitled to in exchange for those goods or services.

The Company currently derives its revenues mainly from: (a) granting non-exclusive, non-licensable, non-sublicensable, non-assignable and non-transferable licenses of gaming contents solely for online blockchain casinos ("Games Licensing") and, (b) provision of turnkey online solution and related marketing and consulting services ("Services") to its customers.

For Games Licensing, the Company acts as the distributor of the third-party online gaming contents utilized by its customers. The customers pay consideration in exchange for the gaming contents utilized. The revenue should be recognized when the usage of the gaming contents occurs based on the actual usage of the gaming contents.

For Services, the Company acts as the provider of turnkey online solutions and related marketing and consulting services utilized by its customers. The customers pay consideration in exchange for the services utilized. The revenue should be recognized when the usage of the services occurs based on the actual usage of the services.

The revenues recognized for the nine months ended September 30, 2025 and 2024 were as follows:

	For the nine months ended September 30,	
	2025	2024
Games Licensing	$ 48,540	$ 52,596
Services	192,343	282,588
Total	$ 240,883	$ 335,184

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. On December 22, 2017, new federal tax reform legislation was enacted in the United States (the "2017 Tax Act"), resulting in significant changes from

previous tax law. The 2017 Tax Act reduces the federal corporate income tax rate to a flat 21% effective January 1, 2018.

Tax benefits are initially recognized in the financial statements when it is more likely than not that the position will be sustained upon examination by the tax authorities. Such tax positions are initially, and subsequently, measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming full knowledge of the position and all relevant facts. No deferred tax asset attributable to the net operating loss carry forward has been recognized, as it is not deemed likely to be realized.

Earnings Per Common Share

Basic net earnings (loss) per common share are computed by dividing net earnings (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The dilutive effect of outstanding stock options and warrants is reflected in diluted earnings per share by application of the treasury stock method. The dilutive effect of outstanding convertible securities and preferred stock is reflected in diluted earnings per share by application of the if-converted method.

For the nine months ended September 30, 2025, the potentially diluted earnings per share is computed on the total of weighted-average number of common stocks outstanding 4,307,112,176 shares, notes convertible to 2,320,456,898 shares of the Company's common stock, preferred stock convertible to 9,000,002,125 shares of the Company's common stock and 2,000,000,000 options, which is capped at 7,500,000,000 shares, the total authorised number of common stocks as of September 30, 2025.

Subsequent Events

Elray evaluated subsequent events through the date these financial statements were issued for disclosure purposes.

Recent Accounting Pronouncements

In February 2016, a pronouncement was issued that creates new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted. The new standard is to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the new pronouncement on its financial statements.

Elray's management does not believe that any other recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying financial statements.

NOTE 2 – GOING CONCERN

The accompanying unaudited consolidated financial statements of Elray have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company recorded a net loss of $3,181,159 for the nine months ended September 30, 2025, and carried an accumulated deficit of $35,827,894 as of September 30, 2025. This factor raises substantial doubt regarding the Company's ability to continue as a going concern. Without realization of additional capital, it would be unlikely for Elray to continue as a going concern. Elray's management plans on raising cash from public or private debt, on an as needed basis, and in the longer term, revenues from the gambling business. Elray's ability to continue as a going concern is dependent on these additional cash financings, and, ultimately, upon achieving profitable operations through the development of its gambling business.

NOTE 3 – LOAN RECEIVABLE

On November 1, 2022, the Company entered into a license agreement with Maxi Technology N.V. ("Maxibet") and Min Kai,Yen, the sole shareholder of Maxibet (collectively with Maxibet the "Licensee"), whereby the Company agreed to provide licenses of online gaming content and a short term interest bearing loan to the Licensee in order to assist the Licensee to deploy its Blockachain casino and to obtain the necessary gaming licenses. The loan was capped at the amount of $50,000, subsequently amended as $100,000 and $200,000 in the addendum dated May 1, 2023 and May1, 2024, with a monthly interest rate of 6%. As of September 30, 2025, the balance of loan and accrued interest was respectively $149,753 and $188,790.

NOTE 4 – INTANGIBLE ASSET

On September 2, 2024, the Company entered into an asset purchase agreement ("Luxor Agreement") with Luxor Capital LLC ("Luxor"), a company controlled by Anthony Brian Goodman ("Goodman"), the Company's Chief Executive Officer, President, Chief Financial Officer, Secretary and Director, whereby the Company purchased two sets of fully operational iGaming Blockchain Systems ("EBS1" and "EBS2", collectively "EBS") from Luxor ("Asset Purchase"). In consideration for EBS, the Company issued to Luxor: (a) ninety million shares of Series A Preferred Stocks ("Luxor Preferred A"), (b) two billion options which are to vest 50% in 12 months and 50% in 24 months at $0.0005 per share ("Luxor Options"), and (c) a promissory note in the amount of $500,000, to be repayable after 6 months or alternatively converted wholly or partially at Luxor's choice at 100% of the average of the last 90 days closing price of the Company's common stock, with an interest rate of 8% ("Luxor Notes"). In addition, the Company should pay Luxor within 180 days of the signing of Luxor Agreement $250,000 in cash ("Luxor Cash", collectively with "Luxor Preferred A", "Luxor Options" and "Luxor Notes", the "Luxor Considerations"). At the closing of the Asset Purchase, the sum of fair value of Luxor Considerations was $4,935,372. $3,454,760 and $1,480,612 out of the fair value of Luxor Considerations was allocated to EBS1 and EBS2 respectively, as EBS1 had additional functionality when compared to EBS2 and as such had a higher proportional value.

