

BLOCKQUARRY CORP

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blockquarry.io
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Annual Report

For the period ending December 31, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

101,882,017 as of 12/31/2023 *(Current Reporting Period Date or More Recent Date)*

101,882,017 as of 12/31/2023 *(Most Recent Completed Fiscal Year End)*

Shell Status

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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

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

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

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

FIMA, Inc. until 4-2015; International Spirit & Beverage Group, Inc. until 9-2017; International Spirits & Beverage Group Inc. until 7-2019; International Spirits & Wellness Holdings, Inc until 6-2020; ISW Holdings, Inc. until 3-2022; Blockquarry Corp - p

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

Prior Incorporation Information for the issuer and any predecessors during the past five years:
None

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

None

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

None

Address of the issuer's principal executive office:

700 Louisiana St., Suite 3950, Houston, TX 77002

Address of the issuer's principal place of business:

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

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

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

2) Security Information

Transfer Agent

Name: Nevada Agency & Transfer Co.
Phone: 775-322-0626
Email: info@natco.com
Address: 50 West Liberty St. Suite 880, Reno, Nevada 89501

Publicly Quoted or Traded Securities:

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

Trading symbol:	<u>BLQC</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	<u>09370T109</u>
Par or stated value:	<u>.001</u>
Total shares authorized:	<u>370,000,000</u> as of date: <u>12/31/23</u>
Total shares outstanding:	<u>101,882,017</u> as of date: <u>12/31/23</u>
Total number of shareholders of record:	<u>7339</u> as of date: <u>12/31/23</u>

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

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

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

Exact title and class of the security:	<u>Preferred B</u>
Par or stated value:	<u> </u>
Total shares authorized:	<u>30,000,000</u> as of date: <u>12/31/23</u>
Total shares outstanding:	<u>21,483,000</u> as of date: <u>12/31/23</u>
Total number of shareholders of record:	<u>46</u> as of date: <u>12/31/23</u>

Exact title and class of the security:	<u>Preferred E</u>
Par or stated value:	<u> </u>
Total shares authorized:	<u>1,000,000</u> as of date: <u>12/31/23</u>
Total shares outstanding:	<u>1,000,000</u> as of date: <u>12/31/23</u>
Total number of shareholders of record:	<u>1</u> as of date: <u>12/31/23</u>

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

Security Description:

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

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

Common shares eligible for dividends; 1 common share = 1 vote; no preemption rights

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

Preferred B – Ineligible for dividends; no voting rights; no preemption rights; Preferred E – Ineligible for dividends; voting rights always equal to 67% of the total eligible voting shares; no preemption rights;

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

Preferred B – Are convertible to commons shares; 1 Preferred B Share = 3 common shares

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

NONE

3) Issuance History

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

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

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

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

Shares Outstanding <u>Opening Balance:</u> Date <u>1/1/2022</u> Common: <u>70,225,816</u> Preferred B: <u>1,400,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

<u>5/6/22</u>	<u>Issuance</u>	<u>353,334</u>	<u>Common</u>	<u>.55</u>	<u>Yes</u>	<u>RB Capital: Brett Rosen</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/6/22</u>	<u>Issuance</u>	<u>1,406,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Koehler Properties: Keith Kohler</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Scott Littlejohn</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Blake Morar</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Dennis Moore</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>50,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>LKM Capital: Kirk Mixon</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Eric Nomsen</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Mark Osgood</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>John Pelham</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Robert Scruggs</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>50,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Koehler Properties: Keith Koehler</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>5,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Blake Jones</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Suzette Slyonais</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Saman Poori</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Nathan Smith</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>PK Stremic</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Jim Vowler</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Kenneth Michael</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>David Wall</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>B Dane Alexander</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Matt Arnold</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>

<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Brett Billingsley</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Robert Cansler</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>David Stremic</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>15,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Harry Gelbard</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Angelo Carollo</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>35,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Gerald Yanowicz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>6/7/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Alan Cunningham</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>7/18/22</u>	<u>Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>1.50</u>	<u>No</u>	<u>RB Capital; Brett Rosen</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>7/20/22</u>	<u>Issuance</u>	<u>1,531,667</u>	<u>Common</u>	<u>.005</u>	<u>No</u>	<u>Post Oak, LLC; J. Rob Loud</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/15/22</u>	<u>Issuance</u>	<u>3,400,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Minerset Holdings, LLC; Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>9/19/22</u>	<u>Issuance</u>	<u>2,000,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Minerset Holdings, LLC; Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>10/7/22</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Post Oak LLC; J. Rob Loud</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>10/14/22</u>	<u>Issuance</u>	<u>250,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Josh McMillan</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>10/25/22</u>	<u>Issuance</u>	<u>1,300,000</u>	<u>Common</u>	<u>.205</u>	<u>No</u>	<u>Curt Dewitz</u>	<u>Mgt Consulting Services</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>750,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Post Oak LLC; J. Rob Loud</u>	<u>Aged Debt</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Jason Sunstein</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>15,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Alan Cunningham</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>50,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Marc Hirshfield</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>30,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Anthony Smith</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>67,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Eric Hasley</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Matthew Brian Tinney</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>

<u>11/18/22</u>	<u>Issuance</u>	<u>110,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Chris Clement</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>250,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>New Horizon; Jeff Palkin</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>250,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Scott Boatman</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>11/18/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Anthony Logozzo</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/1/22</u>	<u>Issuance</u>	<u>1,500,000</u>	<u>Common</u>	<u>.14</u>	<u>No</u>	<u>RB Capital, Brett Rosen</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>1,755,000</u>	<u>Common</u>	<u>.133</u>	<u>No</u>	<u>Ark Capital, Inc.; Hootie Kessler</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Jose Mari D Parungo</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Ramsen Ohanes</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>50,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Josh McMillan</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>35,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Bryan Thomas O'Hare</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Ark Capital, Inc., Hootie Kessler</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>12/29/22</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Chris Clement</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Cancellation</u>	<u>(1,406,000)</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Cancellation</u>	<u>(3,400,000)</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Minerset Holdings, LLC; Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Cancellation</u>	<u>(2,000,000)</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Minerset Holdings, LLC; Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Issuance</u>	<u>6,806,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Minerset Holdings, LLC; Elias Fernandez Sanchez</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>BB Winks, LLC; Craig Fisher</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/13/23</u>	<u>Issuance</u>	<u>400,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>BB Winks, LLC; Craig Fisher</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/18/23</u>	<u>Issuance</u>	<u>30,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Willie Parker</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>1/18/23</u>	<u>Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>.25</u>	<u>No</u>	<u>Eduardo Arredondo</u>	<u>Services; Management Consulting</u>	<u>Restricted</u>	<u>Rule 144</u>

<u>2/3/23</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>.42</u>	<u>Yes</u>	<u>RB Capital, Brett Rosen</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/10/23</u>	<u>Cancellation</u>	<u>(1,265,984)</u>	<u>Common</u>	<u>.205</u>	<u>No</u>	<u>Curt Dewitz</u>	<u>Mgt Consulting Services</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/10/23</u>	<u>Issuance</u>	<u>1,265,984</u>	<u>Common</u>	<u>.205</u>	<u>No</u>	<u>Curt Dewitz</u>	<u>Mgt Consulting Services</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Derick Lyle Harrison</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>15,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Bryan Thomas O'Hare</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>30,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Scott Boatman</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Ramsen Ohanes</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>12,500</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Chris Clement</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Derick Lyle Harrison</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/14/23</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Kevon Rennie</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>2/17/23</u>	<u>Issuance</u>	<u>2,500,000</u>	<u>Common</u>	<u>.32</u>	<u>Yes</u>	<u>RB Capital, Brett Rosen</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>3/3/23</u>	<u>Cancellation</u>	<u>(5,000,000)</u>	<u>Common</u>	<u>.62</u>	<u>Yes</u>	<u>Robert Colazzo</u>	<u>Cancellation</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>3/3/23</u>	<u>Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>.26</u>	<u>No</u>	<u>Robert Colazzo</u>	<u>Services; Management Consulting</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>3/15/23</u>	<u>Issuance</u>	<u>4,500,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>Yes</u>	<u>RB Capital, Brett Rosen</u>	<u>Debt Settlement</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/21/23</u>	<u>Issuance</u>	<u>2,850,000</u>	<u>Common</u>	<u>.07</u>	<u>No</u>	<u>Ark Capital, Inc.; Hootie Kessler</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>4,500,000</u>	<u>Common</u>	<u>.07</u>	<u>Yes</u>	<u>RB Capital, Brett Rosen</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/22</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Ark Capital, Inc., Hootie Kessler</u>	<u>Debt Settlement</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Moises Obadia Tarazi</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Thomas & Nancy Domanski</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Michael Collier</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>25,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Gregory M Boehmer</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>4/26/23</u>	<u>Issuance</u>	<u>30,000</u>	<u>Preferred B</u>	<u>1.00</u>	<u>No</u>	<u>Curt Dewitz</u>	<u>Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>

