

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **XTRA Bitcoin Inc.**

912 Bobwhite Street  
Fruitland, Idaho 83619

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208-452-4566  
Xtrabitcoin.com  
paul@xtrabitcoin.com  
SIC - 7374

### **Annual Report** **For the Period Ending: December 31, 2021** (the "Reporting Period")

As of April 29, 2022, the number of shares outstanding of our Common Stock was:

2,048,474,905

As of September 30, 2021 the number of shares outstanding of our Common Stock was:

2,048,474,905

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

2,048,474,905

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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:

Indicate by check mark whether a Change in Control<sup>5</sup> of the company has occurred over this reporting period:

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<sup>5</sup> "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

Yes:  No:

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

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

XTRA Bitcoin Inc as of June 25, 2019

Formerly known as: Therapy Cells, Inc as of May 20, 2011.

Originally known as: Diamond Information Institute, Inc as of October 24, 1988.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

XTRA Bitcoin Inc. – Wyoming – active

Therapy Cells, Inc – Wyoming

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

None

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

None

The address(es) of the issuer's principal executive office:

XTRA Bitcoin Inc. 912 Bobwhite Street, Fruitland, Idaho 83619

The address(es) of the issuer's principal place of business:

*Check box 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?

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

**2) Security Information**

Trading symbol:

CBTC

\_\_\_\_\_ 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.

Exact title and class of securities outstanding: Common  
CUSIP: 98422A101  
Par or stated value: \$0.0001

Total shares authorized: 2,900,000,000 as of date: 4-29-2022  
Total shares outstanding: 2,048,474,905 as of date: 4-29-2022  
Number of shares in the Public Float<sup>6</sup>: 1,912,546,668 as of date: 4-29-2022  
Total number of shareholders of record: 34 as of date: 4-29-2022

*All additional class(es) of publicly traded securities (if any):*

Trading symbol: N/A  
Exact title and class of securities outstanding: \_\_\_\_\_  
CUSIP: \_\_\_\_\_  
Par or stated value: \_\_\_\_\_  
Total shares authorized: \_\_\_\_\_ as of date: \_\_\_\_\_  
Total shares outstanding: \_\_\_\_\_ as of date: \_\_\_\_\_

#### Transfer Agent

Name: Action Stock Transfer  
Phone: 801-274-1088  
Email: jb@actionstocktransfer.com  
Address: 2469 Fort Union Blvd. STE 214, Cottonwood Heights, UT 84121

Is the Transfer Agent registered under the Exchange Act?<sup>7</sup> Yes:  No:

### **3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

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<sup>6</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>7</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

| Shares Outstanding as of Second Most Recent Fiscal Year End:  |   |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |  |  |  |   |  |
|---|---|--|--|---|--|--|--|---|--|
| Opening Balance<br>Date <u>December 31, 2019</u><br>Common: <u>1,948,318,345</u><br>Preferred: <u>1,055,157</u> |   |  |  |   |  |  |  |   |  |
| 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 (entities must have individual with voting / investment control disclosed). | 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.        |
| <u>01-20-2020</u>   | <u>New issuance</u>   | <u>90,140,920</u>                      | <u>Common</u>  | <u>0.00025</u>                                    | <u>No</u>  | <u>Gemini Paradigm Inv. LLC Susan Williams</u>   | <u>Merger</u>  | <u>Restricted</u>                             | <u>4(a)(2) of the 1933 Act</u>         |
| <u>01-20-2020</u>   | <u>New Issuance</u>   | <u>10,015,640</u>                      | <u>Common</u>  | <u>0.00025</u>                                    | <u>No</u>  | <u>Rosanne C Reeves</u>  | <u>Merger</u>  | <u>Restricted</u>                             | <u>Section 4(a)(2) of the 1933 Act</u> |
| <u>01-20-2020</u>   | <u>New Issuance</u>   | <u>276,050</u>                         | <u>Pref E</u>  | <u>0.25</u>                                       | <u>No</u>  | <u>Paul Knudson</u>  | <u>Merger</u>  | <u>Restricted</u>                             | <u>Section 4(a)(2) of the 1933 Act</u> |
| <u>01-20-2020</u>   | <u>New Issuance</u>   | <u>193,236</u>                         | <u>Pref E</u>  | <u>0.25</u>                                       | <u>No</u>  | <u>Mary A Veatch</u>   | <u>Merger</u>  | <u>Restricted</u>                             | <u>Section 4(a)(2) of the 1933 Act</u> |
| <u>01-20-2020</u>   | <u>New Issuance</u>   | <u>900,000</u>                         | <u>Pref E</u>  | <u>1.00</u>                                       | <u>No</u>  | <u>Alven Corp Stan Larson</u>  | <u>Debt Conversion</u>   | <u>Restricted</u>                             | <u>Section 4(a)(2) of the 1933 Act</u> |
| <u>01-20-2020</u>   | <u>New Issuance</u>   | <u>100,000</u>                         | <u>Pref E</u>  | <u>1.00</u>                                       | <u>No</u>  | <u>Paul Knudson</u>  | <u>Compensation &amp; Assumed Liabilities</u>  | <u>Restricted</u>                             | <u>Section 4(a)(2) of the 1933 Act</u> |
| Shares Outstanding on Date of This Report:  |   |  |  |   |  |  |  |   |  |
| Ending Balance:   |   |  |  |   |  |  |  |   |  |
| Date <u>4-29-2022</u>   |   |  |  |   |  |  |  |   |  |

Common: 2,048,474,905

Preferred: 2,524,443

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

On October 16, 2019, XTRA agreed to issue Alven Corporation 900,000 shares of Series E Preferred stock in exchange for all outstanding principal and interest on Note dated 05-14-2019 plus Alven to owe XTRA a balance of \$9,016.91. This transaction was recorded on the books of the Company as General Journal 167 on October 16, 2019. These shares were subsequently issued on January 23, 2020 to complete the Company's obligation. As of October 16, 2019, the Company has no outstanding promissory, convertible notes, or debt arrangements. See Note 11, Subsequent Events, of the notes to our unaudited financial statements that are attached to this Quarterly Report disclosure statement.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

| 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 (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g. Loan, Services, etc.)  |
|-----------------------|--------------------------|-----------------------------------|-----------------------|-------------------|--|--|--|
| <u>03-06-2020*</u>    | <u>36,100</u>            | <u>75,733</u>                     | <u>0*</u>             | <u>12-31-2023</u> | <u>Straight Debt</u>   | <u>Xtra Crypto Mining Inc. Paul Knudson</u>  | <u>Purchase &amp; Install 37 T17 ASIC miners</u> |
| _____                 | _____                    | _____                             | _____                 | _____             | _____  | _____  | _____  |
| _____                 | _____                    | _____                             | _____                 | _____             | _____  | _____  | _____  |
| _____                 | _____                    | _____                             | _____                 | _____             | _____  | _____  | _____  |