On September 29, 2024, the Company entered into an asset purchase agreement ("ATNF Agreement") with 180 Life Sciences Corp., a Delaware corporation ("ATNF"), whereby ATNF purchased all of Company's right, title and interest in all of the EBS1, and all intellectual property associated therewith ("Purchased Assets"). In consideration for the Purchased Assets, ATNF issued to the Company: (a) one million shares of Series B Convertible Preferred Stock of ATNF ("Preferred B"), and (b) warrants to purchase three million shares of common stock ("Warrants", collectively with Preferred B, the "ATNF Consideration"). On December 27, 2024, (a) the issuance of more than 20% of the ATNF's issued and outstanding common stock upon the conversion of Preferred B, and (b) the issuance of more than 20% of the ATNF's issued and outstanding common stock upon the exercise the Warrants was approved by the votes in ATNF's annual meeting.

On December 27, 2024, the right, title and interest in all of the EBS1, and all intellectual property associated had been fully transferred to ATNF from the Company. Accordingly, the Company derecognized EBS1.

As of September 30, 2025 and 2024, the balance of intangible assets was $945,948 and $4,894,244.

Amortization expenses of intangible assets were $370,152 and $41,128 for the nine months ended September 30, 2025 and 2024 respectively.

NOTE 5 – EQUITY METHOD INVESTMENTS

On September 29, 2024, the Company entered into the ATNF Agreement with ATNF. As a part of the consideration for the Purchased Assets, ATNF issued to the Company one million shares of Preferred B. The Preferred B carried following rights and preferences:

(i) Voting Rights. Before getting stockholders' approval for the issuance of Preferred B and Warrants in the shareholders meeting ("Stockholder Approval"), Preferred B holders vote on amendments of Preferred B designations and actions affecting Preferred B rights. However, following Stockholder Approval, Preferred B holders gain voting rights equal to the number of common shares their Series B shares convert into, and the voting is conducted jointly with common stockholders as a single class. As the Stockholder Approval was granted on December 27, 2024 ("Stockholder Approval Date"), the Company, as the holder of the Preferred B, obtained the right to vote 1,318,000 total voting shares on all stockholder matters, representing 29.3% of the ATNF's outstanding voting shares as of September 30, 2025 (with 3,176,999 shares of common stock issued and outstanding, and 4,494,999 total voting shares when including the voting rights of Preferred B). As such, the Company possessed the ability to exercise significant influence, but not control, on ATNF as of December 31 2024.

(ii) Dividend Rights. Preferred B holders have no dividend rights except when ATNF distributes cash or equivalent dividends on common stock. In such cases, they participate based on the maximum whole common shares their Preferred B could convert into. However, they are excluded from stock-only dividends.

(iii) Conversion Rights. Before Stockholder Approval, Preferred B is not convertible. After approval, holders can convert each share into common stock based on an initial conversion rate of 0.685, representing 40% of outstanding common shares. If the Company issues additional common stock before approval, the conversion rate will adjust to account for the dilution, with a maximum conversion rate of 10. The adjusted rate applies only to conversions after the adjustment and is fixed upon Stockholder Approval. On December27, 2024, as a result of the Stockholder Approval, the Preferred B were convertible into common stock at a fixed conversion ratio of 1.318 shares of common stock for each 1 share of Preferred, or an aggregate of 1,318,000 shares of common stock.

(iv) Liquidation Preference. In a liquidation of ATNF, Preferred B holders receive a cash distribution before common stock but after any required preferred stock distributions. Each share receives the greater of (1) the Stated Value ($17.30 per share) or (2) the amount payable if converted into common stock. As of September 30, 2025, the Company expected that the Preferred B held by it should be fully converted into common stocks in the relatively short term. As a result, the Preferred B (a) had no significant fair value in liquidation preference, nor a substantive liquidation preference over common stocks, (b) had risks and rewards of ownership that are substantially similar to an investment in ATNF's common stocks.

Given that Company possessed the ability to exercise significant influence on ATNF, and Preferred B was in-substance common stock, the Company accounted for Preferred B an investment using the equity method.

On March 27, 2025, the Company executed the conversion of 1,000,000 shares of Preferred B to 1,318,000 shares of common stock of ATNF ("Converted Shares") at the conversion rate of 1.318, representing 25.4% of the issued and outstanding common stocks of ATNF as of March 31, 2025. The resulting Converted Shares were treated as the same investment with the Preferred B shares in ATNF for accounting purposes.

On April 28, 2025, Elray and Luxor entered into a Settlement and Mutual Release Agreement ("ATNF Settlement Agreement") with ATNF. Pursuant to the ATNF Settlement Agreement, in full and complete payment for the acquisition of the Converted Shares by ATNF, and termination of negotiations with Luxor and any and all obligations owed by ATNF to Elray or Luxor (other than the Warrants), and the discharge for ATNF from all claims arising from or relating to, or associated with all prior negotiations and agreements between Elray and ATNF or Luxor and ATNF ("ATNF Settlement"), ATNF agreed to pay an aggregate of $1 million to Elray and Luxor ("Settlement Amount"), with (a) $350,000 payable within five Business Days of execution of this Agreement, which amount shall be paid to Elray ("Elray Amount"); and (b) 20% of all capital raised by ATNF after the date ATNF Settlement Agreement was executed being paid to Luxor, until Luxor has received $650,000 in aggregate ("Luxor Amount"), with such payments payable within three business days of ATNF's receipt of such funds.