Shares Outstanding on Date of This Report:	
Ending Balance:	
Date <u>12/31/23</u>	Common: <u>101,882,017</u>
	Preferred B: <u>21,483,000</u>

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

B. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
5/22/15	2500	2500	<u>0</u>	5/22/16	50% of lowest trading price last 20 days	Ray Ciarello	Loan
6/29/15	10718	5000	<u>5718</u>	6/29/16	50% of lowest trading price over the past 20 trading days; note bears 10% interest	Strategic Tactical Asset Trading; Principal: Craig Fisher	Loan
12/15/15	9254	5000	<u>4254</u>	12/15/16	50% of lowest trading price over the past 20 trading days; note bears 8% interest	TB Financial: Principal: Jim Buechler	Loan
1/7/16	29230	15000	<u>14230</u>	1/7/17	50% of lowest trading price over the past 20 trading days; note bears 10% interest	Andrew Barker	Loan
12/13/16	2400	2400	<u>0</u>	12/13/17	50% of lowest trading price over the past 20 trading days; note bears 0% interest	Ross Graham	Loan
2/9/21	2,880,575	6,950,000	<u>0</u>	12/31/24	Convertible at \$1.50	RB Capital, LLC; Principal: Brett Rosen	Loan
4/20/21	12500	15000	<u>4637</u>	4/20/22	Convertible at .005; bears 10% interest	RB Capital, LLC; Principal: Brett Rosen	Loan
8/8/21	660000	600000	<u>60000</u>	8/8/22	Convertible at \$2.00	RB Capital, LLC; Principal: Brett Rosen	Loan

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

4) Issuer's Business, Products and Services

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

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

BlockQuarry Corp. (BLQC) is a trusted American energy and infrastructure partner, dedicated to fostering carbon-negative industrial energy and facilitating its establishment on land. We offer sustainable, renewable, and cost-effective energy solutions for businesses that have a need for high-volume power, such as data warehousing, manufacturing and cryptocurrency mining. With an extensive network of contacts in the most cost-effective areas for building data centers and computing structures, we leverage our expertise to align you with the exact energy solution you need. BlockQuarry takes care of all the permits, and handle all the necessary handshakes, leaving yits customers free to focus on running their business. The Company's approach to energy partnerships goes beyond simply meeting the business needs of the client.

BLQC aims to benefit everyone involved, from creating jobs in the construction and management of these facilities to driving revenue for both the city and the state. By finding locations with power surpluses and matching businesses to these profitable resources, BlockQuarry management ensures that everyone wins. The Company's commitment to renewable, energy means that the Earth is better off for it, and BLQC is not afraid to go the extra mile, even if it means planting trees along the way. At BlockQuarry Corp., we transform your need for industrial power into a positive force for the community, delivering renewable, clean, and affordable energy solutions.

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

NONE

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

As a Bitcoin mining operator, the Company has miners hashing in Macon County Missouri and also has hosting operations as well. Blockquarry is also currently looking to acquire additional land for future mining project sites that we hope could be operational in two to four years.

5) Issuer's Facilities

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

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

Our 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. Our current efforts are aimed at growing our mining operations in Missouri and in the Southeastern U.S. maximize returns on our long-term investments We lease, so we do not own any of the facilities in which our pods are located. We look for opportunities that are located adjacent to the power grids with power available to us at wholesale prices.

We also plan, funding permitting, to build new mining centers in or around Texas, which we hope to power with renewable energy. The crypto mining industry uses a vast amount of energy to process and reward its miners. This reward system is based on the difficulty level and power being used.

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

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

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

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

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Alonzo Pierce</u>	<u>Chairman</u>	<u>Cypress, TX</u>	<u>1,000,000</u>	<u>Pref E</u>	<u>100%</u>	<u> </u>
<u>Terry Williams</u>	<u>CEO</u>	<u>New Orleans, LA</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>

<u>Kristin Mahoney-Brown</u>	<u>Sec. - Treas</u>	<u>Houston, TX</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
<u>Angela Greathouse</u>	<u>Independent Director</u>	<u>Moncks Corner, SC</u>	<u>575,000</u>	<u>Common</u>	<u>.6%</u>	<u> </u>
<u>Suzy Guillory</u>	<u>Independent Director</u>	<u>Denver, CO</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
<u>Minerset Holdings, LLC</u>	<u>5% Control</u>	<u>Wilmington, DE</u>	<u>6,806,000</u>	<u>Pref. B</u>	<u>32%</u>	<u>Elias Fernandez-Sanchez</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com.
If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

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

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

NO

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

NO

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

NO

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

NO

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

NO

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

NO

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

NONE

8) Third Party Service Providers

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

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com.

If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Sam Whitley
Address 1: 24285 Katy Freeway
Address 2: Katy, TX 77494
Phone: 281-206-0434
Email: _____

Accountant or Auditor

Name: David Stephens
Firm: First Notion Financial Services
Address 1: PO Box 79897
Address 2: Houston, TX 77279
Phone: 832-277-7816
Email: info@freshnotiongroup.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @blockquarryco

Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

Other Service Providers

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

Name: Gregg Boehmer
Firm: Layne Michael Consulting, LLC
Nature of Services: Compliance & Regulatory Consulting
Address 1: 1020 S Natora Rd
Address 2: Benson, AZ 85602
Phone: _____
Email: laynemichaelconsulting@gmail.com

9) Disclosure & Financial Information

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

Name: Gregg Boehmer
Title: Compliance & Regulatory Consultant
Relationship to Issuer: Contractor

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

☐ IFRS
☒ U.S. GAAP

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

Name: David Stephens
Title: Accountant
Relationship to Issuer: Contractor

Describe the qualifications of the person or persons who prepared the financial statements:⁵

Mr. Stephens is a CPA and has 13 years of experience in public company financial accounting and is a member in good standing of the AICPA.

Provide the following qualifying financial statements: **Attached at end of disclosure**

- Audit letter, if audited;
- Balance Sheet;

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

- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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, Alonzo Pierce certify that:

1. I have reviewed this Disclosure Statement for **BlockQuarry Corp.**;
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.

4/15/24 [Date]

/s/ Alonzo Pierce [CEO's Signature]

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

Principal Financial Officer:

I, Alonzo Pierce certify that:

1. I have reviewed this Disclosure Statement for **BlockQuarry Corp.**;
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.

4/15/24 [Date]

/s/ Alonzo Pierce [CFO's Signature]

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

BlockQuarry Corp.
(A Nevada Corporation)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022
(Unaudited)

BlockQuarry Corp.
(A Nevada Corporation)

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BlockQuarry Corp.

BALANCE SHEETS

(Unaudited)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash	\$ 142,223	\$ 317,627
Accounts receivable, net of allowance for credit losses	-	274,551
Prepaid expenses	-	28,533
Total current assets	142,223	620,711
Property and equipment, net	1,813,787	3,420,844
Intangible assets	-	6,973
Other assets	-	1,388,158
Total assets	\$ 1,956,010	\$ 5,436,686
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 162,453	\$ 885,561
Accrued expenses	888,990	1,140,750
Deferred revenues	60,000	60,000
Bridge notes payable	5,132,000	5,195,500
Notes payable, net of discount	523,570	89,896
Convertible notes payable in default	93,400	7,719,400
Due to related party	12,716	20,902

Derivative liability	1,360,997	161,932
Total current liabilities	8,234,126	15,273,941
Convertible notes payable, net of current portion	3,445,575	-
Total liabilities	11,679,701	15,273,941
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, 30,000,000 shares authorized, 21,483,000 and 12,768,000 shares issued and outstanding at December 31, 2023 and 2022, respectively	21,483	12,768
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, 101,882,017 and 78,655,817 shares issued and outstanding at December 31, 2023 and 2022, respectively	101,882	78,666
Additional paid-in capital	47,746,686	41,003,925
Subscriptions payable, consisting of 1,001 shares of common stock and 200,000 shares of Series B Convertible Preferred Stock as of December 31, 2023, and 1,301,125 shares of common stock and 240,000 shares of Series B Convertible Preferred Stock as of December 31, 2022	610,044	709,044
Accumulated deficit	(58,204,786)	(51,642,658)
Total stockholders' deficit	(9,723,691)	(9,837,255)
Total liabilities and stockholders' deficit	\$ 1,956,010	\$ 5,436,686