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

\*Due to inability to access our Canadian facility (RINK) due to pandemic travel restrictions at border, XTRA Bitcoin Inc and Xtra Crypto Mining Inc agreed to have their miners hosted by a 3<sup>rd</sup> party provider for 6 months and toll the accrual of interest and payment start date to coincide with mining which began on December 20, 2020. Cost of hosting is 20% of Bitcoin production after electrical expense has been deducted from earnings. Interest accrued is paid current with each payment.

## 4) Financial Statements

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

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>8</sup>:

Name: Paul Knudson  
Title: CFO  
Relationship to Issuer: Director & Officer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

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Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

Bitcoin mine development and operation

- B. Please list any subsidiaries, parents, or affiliated companies.

No subsidiaries

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<sup>8</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

### No parents

XTRA Bitcoin Inc is affiliated with other companies owned or controlled by its CEO/Director Paul Knudson. These affiliated companies are: Protocol Technologies Inc, Xtra Crypto Mining Inc., The Pines Townhomes LLC, Austin Homes LLC, and North Allen Avenue LLC.

### C. Describe the issuers' principal products or services.

Computerized validation of Bitcoin blockchain transactions, aka "mining", via internet worldwide through mining pool.

## **6) Issuer's Facilities**

The goal of this section is to provide a potential investor 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, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Leased facilities: Wonka #5 and Wonka #6. Each unit's lease rate is \$345/month as storage units to reserve the space and allocation of electrical power capacity. Lease rate increases to \$4,855/month NNN when the primary power is extended to the unit by either party. As of January 1, 2020, Company obtained the right, but not the obligation, to lease Wonka #3 and Wonka #4 by assuming each unit's lease from The Pines Townhomes LLC at rate of \$345/month as storage units to reserve the space and allocation of electrical power capacity

The Pines Townhomes LLC, a privately held company owned by XTRA's CEO/Director Paul Knudson, is re-purposing a self-storage facility located in Ontario, OR, USA into a data center with 7MW of electrical capacity in phase one and an additional 8MW in phase 2. XTRA Bitcoin Inc. has acquired 5-year leases on building space known as Wonka #5 and Wonka #6. Each lease consists of six storage units combined into a 900 square foot unit and the right to access 1.25MW electricity primary on site. XTRA is obligated to pay all costs to install the high-voltage primary, transformers, metering and secondary distribution electrical systems from utility interconnect onsite to their equipment. XTRA also has a performance-based option to acquire access to an additional 7.5MW electricity for expansion at this site. Facility is inside a security fenced property. XTRA is in the development process of raising capital to install the electrical system and to purchase energy-efficient ASIC miners. Development is on hold as XTRA has opportunity to acquire other facilities with a lower electricity cost.

XTRA Bitcoin Inc. – CBTC acquired 70% of RINK facility, phase 1 electrical capacity lease located in Manitoba, Canada from Xtra Crypto Mining, Inc., a privately held corporation owned by XTRA's CEO/Director Paul Knudson. RINK is capable of hosting 37 T17s miners. XTRA is obligated to pay 70% of NNN expenses and \$490.00 monthly rent. XTRA, also, acquired option on 70% of an additional 1.5 MW future electrical capacity upgrade. RINK acquisition was financed by Xtra Crypto Mining, Inc. XTRA's 37 T17 miners have been received at the RINK facility but due to Covid-19 restrictions, XTRA's personnel have been unable to travel to Canada to remodel the facility for mining. It is hoped that travel restrictions will be lifted soon.

XTRA Bitcoin Inc has arranged a 6-month hosting contract for their miners with a 3<sup>rd</sup> Party provider in Manitoba, Canada to work around the Covid-19 travel and access restrictions that are delaying completion of RINK facility. Mining began on December 20, 2020. Hosting continued thru October 1, 2020 when parties agreed to terminate the contract due to the failure of 90% of the ASIC miners.

## 7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

| Name of Officer/Director or Control Person | Affiliation with Company (e.g., Officer Title /Director/Owner of more than 5%) | Residential Address (City / State Only)            | Number of shares owned | Share type/class          | Ownership Percentage of Class Outstanding | Note |
|--|--|--|------------------------|---------------------------|---|------|
| <u>Paul Knudson</u>                        | <u>CEO, CFO, Director</u>  | <u>912 Bobwhite St, Fruitland, ID 83619</u>        | <u>31,903,252</u>      | <u>Common</u>             | <u>1.56%</u>                              |      |
| <u>Paul Knudson</u>                        | <u>CEO, CFO, Director, and owner of &gt;5%</u>                                 | <u>912 Bobwhite St, Fruitland, ID 83619</u>        | <u>225,110</u>         | <u>Series A Preferred</u> | <u>100%</u>                               |      |
| <u>Paul Knudson</u>                        | <u>CEO, CFO, Director, and owner of &gt;5%</u>                                 | <u>912 Bobwhite St, Fruitland, ID 83619</u>        | <u>2,082,057</u>       | <u>Series E Preferred</u> | <u>90.55%</u>                             |      |
| <u>Jacob Veatch</u>                        | <u>Director</u>  | <u>480 Main Street, Nucla, CO 81424</u>            | <u>0</u>               | <u>N/A</u>                | <u>0</u>                                  |      |
| <u>Matthew Timpson</u>                     | <u>Director</u>  | <u>440 W Nuttall Ave Centennial Park, AZ 86021</u> | <u>0</u>               | <u>N/A</u>                | <u>0</u>                                  |      |
| <u>Mary A Veatch</u>                       | <u>Secretary and owner of &gt;5%</u>   | <u>917 Bobwhite Street, Fruitland, ID 83619</u>    | <u>193,236</u>         | <u>Series E Preferred</u> | <u>8.40%</u>                              |      |
|  |  |  |                        |                           |   |      |

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. 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, or banking activities;

None

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

None

4. The entry 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

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 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

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Leonard W Burningham, Esq  
Firm: Burningham Law Group  
Address 1: 2150 South 1300 East, Suite 500  
Address 2: Salt Lake City, Utah 84106  
Phone: 801-363-7411  
Email: lwb@burninglaw.com

### Accountant or Auditor

Name: Eric Sherb  
Firm: EMS Consulting Services LLC

Address 1: 157 Columbus Avenue  
Address 2: New York, New York 10023  
Phone: 516-713-9590  
Email: eric@emscpa.com

#### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### 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), or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### **10) Issuer Certification**

#### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Paul Knudson certify that:

1. I have reviewed this Annual Disclosure Statement for Year ended December 31, 2021 of XTRA Bitcoin 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.

04/29/2022 [Date]

"/s/ Paul Knudson" [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Paul Knudson certify that:

1. I have reviewed this Annual Disclosure Statement for Year Ended December 31, 2021 of XTRA Bitcoin 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.

04/29/2022

"/s/ Paul Knudson" [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

# **XTRA Bitcoin, Inc**

Unaudited Financial Statements

For Years Ended December 31, 2021 and 2020

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**XTRA BITCOIN INC**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2021**

**UNAUDITED – PREPARED BY MANAGEMENT**

The accompanying unaudited financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not issued a review or audit of the enclosed.

**XTRA BITCOIN, INC.**

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**XTRA Bitcoin, Inc**  
**Unaudited Balance Sheets**  
**As of December 31,**

**ASSETS**

|                                 | <b>2021</b>       | <b>2020</b>       |
|---------------------------------|-------------------|-------------------|
| <b>Assets</b>                   |                   |                   |
| Bitcoin held - intangible asset | \$ 2,296          | \$ 2,198          |
| Right of use asset, net         | 14,432            | 22,499            |
| Fixed asset, net                | 21,536            | 63,282            |
| Lease deposit                   | 75,431            | 75,431            |
| <b>TOTAL ASSETS</b>             | <b>\$ 113,695</b> | <b>\$ 163,410</b> |

**LIABILITIES AND SHAREHOLDERS' DEFICIT**

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Liabilities</b>                                       |                   |                   |
| Accounts payable and accrued liabilities - related party | \$ 420,833        | \$ 240,833        |
| Due to related parties                                   | 249,578           | 142,855           |
| Operating lease liability - related party (current)      | 4,993             | 5,215             |
| Note payable - related party (current)                   | 35,699            | 72,132            |
| Operating lease liability - related party (non current)  | 12,672            | 17,443            |
| <b>Total liabilities</b>                                 | <b>\$ 723,775</b> | <b>\$ 478,478</b> |

**Commitments and contingencies - Note 10**

**Shareholders' deficit**

|  |                     |                     |
|--|---------------------|---------------------|
| Common stock, par value \$0.0001, 2,800,000,000 shares authorized, and 2,048,474,905 shares issued and outstanding on December 31, 2021 and 2020     | \$ 204,847          | \$ 204,847          |
| Preferred stock Series A, par value \$0.0001, 100,000,000 shares authorized, and 225,110 shares issued and outstanding on December 31, 2021 and 2020 | 23                  | 23                  |
| Preferred stock Series E, par value \$0.0001, 100,000,000 shares authorized, 2,299,333 shares issued and outstanding on December 31, 2021 and 2020   | 230                 | 230                 |
| Additional paid in capital   | 3,881,834           | 3,881,834           |
| Subscription receivable  | (9,017)             | (9,017)             |
| Accumulated deficit  | (4,687,997)         | (4,392,985)         |
| <b>Total shareholders' deficit</b>   | <b>\$ (610,080)</b> | <b>\$ (315,068)</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b> | <b>\$ 113,695</b> | <b>\$ 163,410</b> |
|--|-------------------|-------------------|

The accompanying notes are an integral part of these financial statements.

**XTRA Bitcoin, Inc**  
**Unaudited Statements of Operations**  
**For the Years Ended December 31,**

|   | <b>2021</b>         | <b>2020</b>         |
|---|---------------------|---------------------|
| <b>Revenue</b>  |                     |                     |
| Mining Revenue  | \$ 49,880           | \$ 2,635            |
| Consulting Income   | -                   | 675                 |
| Realized gain on sale or exchange of bitcoin                              | 3,088               | -                   |
| <b>Total revenue</b>  | <b>52,968</b>       | <b>3,310</b>        |
| <b>Cost of sales</b>  |                     |                     |
| Exchange fees   | \$ 167              | \$ -                |
| Realized loss on sale or exchange of bitcoin                              | -                   | 107                 |
| Depreciation  | 11,081              | 12,449              |
| Loss from transaction fraud   | 22,923              | -                   |
| Loss on asset impairment  | 30,666              | 174,569             |
| Mining - electricity  | 19,164              | 1,475               |
| Hosting   | 7,465               | 513                 |
| <b>Total cost of sales</b>  | <b>91,466</b>       | <b>189,113</b>      |
| <b>Gross margin</b>   | <b>(38,498)</b>     | <b>(185,803)</b>    |
| <b>Operating Expenses</b>   |                     |                     |
| Compensation and benefits   | \$ 180,000          | \$ 180,000          |
| Legal and professional  | 33,091              | 11,170              |
| Advertising   | 10,595              | 2,609               |
| Lease   | 8,954               | 3,681               |
| Rent  | 16,560              | 16,560              |
| Other general and administrative  | 602                 | 5,052               |
| <b>Total Operating Expenses</b>   | <b>\$ 249,802</b>   | <b>\$ 219,072</b>   |
| <b>Total Other Income/Expense</b>   |                     |                     |
| Interest  | 6,712               | -                   |
| <b>Total Other Income/Expense</b>   | <b>\$ 6,712</b>     | <b>\$ -</b>         |
| <b>Loss Before Income Taxes</b>   | <b>\$ (295,012)</b> | <b>\$ (404,875)</b> |
| <b>Less Provision for Income Taxes</b>                                    | \$ -                | \$ -                |
| <b>Net Loss</b>   | <b>\$ (295,012)</b> | <b>\$ (404,875)</b> |
| <b>Basic and Dilutive Net Loss Per Share</b>                              | <b>\$ (0.0001)</b>  | <b>\$ (0.0002)</b>  |
| Basic and Dilutive - Weighted average number of common shares outstanding | 2,048,474,905       | 2,043,261,275       |

The accompanying notes are an integral part of these financial statements.