In connection with the ATNF Settlement Agreement, Elray agreed to deliver five stock powers authorizing cancellation of the Converted Shares, to be held in escrow and released proportionally at the option of ATNF, as settlement payments are made, with all remaining shares cancelled once the full Settlement Amount is made. The stock powers are to be released in tranches, with the stock power relating to the initial 461,300 Converted Shares eligible to be released from escrow upon the payment of the Elray Amount, and the remaining four stock powers, each providing for the transfer of 214,175 shares, to be released upon the payment of Luxor Amount of each additional $162,500.

Elray also entered a voting agreement on April 28, 2025, made by Elray, ATNF, and Blair Jordan, ATNF's Chief Executive Officer ("Voting Agreement"). Pursuant to the Voting Agreement, Elray agreed to vote any Converted Shares which it continued to hold, in such manner as may be necessary to approve all proposals sought to be approved at any meeting of the stockholders of ATNF, which are approved by the Board of Directors of ATNF, and recommended to be approved by at least a majority of the members of the Board of Directors of ATNF, which may occur prior to April 28, 2026 ("Voting Requirements"). By its entry into the Voting Agreement, Elray shall deliver to Blair Jordan (or his assigns) an irrevocable voting proxy to vote the Converted Shares pursuant to Voting Requirements set forth above at any meeting of stockholders or via any written consent of stockholders.

In view of ATNF Settlement and Voting Agreement, Elray no longer had any significant continuing ownership interest, voting rights, or economic exposure to Converted Shares. As a result, Elray had fully derecognized its equity method investment in ATNF as of April 28, 2025. A loss on disposal of equity method investment of approximately $2.5 million had been recognized for the nine months ended September 30, 2025, representing the difference between the consideration receivable for the Converted Shares under the ATNF Settlement Agreement and the carrying amount of the equity method investment in ATNF as of the derecognition date. Accordingly, Elray had not recognized its share in ATNF's results of three months ended March 31, 2025, which would have otherwise been recorded on a three-month reporting lag basis.

NOTE 6 – INVESTMENTS AT FAIR VALUE

The Warrants granted to the Company in connection with ATNF Agreement had an exercise price of $1.68 per share, and provided for cashless exercise rights. The Warrants became exercisable at any time at the option of the Company following the Stockholder Approval Date until September 30, 2031.

The Company made an accounting policy election to account for the Warrants in investment at fair value with changes in fair value recorded in earnings, and applied Black-Scholes option pricing model to estimate fair value. The changes in fair value of approximately $2.6 million was recorded as unrealized loss on changes in fair value of investments for the nine months ended September 30, 2025.

On July 27, 2025, Elray submitted a Notice of Exercise of Warrant to ATNF to exercise the Warrants (No. 180-LIFE-2024-1) for the purchase of 3 million shares of common stock of ATNF at the price of $1.68 per share. The Warrant was exercised on a cashless basis in accordance with the formula provided under the warrant agreement, resulting in the cancellation of a portion of the underlying shares in lieu of a cash payment. Accordingly, Elray received 1.3 million shares of common stock of ATNF (“Exercised Shares”) as the result of the cashless exercise.

During the period from August 8 to August 12, 2025, the Company disposed of all its holdings of 1.3 million shares of Exercised Shares, for total cash proceeds of approximately $4.2 million, realizing a gain on disposal of investments at fair value of approximately $2.5 million. As of September 30, 2025, the Company held no investments measured at fair value.

NOTE 7 – SHORT-TERM DEBT

On December 20, 2013, the Company entered into a settlement agreement with Tarpon Bay Partners LLC (“Tarpon”) whereby Tarpon acquired certain notes and accounts payable against the Company in the amount of $2,656,214. Pursuant to the agreement, the Company and Tarpon submitted the settlement agreement to the Circuit Court of the Second Judicial Circuit, Leon County, Florida for a hearing on the fairness of the agreement and the exemption from registration under the Securities Act of 1933 for the shares that will be issued to Tarpon for resale (“Settlement Shares”). 75% of the proceeds less all applicable fees and charges from the resale of the Settlement Shares will be remitted to the original claim holders of the Company (“Remittance Amount”). The Company agreed to issue sufficient shares to generate proceeds such that the aggregate Remittance Amount equals $2,656,214. The settlement agreement was effective on January 27, 2014 when the court granted approval.

On May 17, 2018, the Company entered into a cancellation and release agreement with Tarpon. Pursuant to the agreement, the outstanding balance of the original notes and accounts payable of the Company shall continue to be an obligation of the Company. The Company reclassified $1,689,905 of the outstanding settlement payable to short-term debt and $472,254 of the outstanding settlement payable to accounts payable.

<u>GSM Fund Management LLC</u>

On January 30, 2015, the Company entered into an assignment and modification agreement to assign $62,500 of the convertible promissory note of VTG dated January 23, 2014 to GSM Fund Management LLC (“GSM”). The note bears interest at 12% and matured on January 30, 2016. GSM has the right after a period of 180 days to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest closing bid price in the 15 trading days prior to the conversion date. The Company recorded a loss on extinguishment of debt of $52,364 related to the exchange. On April 9, 2018, the Company issued 150,221,707 shares of common stock for the conversion of this note in the amount of $7,511.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of $37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company's obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statue, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward. As of September 30, 2025, balance of the debt was $37,361.

WHC Capital, LLC

On September 23, 2014, the Company entered into a convertible promissory note with WHC Capital, LLC ("WHC") for $75,000 ("WHC Note"). The note bears interest at 12% and matured on September 23, 2015. WHC has the right at any time during the period beginning on the date of this note to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest intra-day trading price during the fifteen trading days prior to the conversion date. On September 23, 2015, the Company failed to repay the outstanding balance of this note and a penalty of $41,978 was added to the outstanding balance pursuant to the note terms.

