

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 March 31, 2019

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)

7150 E. Camelback Rd., Suite 444
Scottsdale, AZ
(Address of principal executive offices)

85251
(Zip Code)

(602)-617-8888
(Registrant's telephone number, including area code)

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" and "emerging growth 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
None	Not applicable	None

As of May 15, 2019, there were 235,460,470 shares of the registrant's \$0.001 par value common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****TIMEFIREVR INC.
BALANCE SHEETS**

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	(Unaudited)	
ASSETS		
Current Assets:		
Cash	\$ 8,920	\$ 5,787
Cryptocurrencies	8,162	32,925
Interest receivable	14,930	10,430
Miscellaneous receivable	22,500	100,000
Accounts receivable	1,532	938
Prepaid expenses and other current assets	14,470	20,631
Total current assets	<u>70,514</u>	<u>170,711</u>
Other Assets:		
Property and equipment, net	75,650	91,676
Total Assets	<u>\$ 146,164</u>	<u>\$ 262,387</u>
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 183,941	\$ 138,954
Convertible notes payable, net	1,980,640	1,966,571
Notes payable	75,000	75,000
Notes payable - related party	—	15,000
Accrued interest	601,910	494,956
Total current liabilities	<u>2,841,491</u>	<u>2,690,481</u>
Long Term Liabilities:		
Derivative liabilities	82,374	79,088
Total long term liabilities	<u>82,374</u>	<u>79,088</u>
Total liabilities	<u>2,923,865</u>	<u>2,769,569</u>
Commitments and Contingencies	—	—
Shareholders' Deficit:		
Preferred Stock, par value \$.01, 10,000,000 shares authorized all series:		
New Preferred Series A stock, par value \$.01 per share, 100 shares authorized; 100 shares issued and outstanding at March 31, 2019 and December 31, 2018	1	1
Preferred Series E stock, par value \$.01 per share, 305,000 shares authorized; 122,190 shares issued and outstanding at March 31, 2019 and December 31, 2018	1,222	1,222
Common stock, par value \$.001 per share, 500,000,000 shares authorized; 235,460,470 shares issued and outstanding at March 31, 2019 and December 31, 2018	235,461	235,461
Obligation to issue common stock	1,000	1,000
Additional paid-in capital	2,656,954	2,639,005
Accumulated deficit	(5,672,339)	(5,383,871)
Total shareholders' deficit	<u>(2,777,701)</u>	<u>(2,507,182)</u>
Total Liabilities and Shareholders' