

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 814-00175

TimefireVR Inc.
(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

86-0490034
(I.R.S. Employer
Identification Number)

7600 E. Redfield Rd., #100, Building A
Scottsdale, AZ
(Address of principal executive offices)

85260
(Zip Code)

(888) 875-9928
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of August 21, 2017, there were 47,269,804 shares of the registrant's \$.001 par value common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

**TIMEFIREVR INC.
(FORMERLY ENERGYTEK CORP.)
CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current Assets:		
Cash	\$ 10,163	\$ 225,379
Escrow fund	8,309	79,855
Accounts receivable	341	—
Deposit on contract	—	75,000
Prepaid expenses and other current assets	183,750	119,545
Total current assets	202,563	499,779
Other Assets:		
Property and equipment, net	32,431	38,735
Deposit	41,876	44,876
Total Assets	\$ 276,870	\$ 583,390
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 289,354	\$ 34,450
Convertible notes payable, net of discount	638,695	—
Convertible note payable - related party, net of discount	98,261	—
Accrued interest	119,603	—
Total current liabilities	1,145,913	34,450
Long Term Liabilities:		
Derivative liabilities	377,014	4,392,075
Total long term liabilities	377,014	4,392,075
Total liabilities	1,522,927	4,426,525
Commitments and Contingencies	—	—
Mezzanine Equity		
Preferred Series A stock, par value \$.01 per share, 134,000 shares authorized; 133,334 shares issued and outstanding at June 30, 2017 and December 31, 2016. Stated at redemption value.	1,500,004	1,500,004
Shareholders' Equity/(Deficit):		
Preferred Stock, par value \$.01, 10,000,000 shares authorized all series:		
Preferred Series A-1 stock, par value \$.01 per share, 21,000 shares authorized; 14,923 and 20,371 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	149	204
Preferred Series B stock, par value \$.01 per share, 300,000 shares authorized; no shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	—	—
Preferred Series C stock, par value \$.01 per share, 502 and 615 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	5	6
Common stock, par value \$.001 per share, 500,000,000 shares authorized; 47,269,804 and 44,520,065 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	47,270	44,520
Additional paid-in capital	(811,652)	(1,518,484)
Accumulated deficit	(1,981,833)	(3,869,385)
Total shareholders' equity/(deficit)	(2,746,061)	(5,343,139)
Total Liabilities and Shareholders' Equity/(Deficit)	\$ 276,870	\$ 583,390

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

TIMEFIREVR INC.
(FORMERLY ENERGYTEK CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
Revenues	\$ 488	\$ —	\$ 488	\$ 203,640
Cost of sales	146	—	146	—
Gross profit	<u>342</u>	<u>—</u>	<u>342</u>	<u>203,640</u>
Operating expenses:				
Research and development	344,001	149,778	792,892	338,732
Occupancy	20,135	8,470	43,342	17,481
Depreciation and amortization	3,151	3,097	6,303	5,995
Officer compensation	108,864	—	462,915	—
Professional fees	341,912	3,500	644,366	4,828
Other operating expenses	6,047	1,783	33,841	6,768
Total operating expenses	<u>824,110</u>	<u>166,628</u>	<u>1,983,659</u>	<u>373,804</u>
Loss from operations	(823,768)	(166,628)	(1,983,317)	(170,164)
Other income (expense):				
Change in fair value of derivative	1,391,883	—	4,015,061	—
Interest income	—	—	2	—
Interest expense	(109,255)	(4,201)	(144,194)	(6,113)
Total other income (expense)	<u>1,282,628</u>	<u>(4,201)</u>	<u>3,870,869</u>	<u>(6,113)</u>
Income/(loss) before income taxes	458,860	(170,829)	1,887,552	(176,277)
Income tax expense	—	—	—	—
Net income/(loss)	<u>458,860</u>	<u>(170,829)</u>	<u>1,887,552</u>	<u>(176,277)</u>
Basic net income/(loss) per common share	<u>\$ 0.01</u>	<u>\$ (0.00)</u>	<u>\$ 0.04</u>	<u>\$ (0.00)</u>
Diluted net income/(loss) per common share	<u>\$ 0.01</u>	<u>\$ (0.00)</u>	<u>\$ 0.03</u>	<u>\$ (0.00)</u>
Basic weighted average common shares outstanding	<u>46,245,375</u>	<u>41,400,000</u>	<u>45,558,859</u>	<u>41,400,000</u>
Diluted weighted average common shares outstanding	<u>69,461,003</u>	<u>41,400,000</u>	<u>68,774,487</u>	<u>41,400,000</u>

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

TIMEFIREVR INC.
(FORMERLY ENERGYTEK CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	June 30, 2017	June 30, 2016
Operating Activities:		
Net income/(loss)	\$ 1,887,552	\$ (176,277)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,303	5,995
Common stock issued for services	242,500	—
Options issued for services	338,334	—
Change in derivative liability	(4,015,061)	—
Restricted stock units issued for services	128,693	—
Interest expense from amortization of debt discount	24,456	—
Unearned revenue - related party	—	(156,000)
Changes in operating assets and liabilities:		
Accounts receivable	(341)	—
Prepaid expenses and other current assets	(64,205)	1,000
Deferred contracted software development costs - related party	—	55,938
Escrow fund	71,546	—
Deposits	78,000	(3,000)
Accrued interest	119,603	5,439
Accounts payable and accrued expenses	254,904	8,022
Net Cash Used in Operating Activities	(927,716)	(258,883)
Investing Activities:		
Purchases of property and equipment	—	(8,736)
Net Cash Used in Investing Activities	—	(8,736)
Financing Activities:		
Capital contributions	—	325,000
Net proceeds from convertible notes payable	617,500	—
Net proceeds from convertible notes payable - related party	95,000	—
Net Cash Provided by Financing Activities	712,500	325,000
Net Increase in Cash	(215,216)	57,381
Cash - Beginning of Period	225,379	3,165
Cash - End of Period	\$ 10,163	\$ 60,546
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of Series C Preferred stock to common stock	\$ 1,130	\$ —
Conversion of Series A-1 Preferred stock to common stock	\$ 545	\$ —
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$ 135	\$ 674
Income taxes paid in cash	\$ —	\$ —

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

TIMEFIREVR INC.
(FORMERLY ENERGYTEK CORP.)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Use of Estimates

Basis of Presentation and Organization and Reorganization

TimefireVR Inc. ("Timefire" or the "Company"), formerly EnergyTek Corp., is a Nevada corporation. Effective September 13, 2016, TimefireVR Inc. entered into an Agreement and Plan of Merger ("Merger Agreement") through which it acquired Timefire, LLC, a Phoenix-based virtual reality content developer that is an Arizona Limited Liability Company. As consideration for the merger, the Company issued the equity holders of Timefire, LLC a total of 41,400,000 shares of its common stock, and 2,800,000 five year warrants exercisable at \$0.58 per share for 100% of the membership interests of Timefire, LLC. As a result, the former members of Timefire, LLC owned approximately 99% of the then outstanding shares of common stock.