The Company had made multiple attempts to communicate with WHC regarding conversion or repayment of the WHC Note, however, WHC failed to respond. Public records indicated that WHC has been formally dissolved. In view of the lack of communication and the dissolution status of WHC, on April 1, 2025, the Company determined to cease the accrual of default interest on WHC Note and reclassified the WHC Note from convertible liability to a short-term debt at a fixed amount, with no further accrual of interest or other contingent charges going forward. As of September 30, 2025, balance of this short-term debt was $370,998.

Gold Globe Investments Ltd

On January 23, 2014, the Company entered into a convertible promissory note with Gold Globe Investments Ltd ("GGIL") for $2,800,000 ("GGIL Note"). GGIL has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 100% of the average of the lowest three trading prices during the seven trading days prior to the conversion date when the Company's shares are traded in the OTCQB or during the ten trading days prior to the conversion date when the Company's shares are traded on another exchange. On December 3, 2014, $45,000 of GGIL Note was replaced with a note issued to Tangiers. The note is currently in default and has a default interest rate of 24% per annum.

The Company had made multiple attempts to communicate with GGIL regarding conversion or repayment of the GGIL Note, however, GGIL failed to respond. Public records indicated that GGIL has been formally dissolved. In view of the lack of communication and the dissolution status of GGIL, on April 1, 2025, the Company determined to cease the accrual of default interest on GGIL Note and reclassified the GGIL Note from convertible liability to a short-term debt at a fixed amount, with no further accrual of interest or other contingent charges going forward. As of September 30, 2025, balance of this short-term debt was $6,891,519.

NOTE 8 – NOTES PAYABLE

Notes payable

Notes payable on September 30, 2025 and December 31, 2024 consisted of the following:

	Final Maturity	Interest Rate	September 30, 2025	December 31, 2024
Morchester International Limited	July 14, 2012	15%	$ 35,429	$ 35,429
Morchester International Limited	July 14, 2012	8%	10,000	10,000
Total			$ 45,429	$ 45,429

On December 9, 2011, Elray entered into an Amended Splitrock Agreement whereby the Company acquired certain assets and liabilities of Splitrock. As part of the liabilities assumed in terms of the Amended Splitrock Agreement, the Company assumed notes payable of $292,929 bearing interest of 8% or 15% per annum. On December 20, 2013, the Company entered into a settlement agreement with Tarpon Bay Partners LLC ("Tarpon") whereby Tarpon acquired $247,500 of the notes payable against the Company. The remaining

notes issued to Morchester International Limited not purchased by Tarpon are currently in default. The default had no effect on the notes' interest rate.

Notes payable in default

On November 18, 2022, the Company issued the Note to VTG to replace the Convertible Redeemable Note dated January 23, 2014, with the remaining principal amount of $481,500 and interest accrued of $672,463 (the "Replacement"), issued by Elray in favor of VTG. The principal amount of the Note is $250,000 which shall not bear interest, and which shall be due and payable in two installments as (a) $125,000 on or before November 18, 2023; and (b) $125,000 on or before May 18, 2024. The Replacement discharged Elray's full obligation under the foresaid Convertible Redeemable Note.

As of September 30, 2025, the total amount $250,000, consisting of two installments of $125,000 which should be due and payable on November 18, 2023 and May 18, 2024 respectively, is in default without any default penalty or default interest.

Convertible notes payable

Convertible notes payable, as of September 30, 2025 and December 31, 2024, consisted of the following:

	Interest Rate	September 30, 2025	December 31, 2024
JSJ Investments, Inc.	10%~20%	$ 128,853	$128,853
WHC Capital, LLC	22%	-	116,936
Beaufort Capital Partners, LLC	12%	10,966	10,966
Tangiers Investment Group, LLC	20%	48,393	48,393
Microcap Equity Group, LLC	10%	4,654	4,654
Gold Globe Investments Ltd	24%	-	2,324,000
Vista Capital Investments, LLC.	12%	5,800	5,800
Total		$ 198,666	$ 2,639,602

JSJ Investments, Inc.

On May 31, 2013, the Company entered into a convertible promissory note with JSJ Investments, Inc. ("JSJ") for $50,000. The note matured on December 2, 2013. The note holder has the option to convert the note to common shares in the Company at a discount of 50% of the average closing price over the last 120 days prior to conversion, or the average closing price over the last seven days prior to conversion. As of September 30, 2025, the remaining principal of $10,670 has not been converted. The note is currently in default. As of September 30, 2025, accrued interest of this note was $13,111. The default had no effect on the note's interest rate.

On August 21, 2014, the Company entered into a convertible promissory note with JSJ for $50,000 cash. The note matured on February 21, 2015. Upon the maturity, the note has a cash redemption premium of 150% of the principal amount. The note is convertible to the Company's common shares at a discount of 60% of the average of the three lowest bids on the twenty days before the date this note is executed, or 60% of the average of the three lowest bids during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The note is currently in default and has a default interest rate of 20% per annum. As of September 30, 2025, balance of this note was $45,560, and accrued interest of this note was $100,671.

On January 20, 2015, the Company entered into a convertible promissory note with JSJ for $40,000. The note bears interest at 12% and matured on July 20, 2015. Upon the maturity, the note has a cash redemption premium of 150% of the principal amount. The note is convertible to the Company's common shares at 40% of the lowest trading price on the twenty days before the date this note is executed, or 40% of the lowest trading price during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The note is currently in default. The default had no effect on the note's interest rate. As of September 30, 2025, balance of this note was $40,000, and accrued interest of this note was $51,317.

On January 20, 2015, the Company entered into a convertible promissory note with JSJ for $60,000, which was issued in exchange for a portion of the promissory note issued to VTG on January 23, 2014. The note bears interest at 12% and matured on January 20, 2015. JSJ has the right to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest trading price on the twenty days before the date this note is executed, or 50% of the lowest trading price during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The Company recorded a loss on extinguishment of debt of $441 related to the

exchange. The note is currently in default. The default had no effect on the note's interest rate. As of September 30, 2025, balance of this note was $32,623, accrued interest of this note was $41,340.

WHC Capital, LLC

On April 1, 2025, the Company reclassified the WHC Note from convertible liability to a short-term debt, as is further described in NOTE 7 – SHORT-TERM DEBT.

Beaufort Capital Partners, LLC

On September 2, 2014, the Company entered into a convertible promissory note with Beaufort Capital Partners, LLC ("Beaufort") for $21,000. The note matured on March 2, 2015. Beaufort has the right after the maturity date to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest trading prices during the fifteen trading days prior to the conversion date. Under certain conditions, the conversion price would be reset to $0.0001 or 65% off the lowest price of the previous five trading days.

As of September 30, 2025, balance of this note was $10,966, accrued interest of this note was $22,935. This note is currently in default. The default had no effect on the note's interest rate.

Tangiers Investment Group, LLC

On October 13, 2014, the Company entered into a convertible promissory note with Tangiers Investment Group LLC ("Tangiers") for $55,000. The note matured on October 13, 2015. Tangiers has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 45% of the lowest trading prices during the twenty trading days prior to the conversion date. As of September 30, 2025, balance of this note was $15,393, accrued interest of this note was $38,403. This note is currently and has a default interest rate of 20% per annum.

On October 13, 2014, the Company entered into a convertible promissory note with Tangiers for $33,000. The note bears interest at 10% and matured on October 13, 2015. Tangiers has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 45% of the lowest trading prices during the twenty trading days prior to the conversion date. As of September 30, 2025, balance of this note was $33,000, accrued interest of this note was $68,604. This note is currently in default and has a default interest rate of 20% per annum.

GSM Fund Management LLC

On January 30, 2015, the Company entered into an assignment and modification agreement to assign $62,500 of the convertible promissory note of VTG dated January 23, 2014 to GSM Fund Management LLC ("GSM"). The note bears interest at 12% and matured on January 30, 2016. GSM has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest closing bid price in the 15 trading days prior to the conversion date. The Company recorded a loss on extinguishment of debt of $52,364 related to the exchange. On April 9, 2018, the Company issued 150,221,707 shares of common stock for the conversion of this note in the amount of $7,511.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of $37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company's obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statue, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward.

Microcap Equity Group, LLC

On February 23, 2015, the Company entered into a convertible promissory note with Microcap Equity Group LLC ("Microcap") for $20,000, which was issued in exchange for a portion of the promissory note issued to VTG on January 23, 2014. The note matured on January 23, 2017. Microcap has the right to convert the balance outstanding into the Company's common stock at a rate equal to 40% of the lower of the lowest bid price during the thirty trading days prior to the conversion date, or the lowest bid price on the day that the converted shares are cleared for physical delivery. The Company recorded a loss on extinguishment of debt of $28,213 related to the exchange. As of September 30, 2025, balance of this note was $4,654, accrued interest of this note was $5,613. The note is currently in default. The default had no effect on the note's interest rate.

Virtual Technology Group, Ltd

On January 23, 2014, the Company entered into a convertible promissory note with VTG for $1,500,000. VTG has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 100% of the average of the closing bid prices for the seven trading days prior to the conversion date when the Company's shares are traded in the OTCQB or during the ten trading days prior to the conversion date when the Company's shares are traded on another other exchange. On November 10, 2014, $50,000 of this note was replaced with a note issued to LG. On January 20, January 23 and January 30, 2015, $60,000, $20,000 and $62,500 of this note were replaced with notes issued to JSJ, Microcap and GSM. On November 18, 2022, $481,500 of this note and $672,463 of accrued interest were replaced by a promissory note issued to VTG. As of September 30, 2025, Elray's obligation under this note has been fully discharged, and both balance of this note and accrued interest have been fully settled.

Gold Globe Investments Ltd

On April 1, 2025, the Company reclassified the WHC Note from convertible liability to a short-term debt, as is further described in NOTE 7 – SHORT-TERM DEBT.

Vista Capital Investments, LLC.

On April 15, 2014, the Company entered into a convertible promissory note with Vista Capital Investments, LLC ("Vista") for $250,000. The note has an original issuance discount of $25,000. The note matures 2 years from the date of each payment of the principal from Vista. In the event that the note remains unpaid at maturity date, the outstanding balance shall immediately increase to 120% of the outstanding balance. Vista has the right to convert the outstanding balance into the Company's common stock at a rate equal to the lesser of $0.008 per share or 60% of the lowest trade occurring during the twenty-five consecutive trading days preceding the conversion date. Due to certain events that occurred during 2014, the conversion price has been reset to $0.005 per share or 50% of the lowest trade occurring during the twenty-five consecutive trading days preceding the conversion date. Pursuant to the agreement, if the conversion price calculated under this agreement is less than $0.01 per share, the principal amount outstanding shall increase by $10,000 ("Sub-Penny"). $25,000 net proceeds were received on April 23, 2014. The remaining fund of this note has not been received. As of September 30, 2025, balance of this note was $5,800, accrued interest of this note was $ $9,212. The note is currently in default. The default had no effect on the note's interest rate.