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

BlockQuarry Corp.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Years Ended	
	December 31,	
	2023	2022
Revenue - hosting services	\$ 922,192	\$ 5,330,133
Revenue - services, related party	-	43,466
Revenue - cryptocurrency self-mining	-	770
Cost of Revenue - hosting services	(3,804,675)	(10,915,924)
Gross profit (loss)	(2,882,483)	(5,541,555)
Operating expenses:		
General and administrative	1,417,170	5,922,177
Officer compensation	302,930	203,372
Professional fees	179,570	221,324
Impairment of property, plant, and equipment	-	611,281
Depreciation	881	1,726
Gain (loss) on cryptocurrency	6,973	99,852
Total operating expenses	1,907,524	7,059,732
Net operating loss, continuing operations	(4,790,007)	(12,601,287)
Other income (expense):		
Interest expense, net	(1,236,956)	(2,998,925)
Dividend income	-	1,121
Loss on investments	-	(22,639)
Loss on extinguishment of notes payable	(2,243,808)	(1,472,959)
Loss on settlement of subscription payable	(45,000)	(300,370)
Loss on conversion of note payable	(797,500)	-
Change in derivative liabilities	2,126,555	2,160,745

Other income	424,588	-
Total other income (expenses)	(1,772,121)	(2,633,027)
Net loss from continuing operations	(6,562,128)	(15,234,314)
Net loss from discontinued operations	-	(192,503)
Net loss	\$ (6,562,128)	\$ (15,426,817)
Weighted average number of common shares		
outstanding - basic	90,894,436	72,426,505
outstanding - diluted	87,217,302	72,426,505
Net loss per share - basic, continuing operations	\$ (0.07)	\$ (0.21)
Net loss per share - basic, discontinued operations	\$ (0.00)	\$ (0.00)
Net loss per share - diluted, continuing operations	\$ (0.09)	\$ (0.21)
Net 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

	Series B		Series E		Common Stock		Additional	Subscriptions	Accumulated	Total
	Preferred Stock		Preferred Stock		Common Stock		Paid-In			Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Payable	Deficit	Deficit
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)
Contribution by shareholder	-	-	-	-	-	-	33,832	-	-	33,832
Common stock issued for conversion of debt	-	-	-	-	2,108,334	2,108	833,262	(5,000)	-	830,370
Extinguishment of derivative liability from conversion of debt	-	-	-	-	-	-	227,831	-	-	227,831
Issuance of Preferred Stock for cash	1,480,000	1,480	-	-	-	-	1,478,520	234,000	-	1,714,000
Common stock issued for debt and subscriptions payable settlement	2,750,000	2,750	-	-	1,531,667	1,532	1,974,180	(63,250)	-	1,915,212
Issuance of shares due to default on bridge notes payable	-	-	-	-	3,500,000	3,500	841,500	207,000	-	1,052,000
Series B preferred issued for subscription payable	1,141,141	1,141	-	-	-	-	1,770,480	(1,771,621)	-	-
Stock-based compensation	5,996,859	5,997	-	-	1,300,000	1,300	5,005,472	73,500	-	5,086,269
Net loss	-	-	-	-	-	-	-	-	(15,426,817)	(15,426,817)
Balance, December 31, 2022	12,768,000	12,768	1,000,000	1,000	78,665,817	78,666	41,003,925	709,044	(51,642,658)	(9,837,255)
Common stock issued for conversion of debt	-	-	-	-	21,546,200	21,546	1,603,634	-	-	1,625,180
Preferred stock issued for convertible debt settlements	5,900,000	5,900	-	-	-	-	3,115,000	-	-	3,120,900
Issuance of Preferred Stock for cash	275,000	275	-	-	-	-	224,725	(30,000)	-	195,000

Repayment of subscription payable	-	-	-	-	-	-	-	(10,000)	-	(10,000)
Stock-based compensation	72,500	73	-	-	100,000	100	94,424	-	-	94,597
Common stock issued for subscription payable	-	-	-	-	1,000,000	1,000	59,000	(15,000)	-	45,000
Extinguishment of derivative liability from conversion of debt	-	-	-	-	-	-	237,496	-	-	237,496
Issuance of Series B preferred stock for debt settlement	1,000,000	1,000	-	-	-	-	494,000	-	-	495,000
Issuance of Series B Preferred Stock for assets	1,400,000	1,400	-	-	-	-	607,600	-	-	609,000
Issuance of Series B Preferred Stock for cash	180,000	180	-	-	-	-	133,820	(9,000)	-	125,000
Conversion of Series B preferred stock for common stock	(175,000)	(175)	-	-	525,000	525	(350)	-	-	-
Issuance of Series B Preferred and Common Stock for cash	62,500	62	-	-	45,000	45	87,393	(35,000)	-	52,500
Net loss	-	-	-	-	-	-	-	-	(6,562,128)	(6,562,128)
Balance, December 31, 2023	<u>21,483,000</u>	<u>\$21,483</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>101,882,017</u>	<u>\$101,882</u>	<u>\$47,746,686</u>	<u>\$610,044</u>	<u>\$(58,204,786)</u>	<u>\$ (9,723,691)</u>

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

BlockQuarry Corp.
STATEMENTS OF CASH FLOWS
(Unaudited)

For the
Years Ended
December 31,

	2023	2022
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss from continuing operations	\$ (6,562,128)	\$ (15,234,314)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,216,056	5,422,453
Stock-based compensation	94,597	5,159,599
Loss on conversion of notes payable	797,500	-
Loss on settlement of subscription payable	45,000	-
Impairment of cryptocurrency	6,973	29,927
Impairment of property, plant and equipment	-	611,281
Bad debt expense	897,192	-
Loss on cryptocurrency transactions	-	69,925
Loss on extinguishment of debt	2,243,808	1,472,959
Loss from investments	-	22,639
Amortization of debt discounts	275,573	1,509,352
Amortization of Right of use asset	-	17,423
Settlement loss	-	300,370
Issuance of common shares for default of bridge notes payable	-	1,052,000
Change in derivative liabilities	(2,126,555)	(2,160,745)
Change in assets and liabilities:		
Accounts receivable	(622,641)	(275,321)
Prepaid expenses and other current assets	(2,631)	14,267
Other assets	-	(1,238,626)
Accounts payable	1,134,551	820,936
Right of use liabilities	-	(17,423)
Accrued expenses	941,222	385,612
Net cash used in operating activities, continuing operations	<hr/> (661,483)	<hr/> (2,037,686)

Net cash used in operating activities, discontinued operations	-	(134,496)
Net cash used in operating activities	(661,483)	(2,172,182)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(750,000)
Purchase of investments	-	(12,910)
Proceeds from sale of investments	-	240,679
Net cash used in investing activities, continuing operations	-	(522,231)
Net cash used in investing activities, discontinued operations	-	-
Net cash used in investing activities	-	(522,231)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of related party loan	(8,186)	-
Proceeds from bridge notes payable	172,000	1,611,000
Repayment of bridge notes payable	(10,000)	(865,500)
Proceeds from notes payable	5,000	161,229
Repayment of notes payable	(35,235)	(184,856)
Capital contribution by shareholder	-	33,832
Proceeds from sale of preferred and common stock	372,500	1,714,000
Repayment of subscriptions payable	(10,000)	-
Net cash provided by financing activities, continuing operations	486,079	2,469,705
Net cash provided by financing activities, discontinued operations	-	-
Net cash provided by financing activities	486,079	2,469,705
NET CHANGE IN CASH	(175,404)	(224,708)
CASH AT BEGINNING OF PERIOD	317,627	542,335
CASH AT END OF PERIOD	\$ 142,223	\$ 317,627
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 5,000	\$ 73,500
Income taxes paid	\$ -	\$ -

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Receipt of cryptocurrency intangible assets from self-mining transactions	\$ -	\$ 770
Use of cryptocurrency intangible assets as payment for services	\$ -	\$ 276,891
Issuance of stock payable	\$ 45,000	\$ 1,771,621
Preferred stock issued for convertible debt settlements	\$ 3,615,900	\$ -
Extinguishment of derivative from conversion of debt	\$ 120,056	\$ 227,831
Debt discount related to derivative liability at issuance	\$ 250,000	\$ 82,798
Common stock issued for property and equipment	\$ 1,400	\$ -
Financing of prepaid insurance premiums	\$ -	\$ 42,800
Expenses paid by officer	\$ -	\$ 20,902
Common stock issued for conversion of debt	\$ -	\$ 530,000

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

BlockQuarry Corp. Notes to Financial Statements

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 hosting industry, providing hosting services to parties that perform cryptocurrency mining activities at our facilities. The business is focused on capitalizing on the Bitcoin ecosystem and its surrounding associated growth opportunities through proof-of-work mining. Until March of 2022, the Company also offered 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 11).

