BlockQuarry Corp.
(Formerly ISW Holdings, Inc.)
(A Nevada Corporation)

UNAUDITED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2022 and 2021

BlockQuarry Corp.
(A Nevada Corporation)

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BlockQuarry Corp.
BALANCE SHEETS
(Unaudited)

	March 31, 2022 (unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash	$ 499,450	$ 542,335
Investments	250,690	250,408
Inventory	-	-
Prepaid expenses	-	-
Current assets, discontinued operations	50,519	58,007
Total current assets	800,659	850,750
Property and equipment, net	8,951,743	8,704,578
Intangible assets	44,895	313,021
Right of use asset, operating lease	189,419	193,613
Other assets	1,388,158	734,568
Total assets	$ 11,374,874	$ 10,796,530
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 27,945	$ 55,529
Accrued expenses	989,583	872,448
Settlement liability	-	-
Deferred revenues	852,000	852,000
Bridge notes payable	5,000,000	4,700,000
Convertible notes payable, net of discount	3,170,947	6,739,169
Convertible notes payable in default	4,811,479	259,343
Right of use liability, operating leases current portion	17,862	17,423
Due to related party	-	-
Derivative liability	2,266,779	2,394,380
Current liabilities, discontinued operations	-	-
Total current liabilities	17,136,595	15,890,292
Right of use liability, operating lease	171,557	176,190
Total liabilities	17,308,152	16,066,482
Stockholders' deficit:		
Convertible series A preferred stock, $0.001 par value, no shares authorized, no shares issued and outstanding	-	-
Convertible series B preferred stock, $0.001 par value, 10,000,000 shares authorized, 1,400,000 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	1,400	1,400
Series E preferred stock, $0.001 par value, 1,000,000 shares authorized, 1,000,000 shares issued and outstanding	1,000	1,000
Common stock, $0.001 par value, 200,000,000 shares authorized, 70,225,816 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	70,226	70,226
Additional paid-in capital	28,872,680	28,838,848
Subscriptions payable, consisting of 62,175 shares of common stock and 1,801,141 shares of Series B Convertible Preferred Stock as of March 31, 2022, consisting of 62,175 shares of common stock and 1,701,141 shares of Series B Convertible Preferred Stock as of December 31, 2021	2,694,415	2,034,415
Accumulated deficit	(37,572,999)	(36,215,841)
Total stockholders' deficit	(5,933,278)	(5,269,952)
Total liabilities and stockholders' deficit	$ 11,374,874	$ 10,796,530

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

BlockQuarry Corp.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2022	2021
Revenue - cryptocurrency	$ 792,770	$ -
Cost of Revenue - cryptocurrency	(561,419)	-
Gross profit	231,351	-
Operating expenses:		
General and administrative	288,015	562,767
Officer compensation	18,677	170,500
Professional fees	95,854	29,082
Technology development	-	45,284
Depreciation	432	432
Total operating expenses	402,978	808,065
Net operating loss, continuing operations	(171,627)	(808,065)
Other income (expense):		
Interest expense, net	(1,183,814)	(243,280)
Gain (loss) on cryptocurrency	(69,264)	-
Dividend income	775	-
Gain (loss) on investments	(2,842)	-
Settlement loss	-	(6,810,800)
Change in derivative liabilities	210,399	(2,525,207)
Other income (expense)	-	-
Total other income (expenses)	(1,044,746)	(9,579,287)
Net income (loss) from continuing operations	(1,216,373)	(10,387,352)
Net income (loss) from discontinued operations	(140,785)	17,276
Net Income (loss)	$ (1,357,158)	(10,370,076)
Weighted average number of common shares		
outstanding - basic	70,225,816	58,061,483
outstanding - diluted	70,225,816	58,061,483
Net income (loss) per share - basic, continuing operations	$ (0.02)	$ (0.18)
Net income (loss) per share - basic, discontinued operations	$ (0.00)	$ 0.00
Net income (loss) per share - diluted, continuing operations	$ (0.02)	$ (0.18)
Net income (loss) per share - diluted, discontinued operations	$ (0.00)	$ 0.00

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

BlockQuarry Corp.

STATEMENTS OF STOCKHOLDERS' DEFICIT

(Unaudited)

	Series B Preferred Stock		Series E Preferred Stock		Common Stock		Additional Paid-In	Subscriptions	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Payable	Deficit	Deficit
Balance, December 31, 2020	-	$ -	1,000,000	$ 1,000	58,210,102	$ 58,210	$ 17,343,369	$ 448,794	$ (39,762,217)	$ (21,910,844)
Issuance of Preferred Stock for cash	1,400,000	1,400	-	-	-	-	148,600	(100,000)	-	50,000
Common stock issued for conversion of debt	-	-	-	-	1,750,000	1,750	42,995	-	-	44,745
Issuance of common stock in settlement of subscriptions payable	-	-	-	-	9,820,000	9,820	6,834,980	(34,000)	-	6,810,800
Common stock cancelled	-	-	-	-	(10,489,286)	(10,489)	10,489	-	-	-
Contribution by shareholder	-	-	-	-	-	-	49,975	-	-	49,975
Repayment of subscription payable	-	-	-	-	-	-	-	(12,000)	-	(12,000)
Net loss	-	-	-	-	-	-	-	-	(10,370,076)	(10,370,076)
Balance, March 31, 2021	1,400,000	$ 1,400	1,000,000	$ 1,000	59,290,816	$ 59,291	$ 24,430,408	$ 302,794	$ (50,132,293)	$ (25,337,400)
Balance, December 31, 2021	1,400,000	$ 1,400	1,000,000	$ 1,000	70,225,816	$ 70,226	$ 28,838,848	$ 2,034,415	$ (36,215,841)	$ (5,269,952)
Subscription of Preferred Stock for cash	-	-	-	-	-	-	-	660,000	-	660,000
Contribution by shareholder	-	-	-	-	-	-	33,832	-	-	33,832
Net loss	-	-	-	-	-	-	-	-	(1,357,158)	(1,357,158)
Balance, March 31, 2022	1,400,000	$ 1,400	1,000,000	$ 1,000	70,225,816	$ 70,226	$ 28,872,680	$ 2,694,415	$ (37,572,999)	$ (5,933,278)