For accounting purposes, the transaction has been recorded as a reverse recapitalization, with Timefire, LLC as the accounting acquirer. Consequently, the historical pre-merger financial statements of Timefire, LLC are now those of the Company. The 41,400,000 shares of common stock issued in the transaction are shown as outstanding for all periods presented in the same manner as a stock split. The accompanying consolidated financial statements reflect the consolidated operations of the Company from September 13, 2016.

On November 14, 2016, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada to change the Company's name to TimefireVR Inc. and implement a reverse stock split of its common stock at a ratio of one-for-10. The resulting par value difference was charged to additional paid in capital. The name change and reverse stock split each became effective November 21, 2016.

Unaudited Interim Financial Statements

The interim condensed consolidated financial statements of the Company as of June 30, 2017 and 2016, and for the periods then ended, are prepared in accordance with the instructions to Form 10-Q. Accordingly, the accompanying condensed consolidated financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America. However, in the opinion of management, the interim financial statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 2017 and the results of its operations and its cash flows for the periods ended June 30, 2017 and 2016. These results are not necessarily indicative of the results expected for the year ended December 31, 2017. The financial statements should be read in conjunction with the latest annual financial statements filed with the Securities and Exchange Commission on Form 10-K. The balance sheet as of December 31, 2016 has been derived from the audited financial statements included in that filing.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All significant intercompany transactions and balances have been eliminated. Equity investments through which we exercise significant influence over but do not control the investee and are not the primary beneficiary of the investee's activities are accounted for using the equity method where applicable.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates. Significant estimates of the Company include accounting for depreciation and amortization, derivative liability, accruals and contingencies, the fair value of Company common stock and the estimated fair value of warrants.

Revenue Recognition

The Company uses Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 605 for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the sales price is fixed or determinable, and (iii) collectability is reasonably assured.

Cash and Cash Equivalents

The Company considers all highly liquid instruments, with original maturity of three months or less when purchased, to be cash equivalents.

Escrow Fund

Pursuant to the Series A Preferred Stock Securities Purchase Agreement ("SPA") (see Note 7), the Company was required to hold an initial amount of \$215,000 in cash in escrow. The cash is restricted to be used for certain expenses as defined in the SPA. In addition, for the 24 months following the closing of the SPA, the Company is required to deposit 15% of the gross proceeds of any offering of securities with the Company or any cash exercise of any common stock equivalents, including cash proceeds from the exercise of any warrants issued to investors involved with the SPA.

On March 3, 2017, the Company received financing via notes payable (see Note 4). Per the terms of those notes, the Company was required to put \$100,000 of the proceeds into the escrow account. As of June 30, 2017, \$306,691 has been disbursed from the escrow account, leaving a remaining balance of \$8,309.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for on the straight-line method, over the estimated useful lives of the assets. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Betterments or renewals are capitalized when incurred. Gains and losses on the disposition of property and equipment are recorded in the period incurred.

The estimated useful lives of property and equipment are:

- Office furniture and equipment 5 years

Impairment of Long-Lived Assets and Amortizable Intangible Assets

The Company follows ASC 360-10, "Property, Plant, and Equipment," which established a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Business Segments

ASC 280, "Segment Reporting" requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has one operating segment as of June 30, 2017.

Income Taxes

The Company accounts for income taxes under FASB ASC 740, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Stock-Based Compensation

In accordance with ASC No. 718, Compensation – Stock Compensation ("ASC 718"), the Company measures the compensation costs of stock-based compensation arrangements based on the grant date fair value of granted instruments and recognizes the costs in the financial statements over the period during which such awards vest. Stock-based compensation arrangements include stock options and restricted stock awards.

Equity instruments ("instruments") issued to non-employees are recorded on the basis of the fair value of the instruments, as required by ASC 718. ASC No. 505, Equity Based Payments to Non-Employees ("ASC 505"), defines the measurement date and recognition period for such instruments. In general, the measurement date is (a) when a performance commitment, as defined, is reached or (b) when the earlier of (i) the non-employee performance is complete and (ii) the instruments are vested. The measured fair value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in ASC 505.

Net Income/(Loss) Per Share

Basic earnings per share does not include dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of an entity. Dilutive securities are not included in the weighted average number of shares when inclusion would be anti-dilutive. As of June 30, 2017 and 2016, there were total shares of 23,215,628 and 0, respectively, issuable upon conversion of preferred stock, exercise of warrants and options.

Fair Value Measurements

ASC 820 Fair Value Measurements defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1- fair value measurements are those derived from quoted prices (unadjusted in active markets for identical assets or liabilities);

Level 2- fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3- fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments classified as Level 1 - quoted prices in active markets include cash.

These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. In addition, since estimates are as of a specific point in time, they are susceptible to material near-term changes. Changes in economic conditions may also dramatically affect the estimated fair values.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2017. The respective carrying value of certain financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash, accounts payable and accrued expenses.

Derivative Liability

The Company issued common stock warrants in September 2016 in conjunction with the Merger Agreement and the Securities Purchase Agreement. Additional warrants were issued in March 2017 as part of a private placement offering (see Note 4). In accordance with Accounting Standards Codification ("ASC") 480, *Distinguishing Liabilities from Equity* ("ASC 480"), the fair value of these warrants is classified as a liability on the Company's Condensed Consolidated Balance Sheets because, according to the warrants' terms, a fundamental transaction could give rise to an obligation of the Company to pay cash to certain warrant holders and the Company has concluded that the remaining warrants are not indexed to the Company's common stock. Corresponding changes in the fair value of the warrants are recognized in earnings on the Company's Consolidated Statements of Operations in each subsequent period.

The fair value of the warrants at June 30, 2017 and December 31, 2016 was \$377,014 and \$4,392,075, respectively. The difference has been recorded as a change in change in fair value of derivative.