Convertible notes payable - Related Party

Convertible notes payable - Related Party, on September 30, 2025 and December 31, 2024, consisted of the following:

	Interest Rate	June 30, 2025	December 31, 2024
Luxor Capital LLC	8%	400,000	500,000
Total		$ 400,000	$ 500,000

On September 2, 2024, the Company issued Luxor Notes to Luxor as a part of Luxor Considerations for purchase of EBS. The transaction is further described in Note 4 – Intangible Asset.

On March 1, 2025 and September 1, 2025, the Company and Luxor entered into amendments to Luxor Notes to amend the maturity date of Luxor Notes from March 1, 2025 to September 1, 2025, and from September 1, 2025 to November 1, 2025 respectively.

On June 1, 2025, the Company and Luxor entered into another amendment to Luxor Notes to amend that the Company should make a partial principal payment of $100,000 to Luxor on or before June 2, 2025, with the remaining principal balance of $400,000, together with any accrued interest, payable on or before the maturity date. Pursuant to this amendment, the Company made a payment of $100,000 to Luxor on June 2, 2025.

As of September 30, 2025, the balance of this note was $400,000, and accrued interest of this note was 40,526.

Loans from shareholders

On September 5, 2008, Elmside Pty Ltd, a company related to a former director, agreed to an interest free loan of $55,991 to the Company on an as-needed basis to fund the business operations and expenses of the Company until December 9, 2011, the due date of the loan. The note is in default.

As of September 30, 2025 and December 31, 2024, the Company had advances of $59,391 from its officer. The advances from the officers are due on demand, unsecured with no interest.

NOTE 9 – DERIVATIVE LIABILITIES – NOTE CONVERSION FEATURE

Due to the conversion features contained in the convertible notes issued, the actual number of shares of common stock that would be required if a conversion of the note as further described in Note 6 was made through the issuance of the Company's common stock cannot be predicted, and the Company could be required to issue an amount of shares that may cause it to exceed its authorized share amount. As a result, the conversion feature requires derivative accounting treatment and will be bifurcated from the note and "marked to market" each reporting period through the income statement. The fair value of the conversion future of these notes was recognized as a derivative liability instrument and will be measured at fair value at each reporting period.

The Company remeasured the fair value of the instrument as of September 30, 2025, and recorded a gain of $100,533 for the nine months ended September 30, 2025. The Company determined the fair values of these liabilities using a Black-Scholes valuation model.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of $37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company's obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statue, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward. As such the derivative liability of $21,221 was settled.

On November 18, 2022, the Company issued a First Amended and Restated Convertible Redeemable Note to VTG in the form of promissory note to replace the Convertible Redeemable Note dated January 23, 2014, issued by Elray in favor of VTG. As such Elray's obligation under the foresaid Convertible Redeemable Note had been fully discharged, and the incurred derivative liability of $447,492 had been fully settled.

On April 1, 2025, the Company reclassified the WHC Note and GGIL Note from convertible liabilities to short-term debts. Accordingly, the derivative liabilities of $218,850 and $1,834,072 related to WHC Note and GGIL Note respectively had been fully settled.

The following table provides a summary of the changes in fair value of the derivative financial instruments measured at fair value on a recurring basis using significant unobservable inputs:

Fair value as of December 31, 2024	$	2,609,233
Change in fair value of derivative liabilities		(119,673)
Settlement of derivative liabilities		(2,052,922)
Fair value as of September 30, 2025	$	436,638

NOTE 10 – DERIVATIVE LIABILITIES – NOTE CONVERSION FEATURE – RELATED PARTY

The following table provides a summary of the changes in fair value of the derivative financial instruments related to Convertible notes payable - Related Party, measured at fair value on a recurring basis using significant unobservable inputs:

Fair value as of December 31, 2024	$	227,677
Change in fair value of derivative liabilities		(17,708)
Settlement of derivative liabilities		(39,758)
Fair value as of September 30, 2025	$	170,211

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, we may be party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not involved currently in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

Commitments and Contingencies

On January 22, 2018, the Company entered into a lease agreement for an office located at Tenancy 2, Level 3, 2 Grosvenor Street, Bondi Junction, Australia. The Company pays approximately $68,585 per year plus applicable local sale tax and sharing expenses. The agreement, as amended, expires on November 14, 2020. On January 1, 2019, the Company and Articulate Pty Ltd ("Articulate") entered into a Cancellation of Strategic Partnership Agreement. Pursuant to the agreement, the Company will no longer utilize the commercial premises located at Suite 302, 2 Grosvenor Street Bondi Junction NSW Australia, and Articulate will continue to utilize these premises and as such the parties have agreed that there will be an assignment of a commercial lease from the Company to Articulate and as such Articulate will take on all responsibilities for the lease.

NOTE 12 – RELATED PARTY TRANSACTIONS

Elmside Pty Ltd

On September 5, 2008, Elmside Pty Ltd, a company related to a former director, agreed to an interest free loan to the Company on an as-needed basis to fund the business operations and expenses of the Company until December 9, 2011, the due date of the loan. As of September 30, 2025 and December 31, 2024, loans from Elmside, a shareholder, were $55,991. The loans are currently in default.

Articulate Pty Ltd and Brian Goodman

As of September 30, 2025 and December 31, 2024, the Company had accounts payable of $2,428,414 and $2,610,932, respectively, to its chief executive officer and Articulate Pty Ltd ("Articulate"), a company controlled by the Company's chief executive officer, for consulting fees, reimbursement of expenses and compensation.