**XTRA Bitcoin, Inc**  
**Unaudited Statements of Changes in Shareholders' Deficit**  
**For the Years Ended December 31, 2021 and 2020**

|                                    | <b>Common Shares<br/>No.</b> | <b>Common Stock,<br/>Par \$0.0001</b> | <b>Preferred<br/>Series A<br/>Shares No.</b> | <b>Preferred Stock<br/>Series A, Par<br/>\$0.0001</b> | <b>Preferred<br/>Series E<br/>Shares No.</b> | <b>Preferred Stock<br/>Series E, Par<br/>\$0.0001</b> | <b>Additional Paid<br/>in Capital</b> | <b>Subscription<br/>Receivable</b> | <b>Accumulated<br/>Deficit</b> | <b>Total</b>        |
|------------------------------------|------------------------------|---------------------------------------|--|---|--|---|---------------------------------------|------------------------------------|--------------------------------|---------------------|
| <b>Balance December 31, 2019</b>   | <b>1,948,318,345</b>         | <b>\$ 194,831</b>                     | <b>225,110</b>                               | <b>\$ 23</b>  | <b>830,047</b>                               | <b>\$ 83</b>  | <b>\$ 2,881,932</b>                   | <b>\$ (9,017)</b>                  | <b>\$ (3,988,110)</b>          | <b>\$ (920,258)</b> |
| <b>Share issuances:</b>            |                              |                                       |  |   |  |   |                                       |                                    |                                |                     |
| Shares issued in merger agreement  | -                            | -                                     | -  | -   | 469,286                                      | 47  | -                                     | -                                  | -                              | 47                  |
| Shares issued for transfer of debt | -                            | -                                     | -  | -   | 1,000,000                                    | 100   | 999,900                               | -                                  | -                              | 1,000,000           |
| Shares issued in merger agreement  | 100,156,560                  | 10,016                                | -  | -   | -  | -   | 2                                     | -                                  | -                              | 10,018              |
| <b>Net loss</b>                    | -                            | -                                     | -  | -   | -  | -   | -                                     | -                                  | (404,875)                      | (404,875)           |
| <b>Balance December 31, 2020</b>   | <b>2,048,474,905</b>         | <b>\$ 204,847</b>                     | <b>225,110</b>                               | <b>\$ 23</b>  | <b>2,299,333</b>                             | <b>\$ 230</b>   | <b>\$ 3,881,834</b>                   | <b>\$ (9,017)</b>                  | <b>\$ (4,392,985)</b>          | <b>\$ (315,068)</b> |
| <b>Net loss</b>                    | -                            | -                                     | -  | -   | -  | -   | -                                     | -                                  | (295,012)                      | (295,012)           |
| <b>Balance December 31, 2021</b>   | <b>2,048,474,905</b>         | <b>\$ 204,847</b>                     | <b>225,110</b>                               | <b>\$ 23</b>  | <b>2,299,333</b>                             | <b>\$ 230</b>   | <b>\$ 3,881,834</b>                   | <b>\$ (9,017)</b>                  | <b>\$ (4,687,997)</b>          | <b>\$ (610,080)</b> |

The accompanying notes are an integral part of these financial statements.

**XTRA Bitcoin, Inc.**  
**Unaudited Statements of Cash Flows**  
**For the Years Ended December 31,**

|  | <b>2021</b>     | <b>2020</b>     |
|--|-----------------|-----------------|
| <b>Cash flows used in operating activities</b>                                     |                 |                 |
| Net loss   | \$ (295,012)    | \$ (404,875)    |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b> |                 |                 |
| Loss on asset impairment   | 30,666          | 174,569         |
| Loss from transaction fraud  | 22,923          | -               |
| Depreciation expense   | 8,912           | 12,449          |
| Amortization expense - right of use asset  | 8,067           | 2,973           |
| <b>Changes in assets and liabilities:</b>  |                 |                 |
| (Increase) decrease in assets:   |                 |                 |
| Bitcoin held - intangible asset  | (98)            | (2,198)         |
| Increase (decrease) in liabilities:  |                 |                 |
| Accounts payable and accrued liabilities   | 180,000         | 180,000         |
| Due to related parties   | 44,542          | 37,081          |
| <b>Net cash provided by (used in) operating activities</b>                         | <b>\$ -</b>     | <b>\$ -</b>     |
| <br><b>Cash flows provided by (used in) investing activities</b>                   | <br><b>\$ -</b> | <br><b>\$ -</b> |
| <br><b>Cash flows provided by (used in) financing activities</b>                   | <br><b>\$ -</b> | <br><b>\$ -</b> |
| Net change in cash   | -               | -               |
| Cash at the beginning of the year  | -               | -               |
| <b>Cash at the end of the year</b>   | <b>\$ -</b>     | <b>\$ -</b>     |
| <br><b>Supplemental disclosure of cash flow information:</b>                       |                 |                 |
| Cash paid for interest   | \$ -            | \$ -            |
| Cash paid for taxes  | \$ -            | \$ -            |
| <br><b>Supplemental disclosure of non-cash investing and financing activities:</b> |                 |                 |
| Repayment of lease obligation by related party debt                                | \$ 4,993        | \$ -            |
| Repayment of note payable - related party by related party debt                    | \$ 36,032       | \$ -            |
| Operating lease used to acquire right of use asset                                 | \$ -            | \$ 25,472       |
| Related party note used to purchase fixed assets                                   | \$ -            | \$ 72,132       |
| Common Shares issued at par in merger agreement                                    | \$ -            | \$ 10,016       |
| Related party debt used to purchase fixed assets                                   | \$ -            | \$ 3,599        |
| Preferred Series E Shares issued at par in merger agreement                        | \$ -            | \$ 47           |
| Preferred Series E Shares issued to settle debt                                    | \$ -            | \$ 1,000,000    |

The accompanying notes are an integral part of these financial statements.