Basis of Presentation

Our financial statements are prepared using the accrual method of accounting as generally accepted in the United States of America (U.S. GAAP) and the rules of the Securities and Exchange Commission (SEC).

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. Estimates are primarily used in our revenue recognition, fair value assumptions in accounting for derivative liability, intangible assets and long-lived asset impairments, stock-based compensation, and deferred tax valuations.

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.

Accounts Receivable

Accounts receivable are comprised of unsecured amounts due from customers. The Company carries its accounts receivable at their face amounts less an allowance for credit losses. The allowance for credit losses is recognized based on management’s estimate of

likely losses per year, based on past experience and review of customer profiles and the aging of receivable balances. As of December 31, 2023 and 2022, the allowance for credit losses was \$897,192 and \$0, respectively.

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 years ended December 31, 2023 and 2022, there were 19,627,031 and 6,102,392 shares issuable from convertible debt and 64,449,000 and 38,304,000 shares issuable from Series B Convertible preferred stock, respectively, 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 13.

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.

Historically the Company's self-mining activity occurs at its locations. The Company has entered into digital asset mining pools by executing contracts under customary business practices with the mining pool operators to provide computing power to the mining pool. The contracts are terminable at any time by either party and the Company's enforceable right to compensation only begins when the Company provides computing power to the mining pool operator. In exchange for providing computing power, the Company is entitled to a fractional share of the fixed digital assets award the mining pool operator receives, for successfully adding a block to the blockchain. The Company's fractional share is based on the proportion of computing power the Company contributed to the mining pool operator to the total computing power contributed by all mining pool participants in solving the current algorithm. The provision of such computing power is the only performance obligation in the Company's contracts with mining pool operators. The transaction consideration the Company receives, if any, is noncash consideration, which the Company measures at fair value on the date received, which is not materially different than the fair value at contract inception or the time the Company has earned the award from the pools. The consideration is all variable. Because it is not probable that a significant reversal of cumulative revenue will not occur, the consideration is constrained until the mining pool operator successfully places a block (by being the first to solve an algorithm) and the Company receives confirmation of the consideration it will receive, at which time revenue is recognized. There is no significant

financing component in these transactions. Revenue is recognized at fair value based upon the published rates at cryptocurrency exchanges and the mined cryptocurrency is immediately paid to the Company's cryptocurrency wallet.

During 2022, the Company began providing hosting services under its contract with BITMAIN discussed in Note 4. The Company allocates the transaction price for contracts with multiple performance obligations to each separate and distinct performance obligation based on an estimate of the standalone selling price of each distinct service in the contract. The Company's performance obligations are 1) to establish the infrastructure and commence operation of the hosting service, and 2) to host the customer's miners at its location in South Carolina and ensure operation is continuous. The revenue from the Company's completion of its performance obligation for commencement of operations of the hosting center is recognized at a point in time when the site became operational as a development fee. The Company's hosting revenue is based on the agreed upon per kilowatt hour price within the contracts, and revenue from the hosting services performance obligation is earned and recognized by the Company over time as the hosting service is provided to the customer. There is no significant financing component under the contract.

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 December, 2023 and 2022, the Company had deferred revenue of \$60,000, related to unsatisfied performance obligations. These performance obligations are expected to be satisfied during a period of greater than 12 months.

Advertising and Promotion

All costs associated with advertising and promoting products are expensed as incurred. These expenses were \$172,651 and \$160,191 for the years ended December 31, 2023 and 2022, respectively.

Technology and Development

All costs associated with technology and development are expensed as incurred. These expenses were \$0 for the years ended December 31, 2023 and 2022.

Stock-Based Compensation

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. During the year ended December 31, 2023 and 2022, the Company's stock-based compensation expense was \$94,596 and \$5,159,599, respectively.

Income Taxes

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.

Uncertain Tax Positions

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.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of

expected credit losses for financial assets. In April 2019, the FASB issued clarification to ASU 2016-13 within ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, or ASU 2016-13. The guidance is effective for fiscal years beginning after December 15, 2022. The Company adopted this standard on January 1, 2023, which had no material impact on the Company's financial statements.

No other new accounting pronouncements issued or effective during the three months ended March 31, 2023 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 \$8,091,903 and incurred net losses from operations resulting in an accumulated deficit of \$58,204,786 and used \$661,483 of cash from operations during the years ended December 31, 2023, respectively. 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 years ended December 31, 2023 and 2022, an officer of the Company contributed \$11,576 and \$33,832, respectively, in cash to the Company. This same officer paid \$0 and \$20,902 of expenses on behalf of the Company and was repaid \$9,326 and \$0 during the years ended December 31, 2023 and 2022, respectively. These advances are non-interest bearing and due on demand. As of December 31, 2023 and 2022, the Company owed the officer \$12,716 and \$20,902, respectively.

A greater than 5% shareholder of the Company is the owner of BitFive, LLC, the entity with whom the Company has paid for electricity provided to power its self-mining activities, and for the development of its infrastructure to support the Company's future operations under its contract with Bitmain, as disclosed in Note 4. During the year ended December 31, 2021, the Company paid BitFive, LLC a total of \$9,245,521 and paid an additional \$750,000 during the year ended December 31, 2022 for cryptocurrency mining equipment and site development costs. During the year ended December 31, 2022 the Company paid BitFive \$59,015 of costs related to the electricity supply agreement and other hosting costs, included as "Cost of Revenue – Services" in the Company's statement of operations.

The Company has also agreed to pay Bit5ive LLC \$65,000 per month for management services of the Company's infrastructure beginning in April 2022 to service the BITMAIN Service agreement discussed below. During the year ended December 31, 2022, the Company paid a total of \$585,000 to Bit5ive related to this management agreement. Pursuant to the terms of the Management Agreement, we and Bit5ive mutually agreed to terminate the July 23, 2021, Development and Equipment and Purchase and Sale Agreement during the year ended December 31, 2022.

During the year ended December 31, 2022, the Company recognized revenue from hosting services of \$628,466 for hosting services provided to Bit5ive, included in *Revenue – Services* on the Company's Statements of Operations. The payments under the management services contract disclosed above are considered to be a reduction of the transaction price in the revenue contract, and as such were netted against the gross revenue. The Company recognized net revenue of \$43,466 with Bit5ive during the year ended December 31, 2022.

Note 4 – Long-Lived Assets and Other Assets

Property and equipment

Property and equipment, net consist of the following:

	December 31, 2023	December 31, 2022
Cryptocurrency mining equipment, 3 year useful life	\$ 3,434,240	\$ 3,434,240
Cryptocurrency site development costs, 3 year useful life	6,559,000	5,950,000
Furniture and Equipment, 5 year useful life	17,780	17,780
Total property and equipment	10,011,020	9,402,020
Less accumulated depreciation	(8,197,233)	(5,981,176)
Total property and equipment, net	\$ 1,813,787	\$ 3,420,844

Depreciation expense was \$2,216,056 and \$5,422,453 for the years ended December 31, 2023 and 2022, respectively, of which \$881 and \$2,160 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.

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 \$5,200,000 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 \$5,950,000 are being depreciated over a 3-year estimated useful life.

In February 2023, the Company was informed that the lease between Litchain Corp and Gaffney Board of Public Works, and consequently the sublease between the Company and Litchain Corp, were cancelled by the Gaffney Board of Public Works. As a result, the Company determined that as of December 31, 2022, certain of the site development costs related to the Gaffney, South Carolina may not be recovered in the normal course of business. As such, the Company recognized additional depreciation expense of \$2,419,444 to fully depreciate those site development costs.

Additionally, the Company determined that the net book value of certain cryptocurrency mining equipment it held exceed current market values of similar products. Accordingly, the Company recognized an impairment loss of \$611,281 during the year ended December 31, 2022 related to the mining assets.

On April 11, 2022, we entered into a Management Services Agreement with Bit5ive. Pursuant to the Management Agreement, Bit5ive agreed to manage our crypto mining operations in Gaffney, South Carolina, maintain adequate staff to operate the facility and maintain the facility, in consideration for a fee of \$3,250 per POD5 per month, subject to a minimum fee of \$32,500 per month. The monthly fee was \$65,000 per month under the agreement. We also agreed to reimburse Bit5ive for all costs and expenses associated with the maintenance of the real property and miners. The Management Agreement had a term of three calendar years, and renews thereafter for successive one calendar year terms, unless terminated within 30 days of each renewal date by either party, and subject to certain customary termination rights for breaches of the agreement, bankruptcies and changes of control of the parties. On May 18, 2023,

the Company terminated the Management Services Agreement with Bit5ive pursuant to its terms for breach of contract.

On April 14, 2023, the Company entered into an agreement with Pantheon Resources, Inc. ("Pantheon") whereby the Company will take over the existing power agreement for a cryptocurrency mining site in Missouri that has previously executed. The Company issued Pantheon 1,400,000 shares of Series B Convertible Preferred Stock with a fair value of \$609,000, which was recorded as property and equipment. The mining assets from South Carolina were all moved to the Company's new Missouri site during the year ended December 31, 2023.

As of December 31, 2023 and 2022, the total "Other Assets" on the Company's balance sheet consisted of the following:

	December 31, 2023	December 31, 2022
Security deposits under Bit5ive agreement, Pennsylvania	\$ -	\$ -
Security deposits to Gaffney Board of Public Works	-	1,388,158
Total Other Assets	<u>\$ -</u>	<u>\$ 1,388,158</u>

During the three months ended June 30, 2023, as a result of the ongoing negotiations with Gaffney Board of Public Works for a new land lease for the Company, the Company determined that the security deposits paid under the sublease with Litchain Corp would likely be used to settle the outstanding payable balance with Gaffney Board of Public Works, and as such applied the deposits totaling \$1,388,158 against the accounts payable balance owed to Gaffney.

Pursuant to the terms of the Management Agreement, we and Bit5ive mutually agreed to terminate the July 23, 2021, Development and Equipment and Purchase and Sale Agreement. During the year ended December 31, 2022, the Company recognized \$628,466 of revenue from hosting services provided to Bit5ive.

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 Technologies"). The Company will provide hosting, operations and maintenance services related to BITMAIN Technologies' mining operations at the Company's locations for 20 megawatts of power. Pursuant to the Service Framework Agreement, BITMAIN Technologies agreed to pay the Company hosting fees equal to the amount of power consumed by hosted services, multiplied by certain per unit hosting fees (\$0.055 per kilowatt hour), subject to certain adjustments and fee waivers during periods that the data center fails to comply with the terms of the agreement and certain pre-agreed maintenance fees (to the extent maintenance services are provided) and pre-agreed operational fees (to the extent operational services are provided). The agreement can be terminated at any time with the mutual consent of the parties, upon the bankruptcy of either party, by either party upon the breach of the agreement by the other party, or by either party in writing for any reason.

In August 2021, the Company and BITMAIN entered into an additional Service Framework Agreement for an additional 180 megawatts of power and related hosting, operations and maintenance services. Pursuant to the Service Framework Agreement, BITMAIN agreed to pay the Company hosting fees equal to the amount of power consumed by hosted services, multiplied by certain per unit hosting fees (\$0.05275 per kilowatt hour), subject to certain adjustments and fee waivers during periods that the data center fails to comply with the terms of the agreement and certain pre-agreed maintenance fees (to the extent maintenance services are provided) and pre-agreed operational fees (to the extent operational services are provided). The agreement can be terminated at any time with the mutual consent of the parties, upon the bankruptcy of either party, by either party upon the breach of the agreement by the other party, or by either party in writing for any reason. The Company received \$792,000 in cash under this agreement in July 2021, and an additional \$792,000 in February 2022 as prepaid hosting fees. The operations under this agreement began at the Company's South Carolina location in March 2022, and the Company recognized the initial \$792,000 development fee as revenue at that point when the performance obligation was satisfied. The remaining \$792,000 deposit was applied towards the hosting fees earned by the Company during the three months ended June 30, 2022.

On November 11, 2022, and effective on September 1, 2022, the Company and BITMAIN entered into a new Service Framework Agreement, which amended and replaced the June 2021 agreement with BITMAIN, to increase the hosting service fee from \$0.055 per kilowatt hour to \$0.07 per kilowatt hour for a total of 20MW of electricity.

The Company does not have a minimum power supply agreement for sourcing the electricity to service this contract and will pay market rates for the electricity that it receives at its South Carolina location described above. The Company is currently not providing services to Bitmain due to the cancellation of its lease in South Carolina described above. During the year ended December 31, 2023, the Company recorded an allowance for credit losses of \$897,192 related to Bitmain accounts receivable.

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. During the year ended December 31, 2021, the Company earned a total of approximately 18.36 Bitcoin, which had a value in aggregate of \$959,677 based on the prevailing marketing price on the date each coin was earned by the Company. 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 years ended December 31, 2023 and 2022:

Cryptocurrency at December 31, 2021	\$ 313,021
Additions of cryptocurrency	770
Impairment of cryptocurrency	(29,927)
Payments of cryptocurrency	(276,891)
Cryptocurrency at December 31, 2022	6,973
Impairment of cryptocurrency	(6,973)
Cryptocurrency at December 31, 2023	\$ -

The Company deposited a total of approximately 4.87 Bitcoin in connection with the Gaffney SC location lease, and recognized a loss of \$69,925 on these 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.

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 December 31, 2022 and 2021, respectively:

Fair Value Measurements at December 31, 2023			
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 142,223	\$ -	\$ -
Accounts receivable	-	-	-
Total assets	142,223	-	-
Liabilities			
Convertible note payable, net of discounts, including notes in default	-	3,538,975	-
Bridge notes payable	-	5,132,000	-
Due to related party	-	12,716	-
Derivative liability	-	-	1,360,997
Total liabilities	-	-	(1,360,997)
	\$ 142,223	\$ (8,683,691)	\$ (1,360,997)
Fair Value Measurements at December 31, 2022			
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 317,627	\$ -	\$ -
Total assets	317,627	-	-
Liabilities			

Convertible note payable, net of discounts, including notes in default	-	7,719,400	-
Bridge notes payable	-	5,195,500	-
Due to related party	-	-	-
Derivative liability	-	-	161,932
Total liabilities	-	(12,914,900)	(161,932)
	\$ 317,627	\$ (12,914,900)	\$ (161,932)

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 years ended December 31, 2023 and 2022.

Note 6 – Debt

Convertible Notes Payable

Convertible notes payable consists of the following at December 31, 2023 and 2022, respectively:

	December 31, 2023	December 31, 2022
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 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 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

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.

13,250 30,750

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.

12,250 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 December 19, 2024. 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.

2,845,575 6,950,000

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.

12,500 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 December 19, 2024, and convertible at a price fixed at \$2.00, not adjusted for splits.

600,000 600,000

Debt in default

93,400 7,719,400

Debt not in default

3,445,575 -

Total convertible notes payable

3,538,975 7,719,400

Less: unamortized debt discounts

- -

Less: Current portion in default

(93,400) -

Convertible notes payable, net of discounts

\$3,445,575 \$7,719,400

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.

In November 2022, the Company entered into a settlement agreement with an investor to settle \$73,500 of convertible notes payable and accrued interest of \$47,234 via the issuance of 1,400,000 shares of Series B Convertible Preferred Stock which were issued in January 2023. The Company recognized a loss of \$484,511 in connection with this settlement including the reduction of \$104,55 in derivative liabilities related to the convertible notes.

On February 15, 2023, RB Capital Partners converted \$2,500 of principal on a \$15,000 convertible note payable into 2,500,000 shares of common stock. The note payable has a principal balance of \$12,500 remaining following the conversion. The Company recognized a loss of \$797,500 on this conversion for the difference in the fair value of the common stock issued and the principal converted.

On March 15, 2023, the Company issued 4,500,000 shares of Series B Preferred Stock to RB Capital Partners in connection with the settlement of a total of \$4,000,000 in convertible debt and accrued interest of \$410,417. The Company and RB Capital Partners also agreed to extend the maturity date of the remaining \$3,550,000 of convertible debt until December 19, 2024. The Company recognized a gain of \$2,456,368 in connection with this settlement including the removal of \$3,451 of derivative liabilities associated with the convertible notes.