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

BlockQuarry Corp.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) from continuing operations	$ (1,216,373)	$ (10,387,352)
Adjustments to reconcile net Income (loss) to net cash used in operating activities:		
Depreciation	502,835	432
Loss on shares issued to settle subscriptions payable and notes payable	-	6,810,800
Loss on cryptocurrency transactions	69,264	-
Loss from investments	2,842	-
Amortization of debt discounts	1,066,712	32,055
Amortization of Right of use asset	4,194	
Change in derivative liabilities	(210,399)	2,525,207
Change in assets and liabilities:		
Accounts receivable	(770)	(67,420)
Prepaid expenses and other current assets	-	(14,919)
Other assets	(453,960)	(85,968)
Accounts payable	(27,582)	(1,000)
Right of use liabilities	(4,194)	-
Accrued expenses	117,135	187,796
Settlement liability	-	1,500
Net cash used in operating activities, continuing operations	(150,296)	(998,869)
Net cash used in operating activities, discontinued operations	(133,297)	50,020
Net cash used in operating activities	(283,593)	(948,849)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(750,000)	(1,186,868)
Purchase of investments	(8,340)	
Proceeds from sale of investments	5,216	-
Net cash used in investing activities, continuing operations	(753,124)	(1,186,868)
Net cash used in investing activities, discontinued operations	-	-
Net cash used in investing activities	(753,124)	(1,186,868)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of related party loan	-	(5,354)
Proceeds from convertible notes payable	-	4,582,500
Repayment of convertible notes payable	-	(225,000)
Proceeds from bridge notes payable	300,000	-
Proceeds from sale of common stock and subscription payable	-	(12,000)
Capital contribution by shareholder	33,832	49,975
Proceeds from preferred stock subscription payable	660,000	50,000
Net cash provided by financing activities, continuing operations	993,832	4,440,121
Net cash provided by financing activities, discontinued operations	-	-
Net cash provided by financing activities	993,832	4,440,121
NET CHANGE IN CASH	(42,885)	2,304,404
CASH AT BEGINNING OF PERIOD	542,335	84,703
CASH AT END OF PERIOD	$ 499,450	$ 2,389,107

SUPPLEMENTAL INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common shares issued for conversion of debt and accrued interest	$ -	$ 44,745
Debt discounts related to derivative liability at issuance	$ 82,798	$ -
Expenses paid by officer	$ -	$ 9,500

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

BlockQuarry Corp.
Notes to Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies

Business
International Spirit & Beverage Group, Inc. ("ISBG") was formed under the laws of the State of Texas on September 12, 2014. In March 2015, ISBG merged with and into FIMA, Inc., a Nevada corporation, with FIMA, Inc. being the surviving entity. FIMA, Inc. then changed its corporate name to International Spirit and Beverage Group, Inc., and remains a Nevada corporation. On June 18, 2019, the Company changed its name to International Spirits & Wellness Holdings, Inc. ("ISWH" or "the Company"). On March 18, 2020 the Company changed its name to ISW Holdings, Inc. ("ISW" or the Company"). In August 2021, the Company filed to change its name to BlockQuarry Corp., which was approved in March 2022.

The Company currently operates in the cryptocurrency mining industry and provides management services to a company in the home healthcare industry. The cryptocurrency mining and mining equipment segment is focused on capitalizing on the Bitcoin ecosystem and its surrounding associated growth opportunities through proof-of-work mining. Until March of 2022, the management services include managing day-to-day billing and vendor activity for a health care business. Those operations are now classified as discontinued operations (See Note 10). The Company also produced and sold premium liquor beverages and sold cannabinoid products.

Basis of Presentation
The accompanying unaudited financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, the financial statements include all adjustments (consisting of normal recurring accruals) necessary in order to make the condensed financial statements not misleading. Operating results for the three months ended March 31, 2022 are not necessarily indicative of the final results that may be expected for the year ended December 31, 2022. For more complete financial information, these unaudited financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. Notes to the financial statements which would substantially duplicate the disclosures contained in the annual financial statements for the most recent fiscal period have been omitted.

Cash and Cash Equivalents
The Company considers all highly liquid investments with an original purchase maturity of three months or less to be cash equivalents.

Use of Estimates
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investments
Investments classified as short-term investments include securities with a maturity of greater than three months and less than one year. Available-for-sale securities are reported at fair value, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity (net of the effect of income taxes), using the specific identification method, until they are sold. Held-to-maturity securities are carried at amortized cost. Trading securities are reported at fair value, with unrealized gains and losses included in earnings, using the specific identification method. All investments that are listed on a securities exchange are valued at their last sales price on the primary securities exchange on which such securities are traded on such date.

Property and equipment

Property and equipment are valued at cost. Additions are capitalized and maintenance and repairs are charged to expense as incurred. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Intangible assets – cryptocurrency

Cryptocurrencies held are accounted for as an indefinite-lived intangible asset under ASC 350, *Intangible – Goodwill and Other*. 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. The Company performs its impairment test for each type of cryptocurrency it holds, using cryptocurrency units or divisible fractions of a unit with the same acquisition date and carrying value. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the year ended December 31, 2021, diluted net loss included 371,893 weighted average shares to reflect the conversion of outstanding convertible debt outstanding at December 31, 2021, and excluded the impact of interest expense and losses on convertible debt and the change in fair value of derivative liabilities assuming the instruments converted at the beginning of the period. For all other periods presented, potential dilutive securities, such as the convertible debt for which a variable number of shares may be issued upon conversion, that had an anti-dilutive effect were not included in the calculation of diluted net loss per common share.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, Revenue From Contracts With Customers. Revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods or services. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Disaggregated revenue data is presented in Note 11.