## **NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS**

XTRA Bitcoin, Inc. (“the Company” or “XTRA”), is a Wyoming corporation. Its original name was Diamond Information Institute Inc. when incorporated in the state of New Jersey on October 24, 1988. It filed Articles of Domestication and Articles of Amendment to change its name to Therapy Cells, Inc. (“TCEL”) on May 20, 2011, in the state of Wyoming. Its name was then changed to XTRA Bitcoin, Inc. on June 25, 2019, in the state of Wyoming following the execution of a merger agreement dated May 31, 2019, whereby controlling interest in the company was sold.

The Company was previously a SEC registrant and issuer under the name Therapy Cells, Inc and its previous names. On March 1, 2012 TCEL was deregistered. The Company is now seeking SEC registration under its current name through Form 1-A Regulation A Offering Statement, which would permit it to raise capital under Title IV of the Jobs Act.

XTRA is in the business of mining bitcoin. Bitcoin mining is the process by which new bitcoins are entered into circulation. It is also the way the network confirms new transactions and is a critical component of the blockchain ledger’s maintenance and development. “Mining” is performed using sophisticated ASIC computers that solve an extremely complex computational math problem. The first computer to find the solution to the problem receives the next block of newly issued bitcoins and the process begins again. XTRA participates with other miners by “pooling” their computer’s hashing capacity and receiving a pro-rata share of bitcoin rewarded to the pool. In return for solving a block, it receives bitcoin which it holds on account at a cryptocurrency exchange in a digital wallet and attempts to sell on the market to generate a profit.

Its head office is located at 912 Bobwhite Street, Fruitland, Idaho 83619, USA.

The Company’s fiscal year-end is December 31<sup>st</sup>.

## **NOTE 2. GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has generated minimal revenues and has a limited history of operations in its current line of business. These conditions raise substantial doubt about its ability to continue as a going concern for a period of twelve months from the issuance date of this report. For the fiscal years ended December 31, 2021, and 2020, the Company incurred losses of \$295,012 and \$404,875, respectively. However, the Company is in the process of filing a Form 1-A, Regulation A Offering Statement. Regulation A is an exemption from registration under the Securities Act that allows companies to raise money from the public in securities offerings of up to \$75 million.

No assurances can be given that the Company will achieve success, without seeking additional financing. There also can be no assurances that the Form 1-A will result in additional financing or that any additional financing required, can be obtained, or obtained on reasonable terms acceptable to the Company. The financial statements do not include adjustments related to the recoverability and classifications of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *Basis of presentation*

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America or (“U.S. GAAP”) as found in the Accounting Standards Codification (“ASC”), the Accounting Standards Update (“ASU”) of the Financial Accounting Standards Board (“FASB”) and are expressed in US Dollars. Significant accounting policies applicable to the Company are summarized as follows:

### **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and cash equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid securities purchased with a maturity of 90 days or less to be cash and cash equivalents. The Company held no cash balances on December 31, 2021 and 2020.

#### Related party disclosures

Under ASC 850 "Related Party Transactions" an entity or person is considered to be a "related party" if it has control, significant influence or is a key member of management personnel. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company in accordance with the standard ASC 850 presents disclosures about related party transactions and outstanding balances with related parties, see Note 10.

#### Fair value of financial instruments

In accordance with ASC 820 "Fair Value Measurement" the Company categorizes financial instruments in a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The following are the three categories related to the fair value measurement of such assets or liabilities:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date, it holds a position in a single asset or liability and the asset or liability is traded in an active market.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').
- Level 3 inputs are unobservable for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

The Company has no financial instruments requiring hierarchy classification and disclosure.

#### Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets of the Company relate primarily to operating loss carryforwards for federal income tax purposes.

### **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Income taxes (continued)

A full valuation allowance for deferred tax assets has been provided because the Company believes it is not more likely than not that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of December 31, 2021 and 2020, the Company has not established a liability for uncertain tax positions.

#### Share capital

In accordance with ASC 505 "Equity" the Company considers an equity instrument to be any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. The Company's common and preferred shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares. Share capital is reported on the balance sheet and statement of changes in shareholder's deficit.

#### Digital currencies - Bitcoin

Bitcoin is included in current assets in the balance sheets as an intangible asset. It is recorded at cost less impairment. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. The reward for a bitcoin miner changes roughly every four years, or after every 210,000 blocks are mined and gets reduced by half each time, this whole process is called bitcoin halving. The last halving occurred on May 11, 2020 and reduced the reward per block to 6.25 BTC.

#### Fixed assets - Crypto-currency machines

Management has assessed the basis of depreciation of the Company's Crypto-currency Machines used to verify digital currency transactions and generate digital currencies and believes they should be depreciated over a 5-year period. The rate at which the Company generates digital assets and, therefore, consumes the economic benefits of its transaction verification servers are influenced by a number of factors including the following:

- the complexity of the transaction verification process which is driven by the algorithms contained within the bitcoin open source software;
- the general availability of appropriate computer processing capacity on a global basis (commonly referred to in the industry as the blockchain's total hash rate)

### **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Fixed assets - Crypto-currency machines

- technological obsolescence reflecting rapid development in the transaction verification server industry such that more recently developed hardware is more economically efficient to run in terms of digital assets generated as a function of operating costs, primarily power costs i.e. the speed of hardware evolution in the industry is such that later hardware models generally have faster processing capacity combined with lower operating costs and a lower cost of purchase.

The Company operates in an emerging industry for which limited data is available to make estimates of the useful economic lives of specialized equipment. The equipment is highly computerized equipment and could become obsolete within lesser time than other equipment. Fixed assets are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Subsequent to December 31, 2020, management has determined that the expected useful life of transaction verification servers would be five years. Management's assessment takes into consideration the availability of historical data and management's expectations regarding the direction of the industry including potential changes in technology. Management will review this estimate annually and will revise such estimates as and when data comes available. To the extent that any of the assumptions underlying management's estimate of useful life of its transaction verification servers are subject to revision in a future reporting period either as a result of changes in circumstances or through the availability of greater quantities of data then the estimated useful life could change and have a prospective impact on depreciation expense and the carrying amounts of these assets. Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be realizable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an adjustment for impairment is necessary. The effect of any impairment would be to expense the difference between the fair value of such asset and its carrying value. Management determined an impairment was necessary during the year ended December 31, 2021 and incurred a loss in the amount of \$30,666.

#### Fixed assets - other

The Company accounts for fixed assets at cost less accumulated depreciation and amortization. The Company computes depreciation using the straight-line method over the estimated useful lives of the assets, generally five to seven years. Upon the sale or retirement of property and equipment, the cost and accumulated depreciation and amortization are removed from the accounts and resulting gains or losses are recognized currently. Major improvements are capitalized and depreciated, whereas minor repairs and maintenance are expensed when incurred.

#### Revenue recognition

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

- Step 1 : Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract

### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (continued)

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

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

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

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

When determining the transaction price, an entity must consider the effects of all of the following:

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

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

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

### **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### Revenue recognition (continued)

Fair value of the digital asset award received is determined using the average U.S. dollar spot rate of the related digital currency at the time of receipt.

Expenses associated with running the digital currency mining business, such as rent and electricity cost are also recorded as cost of revenues. Depreciation on digital currency mining equipment is recorded as a component of cost of revenues.

#### Basic and diluted earnings per share

Under ASC 260 "Earnings Per Share", public companies shall present basic and diluted per-share amounts for income from continuing operations and for net income on the face of the income statement with equal prominence. The Company presents this information accordingly, because it is in the process of filing a Form 1-A, Regulation A Offering Statement. Regulation A is an exemption from registration under the Securities Act that allows companies to raise money from the public in securities offerings of up to \$75 million.

Basic EPS shall be computed by dividing income available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Shares issued during the period and shares reacquired during the period shall be weighted for the portion of the period that they were outstanding. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

The Company had no dilutive instruments on December 31, 2021, and 2020, had 2,048,474,905 and 2,043,261,275 weighted average common shares issued and outstanding, respectively and therefore in each year the basic and dilutive loss per share on the statement of operations is the same.

#### Leases

Effective January 1, 2019, the Company accounts for its leases under ASC 842, Leases. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the balance sheet as both a right of use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right of use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right of use asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recorded when incurred.

In calculating the right of use asset and lease liability, the Company elected to combine lease and non-lease components. The Company excluded short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election and recognizes rent expense on a straight-line basis over the lease term.

### **NOTE 4. RECENTLY ISSUED ACCOUNTING STANDARDS**

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. The standard also requires additional disclosures related to significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. Operating lease receivables are excluded from the scope of this guidance.

#### **NOTE 4. RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)**

The amended guidance is effective for the Company for fiscal years, and interim periods within those years, beginning January 1, 2023. The Company is evaluating the impact of adopting this new accounting standard on the Company's financial statements and related disclosures.

Accounting standards promulgated by the FASB are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The Company periodically reviews new accounting standards that are issued. Although some of these accounting standards may be applicable to the Company, the Company has not identified any new standards that it believes merit further discussion, and the Company expects that none would have a significant impact on its financial statements.

#### **NOTE 5. CONCENTRATIONS AND CREDIT RISK**

Financial instruments, which potentially subject XTRA to credit risk, consist principally of cash and bitcoin.

Cash deposits are maintained with a financial institution in the USA that is credit worthy. XTRA has no bank accounts in its name, conducts all transactions through a bank account of the Chief Executive Officer ("CEO").

It presently earns minimal income, and most operations are funded by related party debt from the CEO and affiliate entities owned by the CEO. Any cash balances held on its behalf are held with a bank insured up to \$250,000 by the Federal Deposit Insurance Corporation. XTRA at inception adopted a policy to closely monitor economic and regulatory conditions as it relates to federally uninsured balances, to promptly mitigate risks. No deposits were held in these accounts in excess of federally insured limits on December 31, 2021, and 2020, and during the reporting period.

Bitcoin is held on account at Coinbase, a company based in the USA which operates a cryptocurrency exchange platform. It is the largest cryptocurrency custodian and exchange in the United States by trading volume. XTRA set a minimum transfer limit of 0.005 bitcoin with its mining pool at BTC.com. Each day that XTRA's earned bitcoin exceeds 0.005 bitcoin, the bitcoin is transferred to Coinbase where it is held in a digital wallet and can be converted to cash immediately or within an instant, upon request. Every digital asset on Coinbase goes through an extensive review process ensuring it meets security and compliance requirements, all Coinbase accounts have multi-factor authentication. Digital currency balances are not federally insured and are at high risk of loss by fraud, error, theft, and hacking.

Currently, XTRA's main source of capital to sustain operations comes from its CEO and related entities controlled by the CEO, who is also a principal shareholder. 100% of liabilities are owed to related parties for compensation, payments made on its behalf, loans, operating leases or as accounts payable for consulting services previously rendered by a principal shareholder. On December 31, 2021 and 2020 amounts owed to the CEO or to businesses controlled by him were 96% and 94%, respectively of total liabilities.

XTRA has generated minimal revenues and has had limited operations and revenues for the years ended December 31, 2021 and 2020. Nevertheless, the Company plans to file a Form 1-A, Regulation A Offering Statement. Regulation A is an exemption from registration under the Securities Act that allows companies to raise money from the public in securities offerings of up to \$75 million. It plans to use this capital to begin implementation of its business plan to develop bitcoin mining operations.

## NOTE 6. DIGITAL CURRENCY - BITCOIN

The Company carries digital currencies at cost using the first in first out method. Bitcoin activity and balances were as follows:

|  | December 31,<br>2021 | December 31,<br>2020 |
|--|----------------------|----------------------|
| Beginning balance                        | \$ 2,198             | \$ -                 |
| Increase                                 |                      |                      |
| Revenue recognized from bitcoin mined    | 49,880               | 2,635                |
| Bitcoin purchased                        | 758                  | -                    |
| Bitcoin transferred in by related party  | 10,379               | -                    |
|  | <u>61,017</u>        | <u>2,635</u>         |
| Decrease                                 |                      |                      |
| Bitcoin used for operational expenses    | 48,669               | -                    |
| Bitcoin transferred out to related party | 12,250               | 437                  |
|  | <u>60,919</u>        | <u>437</u>           |
| Ending balance                           | <u>2,296</u>         | <u>2,198</u>         |

## NOTE 7. FIXED ASSETS

On March 6, 2020, Company entered contract to purchase 37 Antminer T17+ 55 TH/s bitcoin miners, electrical infrastructure, and installation at the RINK facility in Canada. This purchase was funded by Xtra Crypto Mining Inc, a related party by common ownership, through the issuance of a note payable. See Note 10. "Note payable".