Subsequent Events

In accordance with ASC 855 "Subsequent Events" the Company evaluated subsequent events after the balance sheet date.

2. Going Concern

The Company has incurred losses since inception and requires additional funds for future operating activities. The Company's selling activity has not reached a level of revenue sufficient to fund its operating activities. These factors create an uncertainty as to how the Company will fund its operations and maintain sufficient cash flow to operate as a going concern. The combination of these factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in response to these factors include the issuances of debt in exchange for cash such as that which is described in Note 9, Subsequent Events.

The Company's ability to meet its cash requirements in the next year is dependent upon obtaining additional financing. If this is not achieved, the Company will be unable to obtain sufficient cash flow to fund its operations and obligations, and as a result there is substantial doubt the Company will be able to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, and accordingly, do not include any adjustments relating to the recoverability and classification of recorded asset amounts; nor do they include adjustments to the amounts and classification of liabilities that might be necessary should the Company be unable to continue operations or be required to sell its assets.

3. Reverse Recapitalization

The Company accounted for the Merger Agreement with Timefire as a reverse recapitalization, with Timefire being the accounting acquirer. In its determination that Timefire was the accounting acquirer, the Company considered pertinent facts and circumstances, including the following: (i) the Timefire owners received the largest portion of the voting rights of the combined entity; (ii) the management team of the combined entity is primarily comprised of owners or management of Timefire; (iii) the Board of Directors of the combined entity is primarily comprised of owners, management or affiliates of Timefire; (iv) the continuing business of the combined entity will be the business of Timefire.

4. Convertible Notes Payable

On March 6, 2017, the Company closed on a private placement offering (the "Offering") with institutional investors and one director (the "Investors") pursuant to which the Company issued and sold the Investors Senior Convertible Notes (the "Notes") in the aggregate principal amount of \$750,000, with an original issue discount of 5%, for gross proceeds to the Company of \$712,500 prior to payment of \$20,000 in reimbursement of legal fees of the lead Investor. The Notes mature on September 3, 2017 (the "Maturity Date") and bear interest at 8% per annum. On the Maturity Date, the Company must repay an amount equal to 120% of outstanding principal and accrued interest. On the Maturity Date (and subsequently, if the Holders elect to extend the Maturity Date), the Investors may elect to convert the Notes into common stock of the Company at \$0.30 per share, subject to adjustment (the "Conversion Price"). In addition, the Notes were redeemable by the Company up to 90 days following issuance at an amount equal to 110% of outstanding principal and accrued interest, and thereafter at an amount equal to 120% of outstanding principal and accrued interest, subject in either case to an increase under certain circumstances. As additional consideration, the Company issued the Investors a total of 2,500,000 five-year warrants to purchase the Company's common stock, which are exercisable on or after the Maturity Date at \$0.35 per share.

The original issue discount interest expense will be amortized over the life of the Notes.

	June 30, 2017
Convertible notes payable, net of \$11,305 discount	\$ 638,695
Convertible note payable – related party, net of \$1,739 discount	98,261

5. Related Party Transactions

As discussed in Note 4, on March 6, 2017, the Company closed on an Offering that included a Company director as an investor. This investor's note is for \$100,000.

On June 2, 2017, the Company entered into an agreement with an entity managed by a former director of the Company to provide services to the entity. A retainer deposit of \$57,400 was received.

6. Commitments and Contingencies

Employment Agreements

Effective September 13, 2016, the Company entered into an employment agreement with its then Chief Executive Officer ("CEO"). The agreement was for a two year period at the rate of \$150,000 per annum. The agreement could automatically be extended for additional terms of one year each unless terminated by either party. In addition to other customary benefits, the CEO was granted 500,000 restricted stock units ("RSUs") which were scheduled to vest over a two year period. Effective January 31, 2017, the Company entered into an agreement with its former Chief Executive Officer following his resignation, which terminated the employment agreement and pursuant to which he also agreed to provide certain consulting services to the Company for a period of six months, for a monthly fee of \$12,500. In addition, under the agreement, 333,333 unvested restricted stock units previously granted were immediately vested.

Effective September 13, 2016, the Company entered into an employment agreement with its new President. The agreement is for a two year period at the rate of \$150,000 per annum. The agreement will be automatically extended for additional terms of one year each unless terminated by either party.

Effective September 13, 2016, the Company entered into an employment agreement with its new Chief Strategy Officer, who has since been named our Chief Executive Officer. The agreement is for a two year period at the rate of \$150,000 per annum. The agreement will be automatically extended for additional terms of one year each unless terminated by either party.

Lease Agreements

On September 23, 2016, the Company entered into an office lease agreement commencing October 1, 2016. This lease expires December 31, 2018. A concession of the first five months' rent was provided. After that time, the monthly rent will be \$8,121 for months 6 through 17, and \$8,375 for months 18 through 27. Total rent to be paid over the course of the lease is being expensed ratably over the period of the entire lease, creating a deferred rent liability of \$27,917 as of June 30, 2017. The Company has paid a security deposit of \$41,876.

Other Agreements

On November 11, 2016, the Company entered into a six-month agreement with a firm to act as its corporate communications counsel. The monthly fee for these services is \$6,500. Additionally, the Company issued 125,000 shares of common stock per this agreement for a total expense of \$162,500.

On January 20, 2017, the Company entered into an agreement with a firm to provide their artificial intelligence conversational voice platform for integration into the Company's product. Per the agreement, the Company issued 50,000 shares of common stock and will make scheduled monthly payments towards a \$127,500 integration fee. Additionally, the Company will pay a royalty of 25% of all fees assessed or attributable to their platform.

On March 13, 2017, the Company entered into an agreement with a firm to provide corporate development and strategic advisory services. Per the terms of the agreement, the Company paid \$15,000 upon execution of the contract with an additional fee of \$5,000 due thirty days from execution. Additionally, upon a financing of the Company through a party introduced by the firm, the Company will pay a cash fee of 7% of proceeds and will also issue a warrant to purchase the Company's common shares equal to 7% of the number of shares issued by the Company in a financing.

On November 7, 2016, the Company entered into an agreement with a firm to provide general advisory and business development advisory services for a fee of \$75,000. The Company remitted \$75,000, but the contract was ultimately cancelled and the services were postponed. The amount was recorded as a deposit on contract. Later, on March 27, 2017, the Company entered into an agreement with the same firm to provide these services on an expanded scale for a fee of \$150,000. Per the agreement, the firm applied our previously remitted funds and we paid the remaining \$75,000 balance. In addition to the cash compensation, the firm was also compensated via a one-time equity retainer of 25,000 shares of common stock.