On August 24, 2016, the Company entered into a strategic partnership agreement with Articulate. Pursuant to the agreement, Articulate will provide non-exclusive back office services to the Company's clients. In exchange for the service, Elray agreed to pay $10,000 for each month Articulate provides services. Elray will receive 0.5% of the software usage fee paid by Elray's clients through Articulate. On January 1, 2019, the Company entered into a Cancellation of Strategic Partnership Agreement with Articulate, pursuant to which Articulate will no longer provide support, marketing and back-office services to the Company and the Company will not charge Articulate software usage fees. As of September 30, 2025 and December 31, 2024, receivable from Articulate for software usage fee was $106,841.

Jay Goodman and Brett Goodman

On May 15, 2013, the Company entered into an agreement with Jay Goodman, son of the Company's chief executive officer, to provide consulting services assisting the Company with data segmentation, financial and statistical services. In consideration for such services, the Company pays $3,000 per month to Jay Goodman. On January 1, 2019, the consulting agreement was cancelled. As of September 30, 2025 and December 31, 2024, the Company had $202,500 payable to Jay Goodman.

On November 1, 2022, the Company entered into an agreement with Brett Goodman, son of the Company's chief executive officer, to provide consulting services assisting the Company with data segmentation, financial and statistical services. In consideration for such services, the Company should pay $5,000 for the month of November 2022 and thereafter $7,500 per month to Brett Goodman. As of September 30, 2025 and December 31, 2024, the Company had $7,500 and nil respectively payable to Brett Goodman.

Globaltech Software Services LLC

The Company's chief executive officer is a member of Globaltech Software Services LLC ("Globaltech"). As of September 30, 2025 and December 31, 2024, the Company had other payable to Globaltech of $39,824.

Golden Matrix Group, Inc.

On December 7, 2022, the Company entered into a Software License Agreement with Golden Matrix Group, Inc. ("GMGI"). Goodman and Weiting Feng ("Feng"), the Company's Treasurer and Director, served as Chief Executive Officer, President, Secretary, Treasurer and Director (Goodman), and Chief Operating Officer and Director (Feng), of GMGI.

Pursuant to the Software License Agreement, which was effective as of December 1, 2022, GMGI granted the Company a non-exclusive, non-licensable, non-sublicensable, non-assignable and non-transferable license for the use and further distribution of certain of GMGI's

online games, providing the Company with the right to use the online games solely for the purpose of running an online blockchain casino enterprise.

In consideration for licensing the online games to the Company, the Company agreed to pay GMGI a monthly license fee equal to 125% of GMGI's costs of such games. The Company also agreed to pay GMGI a 10,000 Euro deposit which is refundable upon the termination of the agreement. For participation in the progressive jackpot games, The Company was required to make an advance payment of 5,000 Euros.

During the nine months ended September 30, 2025 and 2024, the Company purchased online gaming contents for $17,953 and $32,919 respectively from GMGI. As of September 30, 2025 and December 31, 2024, the balance of the Company's accounts payable to GMGI was $17,692 and $35,911 respectively.

Luxor Capital LLC

On September 2, 2024, the Company entered into the Luxor Agreement with Luxor, a company controlled by Anthony Brian Goodman, the Company's Chief Executive Officer, to purchased EBS from Luxor. Further details are described in Note 4 – Intangible Asset.

As of September 30, 2025 and December 31, 2024, the Company had $35,000 and $250,000 payable to Luxor Capital LLC.

NOTE 13 – EQUITY

Preferred Stock – Series A

On May 3, 2012, the Company authorized the creation of 300,000,000 shares of Series A preferred Stock of $0.001 par value. The Class A Preferred Series shares are convertible at a rate of 100 common shares for each Series A Preferred Share.

On September 2, 2024, the Company issued 90,000,000 shares of Series A Preferred Stocks as a part of Luxor Considerations for purchase of EBS. As is further described in Note 4 - Intangible Asset.

As of September 30, 2025 and December 31, 2024, there were 90,000,000 shares of Series A Preferred Stock outstanding.

Preferred Stock – Series B

On July 1, 2012, the Company authorized the creation of 100,000,000 shares of Series B preferred stock. On September 24, 2012, the authorized Series B Preferred Stock was increased from 100,000,000 to 280,000,000. After a series of reverse stock splits, the Series B Preferred stock is convertible at a rate of 0.000000003 common stock for each Series B Preferred stock.

On July 14, 2013, the Company entered into a 12-month consultancy agreement with VTG to assist the Company in developing marketing and supporting the technology of virtual online horse racing products and to provide the Company the exclusive use right to certain website domains. In consideration for such services and domains, the Company issued 192,000,000 Series B Preferred shares to VTG. The 192,000,000 Series B Preferred stock have been recorded at their estimated fair value of $43,031.

On December 12, 2022, the Company filed a Supplemental Disclosure for Change of Control Events for a change in control of the Company effective on November 18, 2022. On such date, VTG sold 100% of the outstanding shares of Series B Preferred Stock to Luxor Capital, LLC, a company controlled by the Company's chief executive officer. Luxor Capital, LLC paid $500 in cash to VTG and caused the Company to deliver to VTG a First Amended and Restated Convertible Redeemable Note.

Preferred Stock – Series C

On June 20, 2014, the Company authorized the creation of 10,000,000 shares of Series C preferred stock. The Series C preferred shares are convertible at a rate of 0.0003 common shares for each Series C Preferred Share.

On September 18, 2014, the Company entered into an agreement to acquire a 25% interest in Globaltech Software Services LLC doing business as Golden Galaxy ("Golden Galaxy") which operates online casinos. Under the terms of the purchase agreement, the Company will be entitled to 1% of the gross wagering generated by Golden Galaxy. In consideration for the purchase, the Company issued 5,000,000 shares of the Company's Series C preferred stock in June 2015 and recorded $5,000 of other asset. On April 1, 2015, the Company terminated the agreement and stopped receiving 1% of the gross wagering generated by Golden Galaxy. During the year ended December 31, 2017, the management recorded an impairment of $5,000 due to the uncertain recoverability of the other asset.