Performance Obligations

Revenue is recognized all of the following criteria are satisfied: (i) a contract with an end user exists which has commercial substance; (ii) it is probable the Company will collect the amount charged to the end user; and (iii) the Company has completed its performance obligation whereby the end user has obtained control of the product. A contract with commercial substance exists once the Company receives and accepts a purchase order or once it enters into a contract with an end user. If collectability is not probable, the sale is deferred and not recognized until collection is probable or payment is received. For product sales, control of products typically transfers when title and risk of ownership of the product has transferred to the customer. Payment is received before shipment of the product. Net revenues comprise gross revenues less customer discounts and allowances, actual and expected returns. Shipping charges billed to customers are included in net sales. Various taxes on the sale of products and enrollment packages to customers are collected by the Company as an agent and remitted to the respective taxing authority. These taxes are presented on a net basis and recorded as a liability until remitted to the respective taxing authority. For service revenue, control transfers to the customer as services are provided, and revenues are recognized once the home health service has been provided.

Cryptocurrency revenue consists of revenue recognized from the Company's mining activity at its locations. Revenue is recognized at the realized cash value based upon the published rates at cryptocurrency exchanges. Cryptocurrencies are earned when the miners solve complex computations and cryptocurrency is issued to the Company as a result. The mined cryptocurrency is immediately paid to the Company's cryptocurrency wallet.

Contract Costs

Costs incurred to obtain a customer contract are not material to the Company. The Company elected to apply the practical expedient to not capitalize contract costs to obtain contracts with a duration of one year or less, which are expensed and included within cost of goods and services.

Contract Liabilities

The Company may at times receive payment by credit card at the time customer places an order. Amounts received for undelivered product are considered a contract liability and are recorded as deferred revenue. Additionally, the Company has received deposits under its cryptocurrency mining and hosting contract discussed in Note 4 related to services at its mining locations that will begin providing services to the customer in future periods. As of March 31, 2022 and 2021, the Company had deferred revenue of $852,000, respectively, related to unsatisfied performance obligations. These performance obligations are expected to be satisfied during the next twelve months. The Company recognized $792,000 of previously deferred revenue related to performance obligations that were satisfied during the three months ended March 31, 202, and received $792,000 in new cash from performance obligations not yet satisfied.

<u>Advertising and Promotion</u>
All costs associated with advertising and promoting products are expensed as incurred. These expenses were $91,923 and $312,771 for the three months ended March 31, 2022 and 2021, respectively.

<u>Stock-Based Compensation</u>
Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values.

<u>Income Taxes</u>
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

<u>Uncertain Tax Positions</u>
In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions

Recent Accounting Pronouncements

In preparing the financial statements, management considered all new pronouncements through the date of the report.

No new accounting pronouncements issued or effective during the three months ended March 31, 2022 have had or are expected to have a significant impact on the Company's financial statements.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has insufficient cash on hand, a working capital deficit of $16,335,936 and incurred net losses from operations resulting in an accumulated deficit of $37,572,999 and used $283,593 of cash from operations during the three months ended March 31, 2022. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Parties

During the year ended December 31, 2020, the Company issued 2,275,000 shares of common stock to the Company's President, 1,250,000 shares of common stock to a company controlled by the President, and 480,000 shares to an equity holder of Paradigm Home Health (see note 11 for further information on Paradigm Home Health). The Company recognized stock-based compensation related to these issuances of $1,741,075 based on the fair value of the stock at the time of issuance. During the three months ended March 31, 2021, 3,525,000 of these shares issued to related parties, including 2,275,000 controlled by the Company's President were cancelled for no consideration.

During the three months ended March 31, 2022 and 2021, an officer of the Company contributed $33,832 and $49,975, respectively, in cash to the Company.

Note 4 – Long-Lived Assets and Other Assets

Property and equipment

Property and equipment, net consist of the following:

		March 31, 2022		December 31, 2021
Cryptocurrency mining equipment, 3 year useful life	$	4,045,520	$	4,045,521
Cryptocurrency site development costs, 3 year useful life		5,950,000		5,200,000
Furniture and Equipment, 5 year useful life		17,780		17,780
Total property and equipment		10,013,300		9,263,300
Less accumulated depreciation		(1,061,557)		(558,722)
Total property and equipment, net	$	8,951,743	$	8,704,578

Depreciation expense was $502,835 and $432 for the three months ended March 31, 2022 and 2021, respectively, of which $432 and $432 is included in operations expenses, with the remainder being included in cost of revenue, cryptocurrency.

In February 2021, the Company entered into a supply agreement with BIT5IVE LLC. an entity whose CEO holds common shares of the Company as a result of the exercise of a stock option awarded to the CEO by the Company during the year ended December 31, 2020. The Company agreed to pay a fixed monthly payment of $42,984 under the agreement for the purchase of a minimum electric energy of 1.2 megawatts to supplies its cryptocurrency mining equipment and hosting services. Any energy used by the Company in excess of the minimum amount will be billed at additional rates. The agreement has a one year term, with successive one year periods automatically renewing unless notice is provided by either party 60 days prior to the expiration of the initial term. During the year ended December 31, 2021, the Company paid a total of $700,760 for energy costs under the agreement and $171,936 for security deposits. In January 2022, the energy hosting agreement between the Company and Bit5ive was cancelled through mutual decision due to the Company relocating its primary mining operations to the South Carolina site. The Company received a refund of $138,658 related to its security deposits originally paid by the Company in 2021. The Company is released from all obligations under this agreement for energy supply at the former Pennsylvania location.