On April 4, 2017, the Company entered into an agreement with a firm to provide management and general business consulting services. The term of the agreement is 24 months, and the firm will be compensated via the issuance of 1,000,000 shares of common stock. 125,000 shares will vest immediately and the remainder of the shares will vest in seven equal tranches of 125,000 shares every 90 days following the commencement of the agreement.

7. Shareholders' Deficit and Series A Preferred Stock

Common Stock

There is currently only one class of common stock. Each share common stock is entitled to one vote. The authorized number of shares of common stock of the Company at June 30, 2017 and December 31, 2016 was 500,000,000 shares with a par value per share of \$0.001. Authorized shares that have been issued and fully paid amounted to 47,269,804 as of June 30, 2017.

On September 13, 2016, the Company entered into a Merger Agreement through which the Company acquired Timefire (See Note 1). As consideration for the merger, the Company issued the equity holders of Timefire a total of 41,400,000 shares of the Company's common stock, and 2,800,000 five year warrants exercisable at \$0.58 per share for 100% of the membership interests of Timefire. The members of Timefire may also be entitled to additional warrants contingent on certain future financings, as defined in the Merger Agreement.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of Preferred stock with a par value of \$0.01 per share, with rights, preferences and limitations as may be decided from time-to-time by the Board of Directors.

Series C

In 2014, the Board of Directors approved the issuance of Series C Preferred Stock ("Series C"). 900 Shares of Series C Preferred Stock were issued in exchange for 900 Shares of previously issued Series A Preferred Stock ("Prior Series A"). Each share of Series C shall be convertible at the option of the holder at any time, into 10,000 shares of common stock. Each holder of Series C shall be entitled to one vote for each share of Series C held. Holders cannot convert their Series C to the extent that after such conversion, they and their affiliates would beneficially own in excess of 9.99% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. In addition, certain holders subsequently agreed to reduce their beneficial ownership limitation to 2.49%. In 2015, 10 Series C shares were converted into 100,000 shares of our common stock. In 2016, holders of 275.46 shares of Series C converted them into 2,754,600 shares of our common stock. During the six months ended June 30, 2017, holders of 113 shares of Series C converted them into 1,130,000 shares of our common stock. At June 30, 2017, there are 501.54 shares of Series C outstanding.

Series A-1

Effective August 24, 2016, the Board of Directors approved the issuance of Series A-1 Preferred Stock ("Series A-1"). The Company entered into agreements with certain note holders under which the note holders agreed to convert an aggregate of \$229,170 in principal and accrued interest into a total of 20,371 shares of Series A-1 Preferred Stock. Each share of Series A-1 shall be convertible at the option of the holder at any time, into 100 shares of common stock. The Series A-1 ranks senior to the common stock and junior to the Series C. Holders of Series A-1 are entitled to receive dividends and vote together with holders of the common stock on an as-converted basis. Holders cannot convert their Series A-1 to the extent that after such conversion, they and their affiliates would beneficially own in excess of 2.49% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. During the six months ended June 30, 2017, holders of 5447.39 shares of Series A-1 converted them into 544,739 shares of common stock. At June 30, 2017, there are 14,923 shares of Series A-1 outstanding.

Series A

Effective September 13, 2016, the Company closed on a Securities Purchase Agreement and the Board of Directors approved the issuance of a newly designated Series A Convertible Preferred Stock ("New Series A"). Pursuant to the agreement the Company issued and sold approximately 133,334 shares of New Series A to certain investors for gross proceeds of \$1,500,004 and 2,586,207 five-year warrants exercisable at \$0.58 per share. The New Series A are convertible into approximately 6,666,684 shares of common stock. Holders cannot convert their New Series A to the extent that after such conversion, they and their affiliates would beneficially own in excess of 2.49% of the Company's common stock, which limitation is waivable upon 61 days' notice to the Company. In addition, the investors were issued a total of 2,586,207 five-year warrants exercisable at \$0.58 per share containing a similar 2.49% ownership blocker.

Each share of New Series A shall be convertible, at the option of the holder, into 50 shares of common stock, subject to certain adjustments. The New Series A ranks senior to all other classes and series of the Company's capital stock. Holders of New Series A are entitled to receive dividends and vote together with holders of the common stock on an as-converted basis. At June 30, 2017, there are 133,334 shares of New Series A outstanding.

New Series A contains certain provisions that are outside the Company's control and which the Company believes cause the New Series A to be classified as mezzanine equity.

Warrants

The balance of warrants outstanding for purchase of the Company's common stock as of June 30, 2017 is as follows:

	Common Shares Issuable Upon Exercise of Warrants	Exercise Price of Warrants	Date Issued	Expiration Date
Balance of warrants at December 31, 2016	5,386,207			
Issued per Offering (1)	2,500,003	\$.35	3/3/2017	9/3/2022
Balance of warrants at June 30, 2017	7,886,210			

(1) On March 3, 2017, per the terms of the Offering (see Note 4), the Company issued warrants at \$.35 to purchase 2,500,003 shares of common stock. The warrants may not be exercised for six months after their effective date of March 3, 2017. The warrants have an expiration date of five years after the initial six months have passed. As of June 30, 2017, the Company has recorded \$130,750 as a derivative liability for these warrants.

2016 Equity Incentive Plan

Effective September 13, 2016, the Company adopted the 2016 Equity Incentive Plan (the "2016 Plan") to provide an incentive to our employees, consultants, officers and directors who are responsible for or contribute to our long range success. A total of 3,300,000 shares of our common stock have been reserved for the implementation of the 2016 Plan, either through the issuance of incentive stock options, non-qualified stock options, stock appreciation rights ("SARs"), restricted awards, or restricted stock units ("RSUs"). Whenever practical, the 2016 Plan is to be administered by a committee of not less than two members of the Board of Directors appointed by the full Board, and the 2016 Plan has a term of ten years, unless sooner terminated by the Board. As of June 30, 2017, 1,145,000 shares of common stock are available for issuance under the 2016 Plan.

Effective September 13, 2016, pursuant to his employment agreement, the Company entered into a Restricted Stock Unit Agreement with its then CEO which granted the CEO 500,000 RSUs pursuant to the 2016 Plan. The RSUs were to vest in three approximately equal increments with the first tranche being fully vested on the grant date and the remaining tranches vesting on the first-year and second-year anniversaries of the grant date. The fair value of the award was calculated based on the price of the common stock on the grant date and is being charged to operations over the vesting period. Effective January 31, 2017, this employment agreement was terminated and the RSUs became fully vested. The Company recorded \$128,693 to expense in connection with the acceleration of the vesting of the remaining amount of this grant during the six months ended June 30, 2017.