On April 12, 2023, the Company and RB Capital Partners amended an April 20, 2021 note with principal of \$250,000 to reduce the conversion price from \$1.50 per share to \$0.01 per share. As a result of this amendment, the Company accounted for the transaction as an extinguishment of debt, and recognized a loss on extinguishment of \$3,507,141. In June 2023, RB Capital converted a total of \$62,400 of accrued interest and \$2,600 of principal on the note into 6,500,000 shares of common stock.

On August 2, 2023, RB Capital converted a total of \$35,000 of principal and accrued interest on the note into 3,500,000 shares of common stock in accordance with the terms of the note payable.

On October 2, 2023, RB Capital converted a total of \$35,000 of principal and accrued interest on the note into 3,500,000 shares of common stock in accordance with the terms of the note payable.

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 a principal balance of \$500,000 and accrued interest of \$30,000.

On July 20, 2022, The Company issued 1,531,667 shares of common stock in settlement of \$22,500 of subscriptions payable, \$45,500 of convertible notes and \$19,000 of accrued interest. The common stock had a fair value of \$433,462, and the Company recognized a loss on extinguishment of \$346,721, after \$87,666 of derivative liabilities were settled with the issuance.

In October and November 2022, the Company issued a total of 1,750,000 shares of Series B Convertible Preferred stock in settlement of \$59,443 of convertible debt, \$68,268 of accrued interest and subscriptions payable of \$40,750. The Series B Convertible Preferred stock had a fair value of \$1,050,000, and the Company recognized a loss on extinguishment of \$881,539, after \$77,934 of derivative liabilities were settled with the issuance.

Bridge Notes Payable

The following table summarizes outstanding bridge notes payable as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
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. The shares were issued in July 2022.	\$ 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. The shares were issued in July 2022.	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. The shares were issued in July 2022.	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. The shares were issued in July 2022.	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.	-	35,500
On April 29, 2022, the Company entered into an unsecured bridge loan with ARK Capital, Inc. for \$150,000 in principal bearing interest at 5% and maturing on April 29, 2023.	-	100,000
On May 3, 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 3, 2023.	-	50,000
On June 1, 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 June 1, 2023.	-	50,000
On September 8, 2022, the Company entered into an unsecured bridge loan with RB Capital for \$484,000 with a maturity date of October 9, 2022. The bridge note carries interest of \$16,000 and a late fee of 1% and is secured by 1,000,000 shares of common stock which are owed 10 days after default if not repaid. The Company repaid \$474,000 of principal and \$16,000 of interest during the year ended December 31, 2022. The Company is in default of this agreement. No shares have been issued to date. The Company recognized \$207,000 of expense related to the default shares.	10,000	10,000
On October 7, 2022, the Company entered into an unsecured bridge loan with RB Capital for \$627,000 with a maturity date of November 7, 2022. The bridge note carries interest of \$23,000 and a late fee of 1% and is secured by 1,500,000 shares of common stock which are owed 10 days after default if not repaid. The Company repaid \$377,000 of principal and \$16,000 of interest during the year ended December 31, 2022. The Company is in default of this agreement, and issued the shares in December 2022.	250,000	250,000
On May 16, 2023, the Company entered into an unsecured, non interest bearing bridge loan with ARK Capital, Inc. for \$27,000 in principal maturing on May 16, 2024. The Company also received an additional \$25,000 in proceeds from ARK Capital, with no agreement.	52,000	-

On June 5, 2023, the Company entered into an unsecured bridge loan with RB Capital for \$75,000 in principal bearing interest at 5% and maturing on September 5, 2023.	75,000	-
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On August 11, 2023, the Company entered into an unsecured bridge loan with RB Capital for \$20,000. The bridge note carries interest of \$1,000.	20,000	-
And matured on November 11, 2023.		

On October 1, 2023, the Company entered into an unsecured bridge loan with RB Capital for \$25,000. The bridge note carries interest of \$1,000.	25,000	-
And matured on November 15, 2023.		

	<hr/>	<hr/>
Total bridge notes payable	\$ 5,132,000	\$ 5,195,500
	<hr/>	<hr/>

On July 18, 2022, RB Capital Partners was issued a total of 2,000,000 shares of common stock as payment of the collateral underlying the bridge loans due to the Company being in default of the bridge loans. The Company recognized \$602,000 of interest expense related to these issuances based on the fair value of the shares.

On December 1, 2022, RB Capital Partners was issued a total of 1,500,000 shares of common stock as payment of the collateral underlying the bridge loans due to the Company being in default of the bridge loans. The Company recognized \$243,000 of interest expense related to these issuances based on the fair value of the shares.

On November 28, 2022, the Company entered into a debt settlement agreement with Ark Capital, Inc. Per the agreement, Ark Capital, Inc. agrees to settle the \$500,000 bridge loans including principal and interest. In exchange for the cancellation of debt, the Company agrees to issue a total of 2,000,000 shares of its Series B Convertible Preferred Stock. The Series B Convertible Preferred Stock will be issued in three installments. The first issuance shall be 1,000,000 shares issued at the execution of the agreement. The second issuance shall be 500,000 shares issued within a maximum 120 days execution of the agreement. The third issuance shall be 500,000 shares issued within a maximum 240 days execution of the agreement. As of December 31, 2022, the Company issued 1,000,000 shares of Series B Convertible Preferred Stock and recognized a loss of \$245,000 in connection with the settlement of \$250,000 of principal.

During the year ended December 31, 2023, the Company issued the remaining 1,000,000 shares of Series B Convertible Preferred Stock to Ark Capital to settle Bridge notes and accrued interest issued prior to December 31, 2022. The Company retired \$225,500 of principal and \$14,576 related to the issuance and recognized a loss of \$254,924.

Notes payable

On July 11, 2022, the Company entered into an unsecured future receipts financing agreement of \$182,375 and received net proceeds of \$115,454, after fees of \$9,546 and original issue discount of \$57,375. The Company will make bi-weekly payments until the agreement is paid in full, and the agreement is personally guaranteed by the Company's President. As of December 31, 2022, the principal balance was \$79,070 and unamortized discount and deferred finance fees was \$25,573.

On July 29, 2022, the Company entered into an unsecured future receipts financing agreement of \$22,650 and received net proceeds of \$14,275, after fees and original issue discount of \$8,375. The Company will make weekly payments until the agreement is paid in full, and the agreement is personally guaranteed by the Company's President. As of December 31, 2022, the principal balance was \$1,235 and unamortized discount and deferred finance fees was \$0.

On August 17, 2022, the Company entered into an unsecured future receipts financing agreement of \$52,500 and received net proceeds of \$31,500, after fees and original issue discount of \$21,000. The Company will make weekly payments until the agreement is paid in full, and the agreement is personally guaranteed by the Company's President. As of December 31, 2022, the principal balance was \$0 and unamortized discount and deferred finance fees was \$0.

In September 2022, the Company entered into a Premium Finance Agreement related to an insurance policy. The policy premiums total \$42,800 for a one-year policy period. The Company financed \$42,800 of the policy over a eleven month period. The monthly payments under the agreement are due in eleven installments of \$3,989, at an annual interest rate of 4.99%. During the year ended December 31, 2023, the policy was cancelled.

On October 9, 2023, the Company entered into an agreement with Pantheon whereby the Company agreed to reimburse Pantheon for the costs of the movement of the equipment and reconfiguration for a total of \$469,500. The Company will pay interest of 15% per year. If amounts are not repaid after 12 months, the rate increases to 20% per year. The balance of the note payable was \$469,500 as of December 31, 2023.

The Company recognized interest expense on convertible notes payable and the bridge notes payable for the years ended December 31, 2023 and 2022, respectively, as follows:

	December 31, 2023	December 31, 2022
Interest on debt	\$ 961,383	\$ 1,489,573
Amortization of debt discounts	275,573	1,509,352
Total interest expense	<u>\$ 1,236,956</u>	<u>\$ 2,998,925</u>

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 are included in the value of the derivative. Pursuant to ASC 815-15 Embedded Derivatives, the fair values of the variable conversion option 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 \$12,500 of convertible note principal as of December 31, 2023.