On July 23, 2021, the Company entered into a development and equipment purchase agreement with Bit5ive GA Holdings, LLC ("Bit5ive"). Bit5ive shall construct and maintain a facility on its land to host mining pods. The Company acquired 20 shipping containers from Bit5ive, containing 280 cryptocurrency miners. Bit5ive would also provide 20 megawatts of electricity to the Company to power the mining equipment. The Company agreed to pay a total of $4,500,000 in cash with $2,600,000 due at execution of the agreement and $1,900,000 to be paid within 30 days of execution of the agreement for the development and equipment purchases, and an additional $1,500,000 related to the land use. Under the terms of the original agreement the Company would also pay $1,000 per month in rent per acre of land leased, for a period of five years.

After the execution of the agreement and after the Company paid a total of $5,950,000 under the agreement, the Company selected a new location in South Carolina to build its larger crypto mining facility, and is no longer pursuing the Georgia location as a site. The payments made to Bit5ive were used to acquire mining pods, mining assets and related infrastructure equipment that is being installed at the South Carolina site. The assets were placed in service in March 2022 to begin providing services under the Bitmain contract described below. The site development costs of $5,900,000 are being depreciated over a 3 year estimated useful life.

Leases

In connection with the South Carolina location, the Company entered into a sublease agreement with Litchain Corp, where the Company will pay $3,000 per month for a period of 8 years for space in Gaffney, SC which Litchain Corp leases from the Gaffney Board of Public Works, where the Company is developing its cryptocurrency mining site. If Litchain Corp is required to pay additional rents under its master lease with the Board of Public Works, the Company would be required to pay such amounts. The Company paid a total of $100,000 in cash deposits for power to the Board of Public Works, and paid the Board of Public works an additional deposit of $462,632 in bitcoin in December 2021 for the connection of pods to the electricity grid. The Company paid an additional $625,632 in cash and an additional $199,632 through Bitcoin for the remaining deposits required, recognizing a loss of $69,264 from the use of bitcoin.

In accordance with ASC 842, the Litchain Corp lease was recognized as a right of use asset and liability, with an initial value of $197,704 for the present value of the minimum lease payments, utilizing an estimated incremental borrowing rate of 10%. As of March 31, 2022, the lease has a remaining period of 93 months. The Company recognized operating lease expense of $9,000 during the three months ended March 31, 2022. The following table summarizes future payments under the operating lease:

2022	27,000
2023	36,000
2024	36,000
2025	36,000
2026	36,000
Thereafter	99,000
Total lease payments	$ 270,000
Amounts representing interest	(80,581)
Present value of lease liability	$ 189,419

The Company will also pay Bit5ive $65,000 per month for management services at the South Carolina location, beginning in the second quarter of 2022.

As of March 31, 2022 and December 31, 2021, the total "Other Assets" on the Company's balance sheet consisted of the following:

	March 31, 2022	December 31, 2021
Security deposits under Bit5ive agreement, Pennsylvania	$ -	$ 171,673
Security deposits to Gaffney Board of Public Works	1,388,158	562,632
Total Other Assets	$ 1,388,158	$ 734,568

Bitmain Service Framework Agreement

On June 21, 2021, the Company entered into a Service Framework Agreement with Bitmain Technologies Ltd., a Hong Kong company ("Bitmain"). The Company will provide hosting, operations and maintenance services related to Bitmain's mining operations at the Company's locations for 20 megawatts of power. In August 2021, the Company had Bitmain entered into an additional Service Framework Agreement for an additional 180 megawatts of power and related hosting, operations and maintenance services. The Company received $792,000 in cash under this agreement in July 2021, and an additional $792,000 in February 2022, which is reflected as deferred revenue until operations begin and services are provided to Bitmain under the agreement. The operations under this agreement began at the Company's South Carolina location in March 2022, and the Company recognized the initial $792,000 deposit as revenue at that point.

Intangible assets – cryptocurrency

Cryptocurrencies held are accounted for as an indefinite-lived intangible asset under ASC 350, *Intangible – Goodwill and Other*. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually at fiscal year-end, 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, such as a sustained decrease in the value of a cryptocurrency that is not expected to be recovered in the foreseeable future. The Company performs its impairment test for each type of cryptocurrency it holds, using cryptocurrency units or divisible fractions of a unit with the same acquisition date and carrying value. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

As part of the mining services performed through the Company's pods and mining equipment purchased, the Company earns rewards in bitcoin through a service provider. These crypto currency assets are reflected as intangible assets on the Company's balance sheet and were recorded as revenue in accordance with ASC 606.

The following summarizes the activity related to its cryptocurrency intangible assets during the three months ended March 31, 2022:

Cryptocurrency at December 31, 2020	$	313,021
Additions of cryptocurrency		770
Payments of cryptocurrency		(268,896)
Cryptocurrency at March 31, 2022	$	44,895

The Company utilized a total of approximately 4.87 Bitcoin to a deposit under the Gaffney SC location, and recognized a loss of $69,264 on this transactions, representing the difference between the fair value of the services rendered to the Company, and the cost basis of the cryptocurrency transferred to the vendor as payment. As of March 31, 2022, the Company held approximately 0.8 Bitcoins. The Company performed a qualitative review of possible impairment of its Bitcoin holdings based on recent price declines in the market for Bitcoin. The Company believes that the recent price decline is temporary in nature, and that no impairment of the carrying value of the Bitcoin it holds is required as of March 31, 2022.