On January 20, 2017, the Company granted options to purchase 1,655,000 shares of its common stock at \$.50 to employees including a total of 800,000 options to its Chief Executive Officer and Chief Financial Officer per the 2016 Equity Incentive Plan. The shares will vest based on months of service as of the grant date. Employees that had worked for twelve months or more as of the grant date had one-third of their options vested as of grant date. All other employees received pro-rata vesting for the portion of a year that they had worked. The remaining options will equally vest on the 1st and 2nd anniversary of the grant date. The Company recorded \$338,334 in expense related to this grant in the six months ended June 30, 2017.

8. Fair Value Measurements

Our financial instruments consist of cash, accounts payable, accrued liabilities, and warrant liability. We do not believe that we are exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of the warrants approximates their carrying values using Level 3 inputs. Gains and losses recognized on changes in fair value of the warrants are reported in other income (expense). Our warrant valuation was measured at fair value by applying the Black-Scholes option valuation model, which utilizes Level 3 inputs. The assumptions used in the Black-Scholes option re-valuation for the September 2016 warrants at June 30, 2017 are as follows: dividend yield – 0%; risk-free interest rate - 1.89%; expected life – 4.25 years; volatility 173.552%. The assumptions used for the March 2017 warrants at June 30, 2017 are as follows: dividend yield – 0%; risk-free interest rate - 1.89%; expected life – 5.25 years; volatility 182.574%.

The following summarizes the Company's financial liabilities that are measured at fair value on a recurring basis at June 30, 2017.

	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative liabilities	\$ —	\$ —	\$ 377,014	\$ 377,014

9. Subsequent Events

On July 5, 2017, the Company laid off all non-officer personnel due to lack of available funds. Within a week, the Company was able to bring back four full-time staff members as well as two part-time workers as contractors. Due to the significant reduction in personnel, our ability to continue with product development has been slowed.

During the months of July and August 2017, the Company received two advances totaling \$80,000 from a related party. These are not evidenced by a promissory note at this time. Until otherwise determined, this is considered a short-term demand obligation.

On August 21, 2017, the Company closed on an offering of convertible notes and warrants on terms substantially identical to the March 6, 2017 financing (see Note 4). The purchasers are the same investors as in the March financing except for one person who is a former director that did not participate in this financing. The Company will receive \$60,000 in net proceeds from the issuance of \$63,158 of convertible notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis should be read in conjunction with TimefireVR Inc. financial statements and the related notes thereto. The Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this Report on Form 10-Q. The Company's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. Except as required by U.S. securities laws, the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Report on Form 10-Q.

The following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes and other financial data included elsewhere in this report. See also the notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

OVERVIEW

The Company is a Nevada corporation. Effective September 13, 2016, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") through which the Company acquired Timefire, LLC, a Phoenix-based virtual reality content developer that is an Arizona Limited Liability Company. As consideration for the Merger, the Company issued the equity holders of Timefire a total of 41,400,000 shares of the Company's common stock, and 2,800,000 five year warrants exercisable at \$0.58 per share for 100% of the membership interests of Timefire. As a result, the former members of Timefire owned approximately 99% of the then outstanding shares of common stock. The operations of the Company prior to the acquisition date represent the business of Timefire, LLC. Effective November 21, 2016, the Company effected a 1-for-10 reverse stock split and changed our name to TimefireVR Inc. The foregoing numbers give effect to the reverse split. All references to "we," "our" and "us" refer to the Company and its subsidiaries (including Timefire), unless the context otherwise indicates.

Results of Operations

Total revenue for the three months ended June 30, 2017 and 2016 was \$488 and \$0, respectively. The revenue in 2017 was related to our limited software release effective June 15, 2017.

Operating expenses in the quarter ended June 30, 2017 amounted to \$824,110 as compared to \$166,628 for the quarter ended June 30, 2016. The increase in operating expenses is due to a significant operational ramping up post-merger.

The net income for the three months ended June 30, 2017 was \$458,860 as compared to a net loss of \$170,829 for the quarter ended June 30, 2016. This difference is primarily due to the post-merger operational scale-up which was offset by a \$1,391,883 change in the fair value of the warrants issued to investors. Investors should understand that these warrants either create a non-cash gain or loss which is inverse to the price of the Company's common stock. Because the price was lower on June 30, 2017 than on March 31, 2017, the resulting difference is non-cash income.

Liquidity and Capital Resources

Our balance sheet as of June 30, 2017 reflects \$10,163 in cash. Management is continuing to pursue financing from various sources, including private placements from investors and institutions. We cannot predict, with certainty, the outcome of our actions to generate liquidity, including the availability of additional debt financing, or whether such actions would generate enough liquidity to satisfy our estimated needs for the next twelve months. At this time, our Company does not have a commitment from any broker/dealer to provide additional financing, and does not have sufficient working capital to support operations for the next twelve months. There is no assurance that any additional financing will be available or if available, on terms that will be acceptable. If we can not obtain financing, we will cease operations.

Going Concern

The Company has incurred losses since inception and requires additional funds for future operating activities. The Company's selling activity has not reached a level of revenue sufficient to fund its operating activities. These factors create an uncertainty as to how the Company will fund its operations and maintain sufficient cash flow to operate as a going concern. The combination of these factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

On July 5, 2017, the Company laid off all non-officer personnel due to lack of available funds. Within a week, the Company was able to bring back four full-time staff members as well as two part-time workers as contractors. Due to the significant reduction in personnel, our ability to continue with product development has been slowed.

During the months of July and August 2017, the Company received two advances totaling \$80,000 from a related party. These are not evidenced by a promissory note at this time. Until otherwise determined, this is considered a short-term demand obligation.

On August 21, 2017, the Company closed on an offering of convertible notes and warrants on terms substantially identical to the March 6, 2017 financing. The purchasers are the same investors as in the March financing except for one person who is a former director that did not participate in this financing. The Company will receive \$60,000 in net proceeds from the issuance of \$63,158 of convertible notes.