Depreciation expense amounted to \$11,081 and \$12,449 for the year ended December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020 detailed balances were as follows:

|                                | Estimated<br>Life in<br>years | 2021             | 2020             |
|--------------------------------|-------------------------------|------------------|------------------|
| Mining equipment               | 5                             | \$ 4,637         | \$ 46,374        |
| Leasehold Improvements         | 5                             | 29,357           | 29,357           |
| Fixed assets total             |                               | <u>\$ 33,994</u> | <u>\$ 75,731</u> |
| Less: Accumulated Depreciation |                               | <u>(12,459)</u>  | <u>(12,449)</u>  |
| Fixed assets, net              |                               | <u>\$ 21,536</u> | <u>\$ 63,282</u> |

## NOTE 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

During the year the Company accrued amounts owed as compensation for the chief executive officer and had an accrual for consulting services provided by a related party. Accounts payable and accrued liabilities were comprised of the following:

|   | 2021              | 2020              |
|---|-------------------|-------------------|
| Compensation - Chief Executive Officer                                | \$ 390,208        | \$ 210,208        |
| Consulting fees - related party                                       | 30,625            | 30,625            |
| <b>Total accounts payable and accrued liabilities - related party</b> | <b>\$ 420,833</b> | <b>\$ 240,833</b> |

## NOTE 9. INCOME TAXES

The Company's tax expense differs from the "expected" tax expense for Federal income tax purposes (computed by applying the United States Federal tax rate of 21% to the carryover loss before taxes).

The tax effects of the temporary differences between reportable financial statement income and taxable income are recognized as deferred tax assets and liabilities. Deferred tax assets had a valuation allowance which nets it to zero.

## NOTE 10. COMMITMENTS AND CONTINGENCIES

### Operating Leases under ASC 842

On April 1, 2020, the Company entered into a 5-year operating lease agreement with a related party, to lease up to 1400 square feet of space ("Rink Lease"), in Manitoba, Canada and for up to 70% of 1.5 MW of future electrical capacity upgrade, to be used as a data center for crypto mining. The termination date of the lease is May 31, 2025. The initial present value of the future lease payments was determined to be \$25,472. The monthly payment is \$490. Lease expense for the year ended December 31, 2021, and 2020 were \$8,954 and \$3,681, respectively. Lease expense consisted of the amortization of the right of use asset and interest expense for 2021 being \$8,067 and \$2,973, respectively, and for 2020 being \$ 887 and \$708, respectively. Future minimum payments for the operating lease obligation were as follows:

| Year Ending                             | Amount     | Year Ending                             | Amount     |
|---|------------|---|------------|
| December 31, 2021                       |            | December 31, 2020                       |            |
| 2022                                    | \$ 5,880   | 2021                                    | \$ 5,880   |
| 2023                                    | 5,880      | 2022                                    | 5,880      |
| Thereafter                              | 7,202      | 2023                                    | 5,880      |
| Total lease payments                    | \$ 18,962  | Thereafter                              | 7,202      |
| Less amounts representing interest      | \$ (1,297) | Total lease payments                    | \$ 24,842  |
| Present value of minimum lease payments | \$ 17,665  | Less amounts representing interest      | \$ (2,184) |
|   |            | Present value of minimum lease payments | \$ 22,658  |

## NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### Operating Leases under ASC 842 (Continued)

The right of use asset of the operating lease had the following changes in the years ended December 31, 2021, and 2020:

|                                | Estimated<br>Life in<br>years | 2021      | 2020      |
|--------------------------------|-------------------------------|-----------|-----------|
| Right of Use Asset             | 5                             | \$ 25,472 | \$ 25,472 |
| Right of use asset total       |                               | \$ 25,472 | \$ 25,472 |
| Less: Accumulated Amortization |                               | (11,040)  | (2,973)   |
| Right of use asset, net        |                               | \$ 14,432 | \$ 22,499 |

### Other rent and lease arrangements

On June 1, 2019, the Company entered into 2 operating lease agreements to lease data mining centers Wonka #5 and #6, in Oregon, USA, each with access to 1 MW capacity and each lease requiring an annual lease payment of \$46,608/ year. On June 26, 2019, the terms were amended to access 1.25 MW capacity and each lease requiring an annual lease payment of \$58,260. The lease term will commence upon installation of the electrical infrastructure and will continue for a period of 5 years. The electrical infrastructure installation and lease commencement date were not determined as of December 31, 2021. Therefore, no lease liability or right of use assets were determined for these leases as of December 31, 2021. For each lease the Company pays The Pines Townhomes LLC, a related party, a monthly storage fee of \$345 to reserve the leasehold until electricity is distributed to the units. The storage rental arrangement is on a month-to-month basis with no long-term rental obligation. Each storage unit's rent expense amounted to \$4,140 in 2021 and 2020.

To guarantee the 5-year leases for Wonka #5 and #6 XTRA was obligated to prepay the first and last years' lease in the amount of \$116,520 and a security deposit of \$8,480 for each facility. \$75,432 resulted from prepayments and security deposits paid in cash. \$87,285 of the lease prepayment for each lease was made by the transfer of minority interests in an investment held in a related party. These investments were considered to be potentially impaired though accepted as consideration for the lease prepayment and was therefore written off as a loss on asset impairment. As a result, the Company had a total of \$250,000 in lease deposits, incurred a loss of 174,569 and reports lease deposits as follows on December 31, 2021, and 2020:

|  |                  |
|--|------------------|
| Wonka #5 lease prepayment for the first and last month | \$ 29,236        |
| Wonka #6 lease prepayment for the first and last month | 29,236           |
| Wonka #5 security deposit                              | 8,480            |
| Wonka #6 security deposit                              | 8,480            |
| <b>Total lease deposit</b>                             | <b>\$ 75,432</b> |

As of January 1, 2020, the Company obtained the right, with no obligation, to lease Wonka #3 and Wonka #4 data centers by assuming each unit's lease from The Pines Townhomes LLC, a related party.

## NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### Other rent and lease arrangements (Continued)

The Company rents storage in relation to the lease at rate of \$345/month, to reserve the space and allocation of electrical power capacity from Protocall Technologies Incorporated, a related party and lessor. Rent expense amounted to \$4,140 for each storage facility in 2021 and 2020. Total rent expense for all units amounted to \$16,560 for each year, ended December 31, 2021 and 2020.

### Note payable

The Company issued a note payable to a related party on March 6, 2020, in the amount of \$75,732 mutually agreed as non-interest bearing with a 2-year term. On June 30, 2020, the Company refunded \$3,599 of the principal to the note holder resulting in a principal balance of \$72,132. On December 16, 2020, the terms of the note were modified, under the modified terms the principal of \$72,132 bears interest at a rate of 12%, and it has a maturity date of December 15, 2022. Proceeds from the note were used to purchase 46 miners, fittings, fixtures and electrical infrastructure for the lease premises. Monthly payments in the amount of \$3,565 are required. Total interest expense in the year ended December 31, 2021, was \$6,712 and no interest was incurred in 2020.

| Modification Date | Interest |                    | Maturity Date     | Note Payable Balance as of December 31, |           | Accrued Interest as of December 31, |      |
|-------------------|----------|--------------------|-------------------|---|-----------|-------------------------------------|------|
|                   | Rate     | Modified Principal |                   | 2021                                    | 2020      | 2021                                | 2020 |
| December 16, 2020 | 12%      | \$ 72,131          | December 15, 2022 | \$ 35,699                               | \$ 72,132 | \$ -                                | \$ - |

### Legal contingencies

From time to time, the Company may be a defendant in pending or threatened legal proceedings arising in the normal course of its business. Management is not aware of any pending, threatened or asserted claims.

## NOTE 11. EQUITY – SHAREHOLDER’S DEFICIT

### Common Stock

The Company is authorized to issue 2,900,000,000 shares of common stock, par value \$0.0001. On January 20, 2020, Company issued 100,156,560 shares of restricted common stock in a merger agreement to minority shareholders at a price of \$0.00025 per share.

### Preferred Stock

The Company is authorized to issue 100,000,000 shares of preferred stock, par value \$0.0001. Authorization by class of preferred stock is indicate below.

### Series E Preferred Stock

Of the total authorized preferred stock the Company is authorized to issue 30,000,000 shares of Series E Preferred Stock. Series E Preferred Stock have no voting rights.

On January 20, 2020, the Company issued 469,286 shares of series E preferred stock in a merger agreement to minority shareholders at par.

On January 23, 2020, the Company issued 900,000 shares of series E preferred stock in exchange for the shareholder assuming debt totaling \$890,983 and a subscription receivable in the amount of \$9,017. Resulting in the issuance value of \$900,000.

#### **NOTE 11. EQUITY – SHAREHOLDER’S DEFICIT**

On January 23, 2020, the Company issued 100,000 shares of series E preferred stock in exchange for the shareholder assuming debt totaling \$100,000.

In accordance with a share purchase agreement dated May 14, 2019, a shareholder is obligated to sell 31,316,667 shares of common stock, 225,110 shares of restricted series A preferred stock, and 806,007 restricted series E preferred stock to the CEO, for \$300,000, granting him control of the Company. These shares are assigned to this shareholder from various shareholders. As of December 31, 2021 a balance was owed by the CEO for this share purchase agreement and transfer of stock from this shareholder was pending.

Of the total preferred stock authorized, the Company has preferred stock classes authorized as follows with zero shares issued and outstanding:

- 20,000,000 shares of Series A Preferred stock, par value \$0.0001.
- 10,000,000 shares of Series B Preferred stock, par value \$0.0001.
- 10,000,000 shares of Series C Preferred stock, par value \$0.0001.
- 30,000,000 shares of Series D Preferred stock, par value \$0.0001.

#### **NOTE 12. RELATED PARTIES**

The Company receives all of its funding to sustain operations from related parties. Its principal source of funding comes from advances made by the CEO and other affiliate companies owned or controlled by this officer. Amounts owed for such under these conditions are non-interest bearing. Total amounts owed to the CEO and affiliate entities owned or controlled by the CEO for payments made on the Company's behalf for operational costs and purchases totaled \$249,578 and \$142,855 for the years ended December 31, 2021, and 2020, respectively.

For additional details on other debt owed by the CEO or a company owned or controlled by the CEO see, Note. 10 “Note payable”, “Operating Leases under ASC 842” and “Other rent and lease arrangements”. The note payable and leases outstanding are interest bearing and the Company believes the transaction is at arm’s length. Also see, Note. 8 “Accounts Payable and Accrued Liabilities”.

#### **NOTE 13. SUBSEQUENT EVENTS**

The Company has evaluated the financial statements for subsequent events through April 29, 2022, the date these financial statements were available to be issued.

XTRA, assisted by its legal counsels is seeking to file a Form 1-A, Regulation A Offering Statement with the SEC, to raise up to \$75 million in capital from security issuances to the public and is taking all actions necessary to proceed with the filing.

The Center for Disease Control and Prevention (CDC) confirmed on January 21, 2020, the first case of the 2019 Novel Coronavirus (COVID-19). The ongoing spread of COVID-19 continues to threaten the global economy, financial markets, and public health. Pharmaceutical companies in collaboration with governments have developed and distributed vaccines with high efficacy rates, which have reduced the impact of the pandemic. Unfortunately, variants of the virus have developed, and the negative impacts of the pandemic have been prolonged, making global economic recovery slow though steady. The ultimate effects of COVID-19 on the Company, its ability to raise capital and potential future operations cannot be fully determined.

The financial statements do not include any adjustment that may result from these conditions. Management is not aware of any other events that have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in the financial statements

## Issuer Certification

I, Mr. Paul Knudson, certify that:

1. I have reviewed these unaudited financial statements and notes that accompany the Annual Report disclosure statement of XTRA Bitcoin Inc. for the year ended December 31, 2021.

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.

Date: April 29, 2021

Signature: */s/ Paul Knudson*

Name: Mr. Paul Knudson

Title: CFO