On September 18, 2014, the Company entered into an agreement with Yangjiu Xie, owner of Asialink Treasure Limited ("ATL").

Pursuant to the agreement, the Company issued 2,083,333 shares of its Series C preferred stock as part of the consideration to acquire 49% of the outstanding shares of ATL in a series of transactions. These shares were recorded at their par value of $2,083 with a subscription receivable at the same amount. The Company has not received the certificate of ownership from ATL.

Common Stock

On July 12, 2022, the Company filed a Certificate of Amendment to Articles of Incorporation with Nevada Secretary of State, pursuant to which, the Company's authorized number of shares of Common Stock shall be increased from 2.5 billion shares, par value $0.001, to 4.5 billion shares, par value $0.001, with no other changes to any other class of the Company's Capital Stock.

On July 19, 2022, the Company filed a Registration Statement (the "Offering") pursuant to Tier 1 of Regulation A of the United States Securities and Exchange Commission (the "SEC"). The Company is offering for sale a maximum of 1,000,000,000 shares of its common stock (the "Offered Shares"), at a fixed price of $0.0005 per share. A minimum purchase of $5,000 of the Offered Shares is require and any additional purchase must be in an amount of at least $1,000. This offering is being conducted on a best-efforts basis, which means that there is no minimum number of Offered Shares that must be sold for the offering to close. All proceeds from the offering will become immediately available to the Company and may be used as they are accepted. The Company intends to use the proceeds of the offering for general working capital and administrative expenses. The Offering received a notice of qualification on July 28, 2022.

On October 17, 2022, the Company filed a Certificate of Amendment to Articles of Incorporation pursuant with Nevada Secretary of State, pursuant to which, the Company's authorized number of shares of Common Stock shall be increased from 4.5 billion shares, par value $0.001, to 7.5 billion shares, par value $0.001, with no other changes to any other class of the Company's Capital Stock.

On October 25,2022, the Company filed a Post-Qualification Offering Circular Amendment No. 1 (the "PQA") to amend the Offering Statement filed on July 19, 2022, and qualified on July 28, 2022 and as may be amended and supplemented from time to time, to add 1,000,000,000 additional shares of common stock to be offered by our company pursuant to the PQA, for a revised maximum of 2,000,000,000 shares of common stock. The PQA received a notice of qualification on November 2, 2022.

From October 3, 2022 to the date of this Report, the Company sold, to nineteen investors publicly, an aggregate of 1,110,000,000 shares of its common stocks, at a price of $0.0005 per share, raising cash of $555,000. The shares were offered pursuant to Tier 1 of Regulation A and the Company's entry into subscription agreements with each investor.

From October 14, 2022 to the date of this Report, the Company sold, to seven accredited investors, an aggregate of 661,500,000 shares of its common stocks, at a price of $0.0005 per share, raising cash of $330,750. The shares were offered pursuant to Rule 506 of Regulation D and the Company's entry into subscription agreements with each investor.

On June 14, 2023, the Company issued 40,000,000 shares of restricted common stocks to James H. Caplan as a part of consideration for corporation communication and investor relation services provided to the Company by James H. Caplan in the period beginning December 1, 2022 and concluded on 30 November 30, 2023.

On March 1, 2024, the Company issued 90,000,000 shares and 10,000,000 shares of restricted common stocks to Brian Herman and James St. Clair respectively as the consideration for advisory services provided in the six-month period beginning December 2, 2022.

Options

On September 2, 2024, the Company issued two billion options which are to vest 50% in 12 months and 50% in 24 months at $0.0005 per share as a part of Luxor Considerations for purchase of EBS, as is further described in Note 4 - Intangible Asset.

The fair value of options was measured using the Black-Scholes option pricing model. The total fair value of options discussed above was $585,372.

As of September 30, 2025 and December 31, 2024, there were two billion options outstanding.

NOTE 14 – SUBSEQUENT EVENTS

On October 1, 2025, the Company entered into a Sale of Asset Agreement with Bondi Alpha Pty Ltd ("Bondi Alpha"), a company controlled by Brett Goodman. Under this agreement, the Company agreed to purchase six online gaming assets ("Gaming Assets"), including three completed games and three to-be-developed games. In consideration for the Gaming Assets, the Company should pay Bondi Alpha a purchase price consisting of cash payment $780,000 and the issuance of warrants to purchase 1 billion shares of the Company's common stock exercisable at 10% above the market price of the Company's common stock on the date of issuance.

On October 1, 2025, the Board of Directors of the Company approved by unanimous written consents to authorize the Company to pay a monthly consulting fee of $10,000 each to Goodman and Etrader Enterprise Pty Ltd, a company controlled by Feng, effective as of October 1, 2025. The consulting services to be provided include development and execution of corporate business strategies, oversight of operation risks and regulatory compliance, maintenance of investor and stakeholder relations, and evaluation of partnership and financing opportunities.

On July 3, 2025, the Company entered into an audit engagement letter with Fruci & Associates, P.S., an independent registered public accounting firm with the Public Company Accounting Oversight Board (PCAOB), to audit the Company's financial statements for the fiscal years ended December 31, 2023 and 2024. Under the terms of the engagement, Fruci & Associates will audit the Company's balance sheets, statements of operations, shareholders' deficit and cash flows, and the related notes, and issue a written report on the Company's financial statements to be included in its periodic filings under the Securities Exchange Act of 1934.