The Company must pay \$936,000 to retire its convertible notes due September 3, 2017. The Company also borrowed \$80,000 from a related party in July and August; the lender was not issued any promissory note but the Company is treating it as a demand obligation. The Company has no finite plans concerning future financing, although it has had preliminary discussions with one investor about a restructuring which would provide some working capital. No terms have been discussed and any financing will be very dilutive to existing shareholders.

Critical Accounting Policies and Estimates

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of June 30, 2017.

Our management is presently working to identify remediation measures to improve the effectiveness of our disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

Our management has also evaluated our internal control over financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

The Company is not required by current SEC rules to include, and does not include, an auditor's attestation report. The Company's registered public accounting firm has not attested to Management's reports on the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may become subject to various legal proceedings that are incidental to the ordinary conduct of its business. Although the Company cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, it makes provision for potential liabilities when it deems them probable and reasonably estimable. These provisions are based on current information and legal advice and may be adjusted from time to time according to developments.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. RECENT SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We have previously disclosed all sales of securities without registration under the Securities Act of 1933 (the "Act"), other than the following:

In June 2017, we issued 1,000,000 shares of common stock to one holder upon conversion of 100 shares of our Series C Convertible Preferred Stock. The securities were issued and sold in reliance upon the exemption from registration contained in Section 3(a)(9) of the Securities Act of 1933 (the "Securities Act").

Effective August 21, 2017, the Company issued \$63,158 in 5% original discount convertible notes convertible at \$0.30 per share and issued the investors five-year Warrants to purchase up to 210,526 shares of common stock exercisable at \$0.35 per share. The Company has a reasonable belief that the investors are accredited investors who agreed to purchase the securities for investment. The securities were exempt from registration under the Securities Act under Section 4(a)(2) and Rule 506(b) thereunder.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

N/A.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit #	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
2.1	Agreement and Plan of Merger	8-K	9/13/16	2.1	
2.2	Articles of Merger - Nevada	8-K	9/13/16	2.2	
2.3	Statement of Merger - Arizona	8-K	9/13/16	2.3	
3.1	Articles of Incorporation, as amended	S-1	2/8/17	3.1	
3.2	Bylaws, as amended	S-1	2/8/17	3.2	
4.1	Certificate of Designation for Series A-1 Convertible Preferred Stock	8-K	8/30/16	4.1	
4.2	Amended and Restated Certificate of Designation for Series A Convertible Preferred Stock	8-K	9/13/16	4.1	
4.3	Form of Merger Warrant dated September 7, 2016	8-K	9/13/16	4.2	
4.4	Form of Investor Warrant dated September 7, 2016	8-K	9/13/16	4.3	
4.5	Certificate of Correction to Certificate of Designation of the Series C Convertible Preferred Stock filed with the Nevada Secretary of State on May 22, 2014	10-K	3/31/15	4.5	
4.6	Certificate of Amendment to Certificate of Designation of the Series C Convertible Preferred Stock filed with the Nevada Secretary of State on September 19, 2014	10-K	3/31/15	4.6	
4.7	Certificate of Designation of Series C Convertible Preferred Stock filed with the Nevada Secretary of State on May 20, 2014	8-K	5/28/14	4.1	
10.1	Form of Non-Qualified Stock Option under the 2016 Equity Incentive Plan				Filed
10.2	Jonathan Read Severance Agreement dated January 31, 2017	10-K	4/7/17	10.14	
10.3	Form of Securities Purchase Agreement dated March 3, 2017	8-K	3/7/17	10.1	
10.4	Form of Senior Convertible Note dated March 3, 2017	8-K	3/7/17	10.2	
10.5	Form of Warrant dated March 3, 2017	8-K	3/7/17	10.3	
10.6	Form of Convertible Promissory note dated July 15, 2016	8-K	7/27/16	10.1	
10.7	Form of Exchange Agreement dated August 24, 2016	8-K	8/30/16	10.1	
10.8	Form of Convertible Promissory Note dated August 30, 2016	8-K	9/6/16	10.1	
10.9	2016 Equity Incentive Plan	8-K	9/13/16	10.1	
10.10	Employment Agreement – John Wise	8-K	9/13/16	10.2	
10.11	Employment Agreement – Jeffrey Rassas	8-K	9/13/16	10.3	
10.12	Employment Agreement – Jonathan Read	8-K	9/13/16	10.4	
10.13	Restricted Stock Unit Agreement – Jonathan Read	8-K	9/13/16	10.5	
10.14	Securities Purchase Agreement dated September 7, 2016	8-K	9/13/16	10.6	
10.15	Registration Rights Agreement dated September 7, 2016	8-K	9/13/16	10.7	
10.16	Form of Agreement and Mutual Release dated as of July 21, 2016	10-Q	11/8/16	10.11	
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer 302				Filed
32.1	Certification of Principal Executive Officer and Principal Financial Officer (906)				Furnished**
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				Filed

* Management contract or compensatory plan or arrangement.

** This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

Copies of this report (including the financial statements) and any of the exhibits referred to above will be furnished at no cost to our shareholders who make a written request to TimefireVR Inc., at the address on the cover page of this report, Attention: Corporate Secretary.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, this 21st day of August, 2017.

TimefireVR Inc.

Signature

/s/ Jeffrey Rassas
Jeffrey Rassas

Title

Chief Executive Officer and Director

Signature

/s/ Jessica L. Smith
Jessica L. Smith

Title

Chief Accounting and Financial Officer

NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "Agreement") is entered into as of _____, 2017 (the "Grant Date") between TimefireVR Inc. (the "Company") and _____ (the "Optionee").

WHEREAS, by action taken by the Board of Directors (the "Board") it has adopted the 2016 Equity Incentive Plan, as amended (the "Plan"); and

WHEREAS, pursuant to the Plan, it has been determined that in order to enhance the ability of the Company to attract and retain qualified employees, consultants and directors, the Company has granted the Optionee the right to purchase the common stock of the Company pursuant to stock options.

NOW THEREFORE, in consideration of the mutual covenants and promises hereafter set forth and for other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Grant of Non-Qualified Options. On the Grant Date, the Company irrevocably granted to the Optionee, as a matter of separate agreement and not in lieu of salary or other compensation for services, the right and option to purchase all or any part of _____ shares of authorized but unissued or treasury common stock of the Company (the "Options") on the terms and conditions herein set forth. The Optionee acknowledges receipt of a copy of the Plan, as amended.