Note 5 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, 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 (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

> Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
>
> Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of March 31, 2022 and December 31, 2021, respectively:

	Fair Value Measurements at March 31, 2022		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 499,450	$ -	$ -
Investments	250,690		
Total assets	750,140	-	-
Liabilities			
Convertible note payable, net of discounts, including notes in default	-	7,982,426	-
Bridge notes payable	-	5,000,000	-
Due to related party	-	-	-
Derivative liability	-	-	2,226,779
Total liabilities	-	(12,982,426)	(2,226,779)
	$ 750,140	$ (12,982,426)	$ (2,226,779)

	Fair Value Measurements at December 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 542,335	$ -	$ -
Investments	250,408		
Total assets	792,743	-	-
Liabilities			
Convertible note payable, net of discounts, including notes in default	-	6,998,512	-
Bridge notes payable	-	4,700,000	-
Due to related party	-	-	-
Derivative liability	-	-	2,394,380
Total liabilities	-	(11,689,512)	(2,394,380)
	$ 792,743	$ (11,689,512)	$ (2,394,380)

The fair values of our related party debts are deemed to approximate book value and are considered Level 2 inputs as defined by ASC Topic 820-10-35. See Note 7 for further discussion of the fair value measurements related to derivative liabilities.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the three months ended March 31, 2022.

Note 6 – Convertible Notes Payable and Bridge Notes Payable

Convertible Notes Payable

Convertible notes payable consists of the following at March 31, 2022 and December 31, 2021, respectively:

	March 31, 2022	December 31, 2021
On October 27, 2017, we entered into a Convertible Debenture with an individual investor ("Seventh Goodkin Note"). The Note bears interest at 10%, with a maturity date of Oct. 27, 2018, is convertible at $0.50 per share. This note is in default.	$ -	$ -
On September 20, 2017, we entered into a Convertible Debenture with an individual investor ("First Graham Note"). The Note bears interest at 10%, with a maturity date of September 20, 2019, is convertible at 60% of the closing traded price at time of Notice of Conversion, or $5, whichever is greater. The interest rate increases to 18% on default. This note is in default.	$ 2,400	$ 2,400
On April 29, 2017, we entered into a Convertible Debenture with Christopher Babinski ("First Babinski Note"). The Note bears interest at 10%, with a maturity date of April 29, 2018, and is convertible at the greater of a) 50% of the current trading bid price at time of Notice of Conversion or at a maximum of $12,750 (one cent) per share. 18% Default Rate and 2M shares in the event of prepayment. This note is in default.	$ -	$ -
On May 22, 2015, we entered into a Convertible Debenture with Ray Ciarello ("First Ciarello Note"). The Note bears interest at 8%, with a maturity date of May 22, 2016, and is convertible at the lesser of a) $12,750 or b) 50% of the lowest market value over the 25 trading days preceding the conversion notice. The note is currently in default.	$ 2,500	$ 2,500
The Company has several notes that are in default. These notes are convertible at 50% of the lowest per share market value over the fifteen (15) trading days immediately preceding the conversion notice. During the three months ended March 31, 2020, a note payable of $10,000 and accrued interest of $3,135 were converted in full to 238,818 shares of common stock in accordance with the terms of the agreement. This note is in default.	$ 30,500	$ 30,500
The Company has several notes that are in default. These notes are convertible at 50% of the lowest per share market value over the twenty (20) trading days immediately preceding the conversion notice. This note is in default.	$ 15,000	$ 15,000
The Company has several notes that are in default as, including four separate 2018 notes from Adam Goodkin as follows: note dated March 15, 2018 for $11,500 maturing March 15, 2020; note dated March 23, 2018 for $4,500 maturing March 23, 2020; note dated April 2, 2018 for $4,500 maturing April 2, 2020; note dated April 9, 2018 for $4,500 maturing April 9, 2020. These notes are convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice. During the three months ended September 30, 2020, Adam Goodkin converted $25,000 of principal and $4,096 of accrued interest into 317,123 shares of common stock from the 2018 notes, and the Company recognized a loss of $31,126 on the conversions. This note is in default.	$ 36,000	$ 36,000
On November 2, 2018, the Company entered into a convertible note payable with GPL Ventures for proceeds of up to $300,000 (the "Fourth GPL Note"), bearing interest at 10%. In March 2020, this agreement was amended to adjust the conversion price to the lesser of $0.05 or 50% of the lowest traded price over the twenty (20) trading days immediately preceding the conversion. This note is in default.	$ -	$ -
The company has several notes that are in default. These notes are convertible at the greater of a) $127.5 or b) 50% of the lowest bid price over the ten (10) trading days immediately preceding the conversion notice or the closing bid price on the date immediately preceding the notice. This note is in default.	$ 14,500	$ 14,500

The company has several notes that are in default. These notes are convertible at the lesser of a) $12,750 or b) 50% of the closing bid price on the date immediately preceding the conversion notice. This note is in default.	$ 30,750	$ 30,750
The company has various convertible notes that are in default. These notes are convertible at the lesser of a) $12,750 or b) 50% of the lowest bid price over the fifteen (15) trading days immediately preceding the conversion notice. This note is in default.	$ 59,443	$ 59,443
The company has several notes that are in default. These notes are convertible at the lesser of a) $12,750 or b) 60% of the current bid price at time of notice, but not less than $1,275 per share or more than $12,750/sh. This note is in default.	$ 68,250	$ 68,250
During the six months ended June 30, 2021, the Company entered into nine convertible promissory notes with RB Capital Partners, Inc. with an aggregate principal amount of $7,200,000. The notes bear interest at 5% and mature between February 1, 2022 and June 15, 2022. The notes are convertible beginning 180 days from the date of issuance at a fixed price of $1.50 per share. In the event of a forward or reverse stock split following the issuance of the note, the conversion price will remain at $1.50. These notes are in default, though no notice has been received from the lender.	$7,450,000	$7,450,000
On January 25, 2021, we entered into a Convertible Debenture with RB Capital Partners for up to $150,000 in proceeds. The Note bears interest at 10%, with a maturity date of January 25, 2022, and is convertible with a price fixed at $0.002, not adjusted for splits. This note is in default, though no notice has been received from the lender.	$ 15,000	$ 15,000
On April 20, 2021, we entered into a Convertible Debenture with RB Capital Partners for up to $15,000 in proceeds. The Note bears interest at 10%, with a maturity date of April 20, 2022, and is convertible with a price fixed at $0.004, not adjusted for splits.	$ 15,000	$ 15,000
On April 20, 2021, we entered into a Convertible Debenture with RB Capital Partners for up to $26,500 in proceeds. The Note bears interest at 10%, with a maturity date of April 20, 2022, and is convertible at a price fixed at $0.005, not adjusted for splits.	$ 15,000	$ 15,000
On August 3, 2021, we entered into a Convertible Debenture with RB Capital Partners for up to $600,000 in proceeds. The Note bears interest at 5%, with a maturity date of August 3, 2022, and convertible at a price fixed at $2.00, not adjusted for splits.	$ 600,000	$ 600,000
Debt in default	4,811,479	259,343
Debt not in default	3,542,864	8,095,000
Total convertible notes payable	8,354,343	8,354,343
Less: unamortized debt discounts	(371,917)	(1,355,831)
Convertible notes payable, net of discounts	$7,982,426	$6,998,512