The following is a summary of changes in the fair market value of the derivative liability during the years ended December 31, 2023 and 2022:

	Derivative Liability Total
Balance, December 31, 2021	\$ 2,394,380
Increase due to issuances of convertible notes payable	82,798
Increase due issuance of warrants	73,330
Decrease due to conversion and settlement of debt	(227,831)
Change in fair market value of derivative liabilities	(2,160,745)
Balance, December 31, 2022	161,932
Fair value on the date of issuance recorded as debt discount	250,000
Excess of fair value above principal	3,507,141
Extinguishment of liability due to conversions	(323,515)
Extinguishment of liability due to debt settlements	(108,006)
Change in fair market value of derivative liabilities	(2,126,555)
Balance, December 31, 2023	\$ 1,360,997

Key inputs and assumptions used to value the convertible debentures outstanding during the years ended December 31, 2023 and 2022:

Year Ended December 31, 2023

- Stock price ranging from \$0.12 to \$0.28.
- Expected Term ranging from 0.5 to 1 year
- Estimated volatility of 120-191%
- Risk-free rate of 4.77 – 5.53%
- Probability of increase in stock price of 75% from December 31, 2023 of 10%
- Probability of decrease in stock price of 50% from December 31, 2023 of 70%
- Total principal value of \$3,526,475
- Total common shares issuable assuming conversion of notes payable as of December 31, 2023 of 19,627,031 and 300,000 shares issuable related to common stock warrants.

Management notes that the inputs used in the valuation of derivative liabilities are unobservable inputs and are inherently subjective. As of December 31, 2023, if the probability of a decrease in the stock price was 10% higher, the derivative liability fair value would be approximately \$154,000 lower and would be approximately \$262,000 lower if there was a 10% increase in the probability of the Company's stock price remaining equal with the December 31, 2023

value. If a 10% higher stock price was used in the probability assessment, the estimated derivative liability would be approximately \$109,000 higher, and would be approximately \$142,000 lower if a 10% lower price was used in the probability assessment.

Year Ended December 31, 2022

- Stock price ranging from \$0.23 to \$1.145.
- Expected Term ranging from 0.5 to 4.7 years
- Estimated volatility of 120-256%
- Risk-free rate of 0.43 – 4.76%
- Probability of increase in stock price of 75% from December 31, 2022 of 30%
- Probability of decrease in stock price of 50% from December 31, 2022 of 50%
- Total principal value of \$7,704,400
- Total common shares issuable assuming conversion of notes payable as of December 31, 2022 of 6,102,392 and 300,000 shares issuable related to common stock warrants.

Management notes that the inputs used in the valuation of derivative liabilities are unobservable inputs and are inherently subjective. As of December 31, 2022, if the probability of a decrease in the stock price was 10% higher, the derivative liability fair value would be approximately \$21,000 lower and would be approximately \$3,000 lower if there was a 10% increase in the probability of the Company's stock price remaining equal with the December 31, 2022 value. If a 10% higher stock price was used in the probability assessment, the estimated derivative liability would be approximately \$12,000 higher, and would be approximately \$3,000 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.

On November 8, 2022, the Company amended its articles of incorporation to increase the authorized common shares to 370,000,000, the total authorized preferred stock to 30,000,000, and to increase the number of designated Series B Convertible Preferred stock to 20,000,000 shares. On April 21, 2023, the Company amended its articles of incorporation to increase the authorized preferred stock to 70,000,000, and to increase the number of designated Series B Convertible Preferred Stock to 30,000,000.

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. On November 8, 2022, the authorized Series B Convertible Preferred Stock was increased to 20,000,000 shares. 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 were issued in June 2022. The Company also issued Minerset an additional 264,589 shares of Series B Convertible Preferred stock for services, with the fair value of \$100,646 recognized as stock-based compensation expense during the three months ended June 30, 2022. During the three year ended December 31, 2022, the Company issued 5,400,000 shares of Series B Convertible Preferred stock for services to Minerset, with a fair value of \$4,503,400 based on the fair value of the underlying common shares on an as converted basis at the agreement date.

During the year ended December 31, 2022, the Company issued 332,000 shares of Series B Convertible Preferred stock for services to various parties for services, with a fair value of \$145,623 based on the fair value of the underlying common shares on an as converted basis at the agreement date.

On November 28, 2022, the Company entered into a debt settlement agreement with Ark Capital, Inc. Per the agreement, Ark Capital, Inc. agrees to settle the \$500,000 bridge loans including principal and interest. In exchange for the cancellation of debt, the Company agrees to issue a total of 2,000,000 shares of its Series B Convertible Preferred Stock. The Series B Convertible Preferred Stock will be issued in three installments. The first issuance shall be 1,000,000 shares issued at the execution of the agreement. The second issuance shall be 500,000 shares issued within a maximum 120 days execution of the agreement. The third issuance shall be 500,000 shares issued within a maximum 240 days execution of the agreement. As of December 31, 2022, the Company issued 1,000,000 shares of Series B Convertible Preferred Stock and recognized a loss of \$245,000 in connection with the settlement of \$250,000 of principal.

In October and November 2022, the Company issued a total of 1,750,000 shares of Series B Convertible Preferred stock in settlement of \$59,443 of convertible debt, \$68,268 of accrued interest and subscription payable of \$40,750. The Series B Convertible Preferred stock had a fair value of \$1,050,000, and the Company recognized a loss on extinguishment of \$803,605, after \$77,934 of derivative liabilities were settled with the issuance.

In November 2022, the Company entered into a settlement agreement with an investor to settle \$73,500 of convertible notes payable and accrued interest of \$47,234 via the issuance of 1,400,000 shares of Series B Convertible Preferred Stock which were issued in January 2023. The Company recognized a loss of \$484,511 in connection with this settlement including the reduction of \$104,55 in derivative liabilities related to the convertible notes.

On March 15, 2023, the Company issued 4,500,000 shares of Series B Preferred Stock to RB Capital Partners in connection with the settlement of a total of \$4,000,000 in convertible debt and accrued interest of \$410,417. The Company and RB Capital Partners also agreed to extend the maturity date of the remaining \$3,550,000 of convertible debt until December 19, 2024. The Company recognized a gain of \$2,456,368 in connection with this settlement including the removal of \$3,451 of derivative liabilities associated with the convertible notes.

During the year ended December 31, 2023, the Company issued 72,500 shares of Series B Convertible Preferred stock to individuals for services rendered to the Company. The Company recognized stock-based compensation expense of \$66,886 based on the fair value of the stock at the grant date.

On April 13, 2023, the Company issued the remaining 1,000,000 shares of Series B Convertible Preferred Stock to Ark Capital in settlement of its outstanding bridge loans and accrued interest from December 31, 2022 with Ark Capital.

During the year ended December 31, 2022, the Company received a total of \$1,480,000 in cash proceeds from the sale of a total of 1,480,000 shares of Series B Convertible Preferred Stock that were issued. The Company also received cash of \$234,000 in cash proceeds for the subscription of 240,000 shares of Series B Convertible Preferred Stock. During the year ended December 31, 2023, the Company received 372,500 in cash proceeds and issued a total of 517,500 shares of Series B Convertible Preferred stock. As of December 31, 2023, there were 200,000 shares of Series B Convertible Preferred Stock not yet issued related to these subscriptions.

During the year ended December 31, 2023, one investor converted 175,000 shares of Series B Convertible Preferred Stock into 525,000 shares of common stock. The Company repaid \$10,000 to one former investor of Series B Convertible shares.

As of December 31, 2023, there were a total of 21,483,000 shares of Series B Convertible Preferred stock outstanding and 200,000 shares not yet issued related to subscriptions.

Series A & E Preferred Stock

On July 11, 2011, the Company authorized 1,000,000 shares of Series A Convertible Preferred Stock ("Series A"). The Series has a par value of \$0.001 per share, receives no dividends, has no voting rights and is convertible to common stock at an amount of four times the outstanding shares of Series A.

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

During the three months ended March 31, 2023, the Company issued 100,000 shares of common stock to a consultant for services. The Company recognized stock-based compensation of \$27,700 based on the fair value of the stock at the grant date.

On February 15, 2023, RB Capital Partners was issued 2,500,000 shares of common stock related to the conversion of \$2,500 in principal on a convertible note. In May and June 2023, the Company issued a total 6,500,000 shares of common stock to RB Capital Partners related to the conversion of \$2,600 in principal and \$62,400 in accrued interest.

In April 2023, the Company issued 2,850,000 shares to Ark Capital with a fair value of \$498,750 that was recognized as interest expense.

In June 2023 the Company issued 1,000,000 shares of stock to settle subscriptions payable of \$15,000, and recognized a loss of \$45,000.