2. Price. The exercise price of the Options is \$_____ per share.

3. Vesting - When Exercisable.

(a) The Options shall vest as follows: _____ options shall be fully vested on the date of grant. The remainder of the options shall vest in two approximately equal annual increments with the first vesting date being one year from the Grant Date, subject to the Optionee's continued employment on each applicable vesting date. Any fractional vesting shall be rounded first up, then down, to the extent necessary. Notwithstanding any other provision in this Agreement, the Options shall vest immediately on the occurrence of a Change of Control as defined under the Plan. In the event of a Change of Control, the Options shall be assumed or substituted by the successor corporation or a parent or subsidiary of the successor corporation. If the successor corporation refuses to assume or substitute for the Options, all Options immediately prior to the closing of the Change of Control event will automatically be exercised by a net exercise of the Options, under which the Company will not require a payment of the exercise price of the Options in cash but will reduce the number of shares of stock issued upon exercise by a whole number of shares based upon the price paid per share by the successor corporation. For example, if the successor corporation pays \$____ per share and your exercise price is \$____, if you hold _____ options, the Company will issue you _____ shares immediately prior to the Change of Control event. If the successor corporation pays a price per share which is below the exercise price under Section 2, then the Options will terminate immediately upon the Change of Control event if they are not assumed.

(b) Subject to Sections 6.8 - 6.11 of the Plan, any of the vested Options may be exercised prior to and until 6:00 p.m. New York time five years from the Grant Date (the "Expiration Date"). None of the Options may be exercised prior to vesting.

(c) Notwithstanding any other provision of this Agreement, upon resolution of the Board or the Committee (as defined in the Plan), the Options, whether vested or unvested, shall be immediately forfeited if any of the events specified in Sections 14.1 and 14.2 of the Plan, as applicable, occur.

4. Termination of Relationship. The Options granted hereunder shall be subject to the termination provisions under Sections 6.8 - 6.11 of the Plan.

5. Forfeiture and Clawback. The Options granted hereunder shall be subject to the forfeiture and clawback provisions under Sections 14.1 and 14.2 of the Plan.

6. Method of Exercise. The Options shall be exercisable by a written notice in the form attached to this Agreement, which shall:

(a) be signed by the person or persons entitled to exercise the Options and, if the Options are being exercised by any person or persons other than the Optionee, be accompanied by proof, satisfactory to counsel for the Company, of the right of such person or persons to exercise the Options;

(b) be accompanied by full payment of the exercise price by tender to the Company of an amount equal to the exercise price multiplied by the number of underlying shares being purchased either in cash, by wire transfer, or by certified check or bank cashier's check, payable to the order of the Company, or by a cashless exercise in accordance with Section 6(d), below;

(c) be accompanied by payment of any amount that the Company, in its sole discretion, deems necessary to comply with any federal, state or local withholding requirements for income and employment tax purposes. If the Optionee fails to make such payment in a timely manner, the Company may: (i) decline to permit exercise of the Options or (ii) withhold and set-off against compensation and any other amounts payable to the Optionee the amount of such required payment. Such withholding may be in the shares underlying the Options at the sole discretion of the Company.

(d) Cashless Exercise.

(i) No Effective Registration Statement. At any such time that the shares issuable upon exercise of the Options are not registered on a registration statement declared effective by the Securities and Exchange Commission, the Optionee may, in its sole discretion, exercise the Options in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise, elect instead to receive upon such exercise the "Net Number" of shares of common stock determined according to the following formula:

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A = the total number of shares with respect to which the Options are then being exercised.

B = the closing sale price of the shares of common stock on the principal market on which the common stock is then traded on the date immediately preceding the date of exercise, as quoted on such exchange or market on the day of determination and as reported on Bloomberg.com or such other source as the Company deems reliable.

C = the Exercise Price then in effect for the applicable Options at the time of such exercise.

(ii) Effective Registration Statement. At any such time that the shares issuable upon exercise of the Options are registered on a registration statement declared effective by the Securities and Exchange Commission, the Optionee may, in its sole discretion, exercise the Options in whole or in part and, in lieu of making the cash payment, utilize a broker-assisted cashless exercise procedure in accordance with instructions to be provided by the Company.

(e) The certificate or certificates for shares of common stock as to which the Options shall be exercised shall be registered in the name of the person or persons exercising the Options.

7. Anti-Dilution Provisions. The Options granted hereunder shall have the anti-dilution rights set forth in Section 11 of the Plan.

8. Necessity to Become Holder of Record. Neither the Optionee, the Optionee's estate, nor any Permitted Transferee shall have any rights as a shareholder with respect to any shares underlying the Options until such person shall have become the holder of record of such shares. No dividends or cash distributions, ordinary or extraordinary, shall be provided to the holder if the record date is prior to the date on which such person became the holder of record thereof.

9. Reservation of Right to Terminate Relationship. Nothing contained in this Agreement shall restrict the right of the Company to terminate the relationship of the Optionee at any time, with or without cause. The termination of the relationship of the Optionee by the Company, regardless of the reason therefor, shall have the results provided for in Sections 6.8 – 6.10 of the Plan.

10. Conditions to Exercise of Options. If a registration statement on Form S-8 (or any other successor form) is not effective as to the shares of common stock issuable upon exercise of the Options, the remainder of this Section 10 is applicable as to federal law. In order to enable the Company to comply with the Securities Act of 1933 (the "Securities Act") and relevant state law, the Company may require the Optionee, the Optionee's estate, or any Permitted Transferee as a condition of the exercising of the Options granted hereunder, to give written assurance satisfactory to the Company that the shares subject to the Options are being acquired for such person's own account, for investment only, with no view to the distribution of same, and that any subsequent resale of any such shares either shall be made pursuant to a registration statement under the Securities Act and applicable state law which has become effective and is current with regard to the shares being sold, or shall be pursuant to an exemption from registration under the Securities Act and applicable state law.

The Options are further subject to the requirement that, if at any time the Board shall determine, in its discretion, that the listing, registration, or qualification of the shares of common stock underlying the Options upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with the issue or purchase of shares underlying the Options, the Options may not be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected.

11. Sale of Shares Acquired Upon Exercise of Options. If the Optionee is an officer (as defined by Section 16(b) of the Securities Exchange Act of 1934 ("Section 16(b)")) or a director of the Company, any shares of the Company's common stock acquired pursuant to the Options cannot be sold by the Optionee until at least six months elapse from the Grant Date except in case of death or disability or if the grant was exempt from the short-swing profit provisions of Section 16(b).

12. Transfer. No transfer of the Options by the Optionee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the letters testamentary or such other evidence as the Board may deem necessary to establish the authority of the estate and the acceptance by the Permitted Transferee(s) of the terms and conditions of the Options.