The shares of common stock issuable upon conversion of the Notes listed above will be restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The terms of each convertible note placed a "maximum share amount" on the note holder that can be owned as a result of the conversions to common stock by the note holder of 4.99% of the issued and outstanding shares of the Company. The GPL Ventures convertible notes allow for a note holder to own a maximum of 9.99% of the issued and outstanding shares of the Company.

In accordance with ASC 815-15, the Company determined that the variable conversion feature and shares to be issued represented embedded derivative features, and these are shown as derivative liabilities on the balance sheet. The Company calculated the fair value of the compound embedded derivatives associated with the convertible debentures utilizing a probability weighted black-scholes model, and in accordance with ASC 470-20 Debt with Conversion and Other Options, the Company recorded debt discount for the variable conversion features of the convertible debts. The discounts are being amortized to interest expense over the term of the debentures using the effective interest method.

Bridge Notes Payable

	March 31, 2022	December 31, 2021
On August 3, 2021, the Company entered into a bridge loan with RB Capital Partners for $2,000,000 in principal bearing interest at 5% and maturing on October 1, 2021. The Note is secured by 1,000,000 shares of common stock of the Company that will be issued in the event of a default. This note is currently in default, and a 3% fee was recorded as accrued interest.	$ 2,000,000	$ 2,000,000
On August 16, 2021, the Company entered into a bridge loan with RB Capital Partners for $200,000 in principal bearing interest at 5% and maturing on October 17, 2021. The Note is secured by 100,000 shares of common stock of the Company that will be issued in the event of a default. This note is currently in default, and a 3% fee was recorded as accrued interest.	200,000	200,000
On August 30, 2021, the Company entered into a bridge loan with RB Capital Partners for $300,000 in principal bearing interest at 5% and maturing on October 31, 2021. The Note is secured by 150,000 shares of common stock of the Company that will be issued in the event of a default. This note is currently in default, and a 3% fee was recorded as accrued interest.	300,000	300,000
On September 23, 2021, the Company entered into a bridge loan with RB Capital Partners for $2,200,000 in principal bearing interest at 5% and maturing on November 30, 2021. The Note is secured by 750,000 shares of common stock of the Company that will be issued in the event of a default. This note is currently in default, and a 3% fee was recorded as accrued interest.	2,200,000	2,200,000
On January 6, 2022, the Company entered into an unsecured bridge loan with ARK Capital, Inc. for $300,000 in principal bearing interest at 5% and maturing on January 6, 2023.	300,000	-
Total bridge notes payable	$ 5,000,000	$ 4,700,000

The Company recognized interest expense on convertible notes payable and the bridge notes payable for the three months ended March 31, 2022 and 2021, respectively, as follows:

		March 31, 2022		March 31, 2021
Interest on convertible notes and bridge loans	$	117,102	$	211,225
Initial derivative liability in excess of principal of note		-		-
Amortization of debt discounts		1,066,712		32,055
Total interest expense	$	1,183,814	$	243,280

Note 7 – Derivative Liabilities

As discussed in Note 6 under Convertible Notes Payable, the Company issued debts that consist of the issuance of convertible notes with variable conversion provisions. The conversion terms of many of the convertible notes are variable based on certain factors, such as the future price of the Company's common stock. The number of shares of common stock to be issued is based on the future price of the Company's common stock and is indeterminate. Due to the fact that the number of shares of common stock issuable could exceed the Company's authorized share limit, the equity environment is tainted and all additional convertible debentures and warrants are included in the value of the derivative. Pursuant to ASC 815-15 Embedded Derivatives, the fair values of the variable conversion option and warrants and shares to be issued were recorded as derivative liabilities on the issuance date.

The fair values of the Company's derivative liabilities were estimated at the issuance date and are revalued at each subsequent reporting date, using a probability weighted black-scholes model, with the Company estimating the probability of the Company's stock price being higher than the price at the reporting date, the probability of the stock price remaining constant, and the probability of it being lower. The gains and losses have been reported within other expense in the statements of operations. The estimates of the fair value of derivative liabilities exclude values for convertible notes that have a fixed conversion price, which included $45,000 of convertible note principal as of March 31, 2022.

The following is a summary of changes in the fair market value of the derivative liability during the three months ended March 31, 2022:

		Derivative Liability Total
Balance, December 31, 2021	$	2,394,380
Increase due to issuances of convertible notes payable		82,798
Change in fair market value of derivative liabilities		(210,399)
Balance, March 31, 2022	$	2,266,779

Key inputs and assumptions used to value the convertible debentures outstanding during the period ended March 31, 2022:

- Stock price ranging from $1.087 to $1.21.
- Expected Term ranging from 0.5 to 1 year
- Estimated volatility of 137-154%
- Risk-free rate of 10.6-1.63%
- Probability of increase in stock price of 75% from March 31, 2022 of 30%
- Probability of decrease in stock price of 50% from March 31, 2022of 50%
- Total principal value of $8,309,343
- Total common shares issuable assuming conversion of notes payable as of March 31, 2022 of 5,759,981

Management notes that the inputs used in the valuation of derivative liabilities are unobservable inputs and are inherently subjective. As of March 31, 2022, if the probability of a decrease in the stock price was 10% higher, the derivative liability fair value would be approximately $483,000 lower, and would be approximately $333,000 lower if there was a 10% increase in the probability of the Company's stock price remaining equal with the December 31, 2021 value. If a 10% higher stock price was used in the probability assessment, the estimated derivative liability would be approximately $265,000 higher, and would be approximately $50,000 lower if a 10% lower price was used in the probability assessment.

Note 8 – Changes in Stockholders' Equity (Deficit)

Stock Split and Amendment to Articles of Incorporation
On September 6, 2016, the Company amended its Articles of Incorporation to change the Par Value of its Common and Preferred Stock from $0.00001 to $0.001 per share, and amend its authorized capital stock to consist of (i) 480 million shares of common stock, $0.001 par value, and (ii) 20 million shares of preferred stock, $0.001 par value, designated as Series A and Series E preferred stock.

On October 1, 2019, the Company amended its Articles of Incorporation to increase the number of shares of preferred stock authorized to 50,000,000.

On February 6, 2020, the Company amended its Articles of Incorporation to decrease the number of shares of preferred stock authorized to 20,000,000.

On February 6, 2020, a reverse stock split of 1:5,000 of common stock became effective. All disclosures herein have been restated to present the adjusted effects of the stock split.

On October 23, 2020, the Company amended its Articles of Incorporation to decrease the number of shares of common stock authorized to 60,000,000.

On April 8, 2021, the Company amended its Articles of Incorporation to increase the number of shares of common stock authorized to 200,000,000.

Series B Convertible Preferred Stock
On December 10, 2020, The Company designated 10,000,000 Shares of Series B Convertible Preferred Stock, with a par value of $0.001 per share. Each share of Series B Convertible Preferred Stock is convertible into 3 shares of common stock after being held for one year, and contains a limitation where the holder can convert a maximum of 12.5% of the original Series B issuance shares in any given quarter. In December 31, 2020, the Company received $100,000 towards a total subscription of $150,000 for 1,400,000 shares of the Series B Convertible Preferred Stock. The remaining $50,000 was received in January 2021, and the Series B shares were issued on February 25, 2021.

On July 12, 2021, the Company entered into an asset purchase agreement with Minerset LLC to acquire a total of 400 cryptocurrency mining assets. The Company agreed to issue 1,141,141 shares of Series B Convertible Preferred Stock, convertible into 3,423,423 shares of common stock (based on a $0.37 per share price) in consideration for the miners. Additionally, through July 12, 2022 (the "Milestone Period"), upon the first occurrence of the Company's common stock closing price reaching $2.00, $3.00 and $4.00 per share, and the Company providing Minerset 10 business days' notice of such, the Company will receive an additional 75 miners (Bitmain Antminer S19-95Ts) upon the Company's common stock reaching each milestone for no additional consideration. As of the date of this prospectus, the Company's common stock has closed above $2.00 per share and $3.00 per share after the date of the agreement, and as such, Minerset is required to provide the Company rights to an additional 150 miners (Bitmain Antminer S19-95Ts), which have not been received to date. Minerset agreed to provide us all rights to the original warranties on all miners purchased. All 400 miners were received by December 31, 2021, and the Company recognized a fixed asset addition and a share liability of $1,771,621 based on the fair value of the underlying common shares on an as converted basis at the agreement date. The Series B shares have not been issued to date, and are included in Subscriptions Payable on the Company's Balance Sheet.

During the three months ended March 31, 2022, the Company received a total of $660,000 in cash proceeds from the sale of a total of 660,000 shares of Series B Convertible Preferred Stock. These shares have not yet been issued.

Series A & E Preferred Stock

Pursuant to an amendment to the Company's Articles of Incorporation on September 6, 2017, the Company has 20,000,000 authorized shares of Preferred Stock, of which 1,000,000 shares of $0.001 par value Series E Preferred Stock ("Series E") have been designated and issued. The Series E ranks subordinate and junior to all of the Corporation's common stock, carries no dividends, has no liquidation participation rights and are not redeemable. The collective outstanding shares of Series E Preferred Stock are entitled to twice the number of votes of all outstanding shares of capital stock such that the holders of outstanding shares of Series E shares shall always constitute sixty-six and two thirds (66 2/3rds) of the voting rights of the Corporation. The holders of shares of Common Stock and Series E Preferred Stock shall vote together and not as separate classes. On June 21, 2018, the amended its Articles of Incorporation with the State of Nevada to reduce the total number of shares of common stock authorized to 200,000,000 and the total number of shares of preferred stock authorized to 20,000,000. On October 1, 2019, the Company amended its Articles of Incorporation to increase the number of shares of preferred stock authorized to 50,000,000.

On March 6, 2015, the Company issued 1,000,000 shares of Series E Preferred Stock to Alonzo Pierce, the Company's President and Chairman of the Board for services provided.

Common Stock Issuances for Debt Conversions (2021)

During the three months ended March 31, 2021, the Company issued 1,750,000 shares of common stock pursuant to the conversion of $44,745 of accrued interest and penalties. No gain or loss was recognized on these conversions.

Common Stock Subscribed (2021)

Prior to December 31, 2019, the Company received an aggregate of $366,294 representing subscriptions for a total of 2,509 shares of common stock that have not yet been issued. During the year ended March 31, 2020, $25,000 of these subscriptions for 416 shares of common stock were reclassified as convertible debt. The Company received $7,500 in cash for 60,728 shares of common stock that have not yet been issued, leaving subscriptions payable of $348,794 for 62,821 shares of common stock to be issued as of December 31, 2020.

During the year ended December 31, 2021, the Company repaid $52,000 to certain investors, related to 228 shares of common stock previously subscribed. Additionally, a note payable holder purchased $34,000 of the subscriptions payable in a private transaction. The note payable holder then cancelled the notes in exchange for a total of 9,820,000 shares of common stock. The Company recognized a loss of $6,810,800 on these transactions based on the fair value of the common shares issued to the note holder.

As of December 31, 2021, the balance of subscriptions payable for common stock was $262,794 for 62,175 shares of common stock.

During the year ended December 31, 2021, an officer of the Company contributed $49,975 in cash to the Company.

During the three months ended March 31, 2022, an officer of the Company contributed $33,832 in cash to the Company.

Note 9 – Commitments and Contingencies

Legal Proceedings

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

Note 10 – Discontinued Operations - Paradigm Home Health Agreement

In January 2018, the Company entered into an agreement with Paradigm Home Health ("PHH") whereby the Company would assist PHH in the management of its services (the "PHH Agreement"). Prior to December 31, 2020, the Company share profits of the business equally, and during the three months ended March 31, 2021, the agreement was amended to allow for the Company to receive 70% of net income. The Company does not control the operations of PHH, which controls the license to provide home health services in Texas.

In March 2022, the Company entered into a separation agreement with PHH, whereby the Company mutually agreed to dissolve the relationship. As part of this agreement, the Company agreed to receive $50,000 in settlement of its outstanding balance owed by PHH related to the agreements. The separation agreement qualifies as a discontinued operations in accordance with U.S GAAP. As a result, the assets and liabilities, operating results and cash flows related to the management services business have been reflected as discontinued operations in the Company's balance sheet, statements of operations, consolidated statements of cash flows.

During the three months ended March 31, 2022, the Company recognized income and costs, including profit sharing, of $189,662 and $330,447, resulting in net cost of services for this business of $140,785. During the three months ended March 31, 2021, the Company recognized income and costs, including profit sharing, of $286,925 and $269,649, resulting in net revenue for this business of $17,276. The Company recognized a total net loss from discontinued operations of $140,785 and net income from discontinued operations of $17,276 during the three months ended March 31, 2022 and 2021, respectively.

At March 31, 2022 and December 31, 2021, the Company has recorded a receivable due from PHH in the amount of $50,000 for the amount due under the profit sharing agreement, included in current assets of discontinued operations. The current assets of discontinued operations as of March 31, 2022 and December 31, 2021 also includes $519 and $8,007, respectively of cash related to the business.

Note 11 – Segment Information and Disaggregated Revenue

The Company operates through three primary revenue streams: alcoholic beverage sales, management services and cannabinoid product sales. Each line of business has unique product, suppliers and focuses on different end markets within its industry based on prevailing economic conditions. For segment reporting purposes each line of business was determined to constitute a reportable segment.

The Chief Executive Officer is the Chief Operating Decision Maker. The Chief Operating Decision Maker reviews operating results in order to make decisions, assess performance and allocate resources to each line of business. In order to maintain the focus on line of business performance, certain expenses are excluded from the line of business results utilized by the Company's Chief Operating Decision Maker in evaluating line of business performance. These expenses include depreciation and amortization, selling, general and administrative expense and corporate items including interest and income tax expense. These items are separately delineated to reconcile to reported net loss. There were no intersegment revenues.

Certain assets are aggregated at the line of business level. The assets attributable to the Company's lines of business, that are reviewed by the Chief Operating Decision Maker, consist of trade accounts receivable and inventories, The Company's property and equipment, are generally not allocated to a line of business and are included in unallocated assets.

Summarized financial information relating to the Company's lines of business is as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Revenue - Cryptocurrency	$ 792,770	$ -
Total Revenue	792,770	-
Gross Profit (loss) - Cryptocurrency	231,351	-
Gross profit	231,351	-
Operating expenses:		
Less: Operating expenses	(402,978)	(808,065)
Less: Interest expense, net	(1,183,814)	(243,280)
Less: Other income (expense), net	139,068	(9,336,007)
Less: Discontinued operations	(140,785)	17,276
Net Loss	$ (1,357,158)	$ (10,370,076)

	March 31, 2022	December 31, 2021
Identifiable Assets		
Cryptocurrency operations	$ 10,574,215	$ 9,945,780
Total identifiable assets by reportable segment	10,574,215	9,945,780
Unallocated assets	800,659	850,750
Total assets	$ 11,374,874	$ 10,796,530

Note 12 – Investments

The Company maintains a brokerage account where it trades various types of securities. All trading securities are considered level 1 fair value measurements under ASC 820.

The following is a summary of trading investments as of March 31, 2022:

	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Trading Securities			
Stocks	$ 132,237	$ 5,889	$ 138,126
Exchange Traded Funds	91,745	(3,454)	88,291
Mutual Funds	26,494	(2,221)	24,273
Total	$ 250,476	$ 214	$ 250,690

The following is a summary of trading investments as of December 31, 2021:

	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Trading Securities			
Stocks	$ 129,382	$ 6,041	$ 135,423
Exchange Traded Funds	92,215	(2,128)	90,087
Mutual Funds	25,414	(516)	24,898
Total	$ 247,011	$ 3,397	$ 250,408

The Company recognized realized gains of $439 during the three months ended March 31, 2022 related to its trading securities.

Note 13 – Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were available for issuance on May 13, 2022.

On April 29, 2022, the Company entered into an unsecured bridge loan with ARK Capital, Inc. for $100,000 in principal bearing interest at 5% and maturing on April 29, 2023.

On May 5, 2022, the Company entered into an unsecured bridge loan with ARK Capital, Inc. for $50,000 in principal bearing interest at 5% and maturing on May 5, 2023.

On May 6, 2022, RB Capital Partners was issued 353,334 shares of common stock related to the conversion in full of the February 1, 2021 convertible note with principal of $500,000 and accrued interest of $30,000. The note was converted in accordance with the terms of the agreement and no gain or loss was recognized on conversion.