In April 2023, the Company issued 2,850,000 shares to Ark Capital with a fair value of \$498,750 that was recognized as interest expense.

In June 2023 the Company issued 1,000,000 shares of stock to settle subscriptions payable of \$15,000, and recognized a loss of \$45,000.

On October 24, 2022, the Company submitted an application to uplist its common stock to the Nasdaq Capital Market

On August 29, 2022, the Company entered into an agreement with a consultant to provide services related to uplisting the Company's common stock exchange. The Company will pay cash of \$5,000 per month, and \$50,000 in cash upon a successful uplisting. The Company will issue the consultant 300,000 shares of common stock in exchange for \$300 cash which has not been received to date. The consultant will be issued additional shares in the event of a reverse stock split to maintain 300,000 shares after the stock split, if the stock-split is undertaken as part of the exchange uplisting event. The Company issued common stock warrants to purchase 300,000 shares of common stock for a period of five years at a price of \$0.26 per share. In the event of a reverse stock split, the warrant terms shall remain unchanged. To date, no services have been received under the agreement and no shares of common stock or warrants have been issued to the consultant. The Company recognized stock-based compensation of \$73,500 related to the shares to be issued, included in subscriptions payable on the Company's balance sheet, and \$73,330 related to the common stock warrants to be issued. Due to the lack of sufficient authorized shares to settle convertible instruments, the warrants are accounted for as a derivative liability.

During the year ended December 31, 2022, the Company issued 1,300,000 shares of common stock to a consultant for services. The Company recognized stock-based compensation of \$266,500 related to these issuances based on the fair value of the stock at the grant date.

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 a principal balance of \$500,000 and accrued interest of \$30,000.

On July 18, 2022, RB Capital Partners was issued a total of 2,000,000 shares of common stock as payment of the collateral underlying the bridge loans due to the Company being in default of the bridge loans. The Company recognized \$602,000 of interest expense related to these issuances based on the fair value of the shares.

On December 1, 2022, RB Capital Partners was issued a total of 1,500,000 shares of common stock as payment of the collateral underlying the bridge loans due to the Company being in default of the bridge loans. The Company recognized \$243,000 of interest expense related to these issuances based on the fair value of the shares.

On July 20, 2022, the Company issued 1,531,667 shares of common stock in settlement of \$22,500 of subscriptions payable, \$45,500 of convertible notes and \$19,000 of accrued interest. The common stock had a fair value of \$433,462, and the Company recognized a loss on extinguishment of \$258,755, after \$87,666 of derivative liabilities were settled with the issuance.

On December 29, 2022, Ark Capital, Inc. was issued a total of 1,755,000 shares of common stock as settlement of a \$5,000 subscription payable Ark Capital acquired from another holder. The Company recognized a loss on the settlement of \$300,370 related to these issuances based on the fair value of the shares at the time of conversion.

As of December 31, 2022, the balance of subscriptions payable for common stock was \$709,044 for 1,301,125 shares of common stock.

During the year ended December 31, 2022, an officer of the Company contributed \$33,832 in cash to the Company.

Note 9 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the years ended December 31, 2023 and 2022, the Company incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2023, the Company had approximately \$28,498,000 of federal net operating losses. The historical federal net operating loss was lost upon the subsequent merger and dissolution of FIMA, Inc. The net operating loss carry forwards, if not utilized, will begin to expire in 2034.

The components of the company's deferred tax asset are as follows:

	December, 31 2023	December, 31 2022
Deferred tax assets:		
Net operating loss carry forwards	\$ 6,263,748	\$ 5,164,748
Net deferred tax assets before valuation allowance	\$ 6,263,748	\$ 5,164,748
Less: Valuation allowance	(6,263,748)	(2,934,748)
Net deferred tax assets	\$ -	\$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2023 and 2022, respectively.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and state statutory income tax rate to pre-tax loss is as follows:

	December 31, 2023	December 31, 2022
Federal and state statutory rate	21%	21%
Change in valuation allowance on deferred tax assets	(21%)	(21%)

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 10 – 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.

Settlement Agreement

In April of 2017, the Company entered into a settlement agreement with regard to disputed compensation owed to a former employee. Pursuant to the settlement agreement, the Company is to pay a total of \$72,000 over eight monthly payments of \$9,000 commencing on April 28, 2017. The Company incurs late fees of \$500 per month if payments are not made. In August, 2021, the Company agreed to a settlement with the third party, whereby the Company agreed to pay \$100,000 in cash and issued 200,000 shares of stock that had a fair value of \$174,200. The cash was paid, and the Company recognized a loss of \$186,700 on the full settlement of the liability.

On November 11, 2022, the Company and Alonzo Pierce, the Company's Chairman, entered into a settlement and mutual release agreement with a third party convertible note holder, settling a lawsuit brought against the Company by the note holder for alleged failure to pay such convertible promissory note in the amount of \$85,000. We agreed to pay \$50,000 to the plaintiff and issue 1,000,000 shares of common stock and 400,000 shares of Series B Preferred Stock to the plaintiff, and the plaintiff agreed to certain lock-up and leakout terms regarding the sale of such shares. The shares include certain call option rights to the Company. The settlement agreement also included mutual releases of the parties and confidentiality obligations. In January 2023, the Company issued 1,400,000 shares of Series B Preferred Stock related to full settlement of agreement, including \$73,500 of convertible notes payable and accrued interest of \$47,234.

Commitments

On October 21, 2023, the Company entered into a service and maintenance agreement with Pantheon whereby Pantheon will provide maintenance services at the Missouri location. The agreement is cancellable with 30 days' notice by either party. This agreement was cancelled in 2024 when the Company entered into a new agreement for service and maintenance at the Missouri Site. as disclosed in Note 13.

On October 4, 2023, the Company entered into an employment agreement with Lawrence Davis to act as Chief Operating Officer for the Company. The agreement is cancelable by either party with 30 days' notice. Compensation under the agreement will be determined at a future date.

On October 4, 2023, the Company entered into an employment agreement with Sam Escobar to act as Director of Ground Operations for the Company. The agreement is cancelable by either party with 30 days' notice. Compensation under the agreement will be determined at a future date.

On October 5, 2023, the Company entered into an employment agreement with Bryan O'Hare, an investor in the Company's Series B Preferred Stock, to act as Director of Business Development for the Company. The agreement is cancelable by either party with 20

days' notice. Compensation under the agreement will be determined at a future date.

Note 11 – 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. At December 31, 2022, the Company was owed \$50,000 by PHH for the amount due under the profit sharing agreement included in current assets of discontinued operations and current liabilities of discontinued operations, respectively. The Company recorded a write down of the \$50,000 receivable during the year ended December 31, 2023.

Note 12 – Segment Information and Disaggregated Revenue

The Company operates through its single operating segment of cryptocurrency operations, including self-mining activities in 2021 and hosting services beginning in 2022. The Company formerly operated home health care management services, alcoholic beverage sales, and cannabinoid product sales.

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

	Year Ended December 31,	
	2023	2022
Revenue – Hosting services	\$ 922,192	\$ 4,581,599
Revenue – Development fees	-	792,000
Revenue – Cryptocurrency self-mining	-	770
Total Revenue	\$ 922,192	\$ 5,374,369

The Company's hosting service revenue was primarily related to one customer, Bitmain, under the terms of the Service Framework agreement discussed in Note 4, which accounted for 68% and 99% of hosting service revenue and all development fees, and Bit5ive represents 32% and 1% of hosting service revenue during the year ended December 31, 2023 and 2022, respectively.

Note 13 – Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were available for issuance on April 15, 2024.

On February 12, 2024, RB Capital Partners, Inc. filed an arbitration proceeding against the Company related to the bridge loans and related accrued interest and late fees, totaling \$5,841,190. The Company has filed a counterclaim against RB Capital Partners to request a declaratory judgement action in the Company's favor.

On March 6, 2024, the Company issued 2,696,200 shares of common stock related to full conversion of a \$13,481 note payable.

On March 8, 2024, the Company entered into a land lease and utilities management agreement with BlockChain Energy Services, LLC ("BES") in Missouri. The Company agreed to pay \$200,000, to be paid from profits generated from its self-mining activities. For the first month, any self-mining activities will be split 60% to the Company and 40% to BES, and 70% to the Company 30% to BES for the second month and forward until the amount is paid in full. Therefore, the Company will retain 80% of self-mining revenue and BES will receive 20%. The land lease has an indefinite term and may be terminated by either party with 30 days notice.