13. Duties of the Company. The Company will at all times during the term of the Options:

(a) Reserve and keep available for issue such number of shares of its authorized and unissued common stock as will be sufficient to satisfy the requirements of this Agreement;

(b) Pay all original issue taxes with respect to the issuance of shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith;

(c) Use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

14. Parties Bound by Plan. The Plan and each determination, interpretation or other action made or taken pursuant to the provisions of the Plan shall be final and shall be binding and conclusive for all purposes on the Company and the Optionee and the Optionee's respective successors in interest.

15. Severability. In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.

16. Arbitration. Except to the extent a party is seeking equitable relief, any controversy, dispute or claim arising out of or relating to this Agreement, or its interpretation, application, implementation, breach or enforcement which the parties are unable to resolve by mutual agreement, shall be settled by submission by either party of the controversy, claim or dispute to binding arbitration in Maricopa County, Arizona (unless the parties agree in writing to a different location), before a single arbitrator in accordance with the rules of the American Arbitration Association then in effect. The decision and award made by the arbitrator shall be final, binding and conclusive on all parties hereto for all purposes, and judgment may be entered thereon in any court having jurisdiction thereof.

17. Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns.

18. Notices and Addresses. All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing and shall be delivered to the addresses in person, by FedEx or similar receipted delivery as follows:

The Optionee: at the address on the Signature Page

The Company: _____

with a copy to: _____

or to such other address as either of them, by notice to the other may designate from time to time.

19. Attorney's Fees. In the event that there is any controversy or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, and any action or proceeding is commenced to enforce the provisions of this Agreement, the prevailing party shall be entitled to a reasonable attorneys' fees, costs and expenses.

20. Governing Law. This Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance whether sounding in contract, tort or otherwise shall be governed or interpreted according to the laws of Nevada without regard to choice of law considerations.

21. Oral Evidence. This Agreement constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver discharge or termination is sought.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

23. Section or Paragraph Headings. Section headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any matter, or be deemed to interpret in whole or in part any of the terms or provisions of this Agreement.

24. Stop-Transfer Orders.

(a) The Optionee agrees that, in order to ensure compliance with the restrictions set forth in the Plan and this Agreement, the

Company may issue appropriate “stop transfer” instructions to its duly authorized transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) The Company shall not be required (i) to transfer on its books any shares of the Company’s common stock that have been sold or otherwise transferred in violation of any of the provisions of the Plan or the Agreement or (ii) to treat the owner of such shares of common stock or to accord the right to vote or pay dividends to any purchaser or other Permitted Transferee to whom such shares of common stock shall have been so transferred.

2 5 . Exclusive Jurisdiction and Venue. Any action brought by either party against the other concerning the transactions contemplated by or arising under this Agreement which seeks equitable relief shall be brought only in the state or federal courts of Arizona and venue shall be in Maricopa County or appropriate federal district and division. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens.

IN WITNESS WHEREOF the parties hereto have set their hand and seals the day and year first above written.

TIMEFIREVR, INC.

By: _____
_____, Chief Executive Officer

OPTIONEE:

Address:

NOTICE OF EXERCISE

To: _____

Attention _____, _____

Facsimile: (____) ____ - _____

Please be advised that I hereby elect to exercise my option to purchase shares of _____, pursuant to the Stock Option Agreement dated _____.

Number of Shares to Be Purchased: _____

Multiplied by: Purchase Price Per Share \$ _____

Total Purchase Price \$ _____

Please check the payment method below:

Enclosed is a check for the total purchase price above.

Wire transfer sent on _____, 20__.

Cashless exercise

Please contact me as soon as possible to discuss the possible payment of withholding taxes and any other documents we may require.

Name of Option Holder (Please Print): _____

Address of Option Holder

Telephone Number of Option Holder: _____

Social Security Number of Option Holder: _____

If the certificate is to be issued to person other than the Option Holder, please provide the following for such person:

(Name)

(Address)

(Telephone Number)

(Social Security Number)

In connection with the issuance of the common stock, **if the common stock may not be immediately publicly sold**, I hereby represent to the Company that I am acquiring the common stock for my own account for investment and not with a view to, or for resale in connection with, a distribution of the shares within the meaning of the Securities Act of 1933 (the "Securities Act").

I am _____ am not _____ [*please initial one*] an accredited investor for at least one of the reasons on the attached Exhibit A. If the SEC has amended the rule defining the definition of accredited investor, the new provisions shall be applicable. I acknowledge that as a condition to exercise the Options, the Company may request updated information regarding the Holder's status as an accredited investor. My exercise of the Options shall be in compliance with the applicable exemptions under the Securities Act and applicable state law.

Dated:
Signature of Option Holder

Exhibit A To Stock Option Agreement

For Individual Investors Only:

1. A person who has an individual net worth, or a person who with his or her spouse has a combined net worth, in excess of \$1,000,000. For purposes of calculating net worth under this paragraph (1), (i) the primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to exercising the stock options, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

2a. A person who had individual income (exclusive of any income attributable to the person's spouse) of more than who has \$200,000 in each of the two most recently completed years and who reasonably expects to have an individual income in excess of \$200,000 this year.

2b. Alternatively, a person, who with his or her spouse, has joint income in excess of \$300,000 in each applicable year.

3. A director or executive officer of the Company.

Other Investors:

4. Any bank as defined in Section 3(a)(2) of the Securities Act of 1933 ("Securities Act") whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; insurance company as defined in Section 2(13) of the Securities Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000, or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

5. A private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

6. An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

7. A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act.

8. An entity in which all of the equity owners are accredited investors.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Jeffrey Rassas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TimefireVR Inc. (the "registrant");
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Jeffrey Rassas
Jeffrey Rassas
Chief Executive Officer
(Principal Executive Officer)
Date: August 21, 2017

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jessica L. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TimefireVR Inc. (the "registrant");
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Jessica L. Smith

Jessica L. Smith
Chief Financial Officer
(Principal Financial Officer)
Date: August 21, 2017

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of TimefireVR Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof, I, Jeffrey Rassas, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey Rassas

Jeffrey Rassas

Chief Executive Officer

(Principal Executive Officer)

Dated: August 21, 2017

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of TimefireVR Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof, I, Jessica Smith, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jessica L. Smith
Jessica L. Smith
Chief Financial Officer
(Principal Financial Officer)
Dated: August 21, 2017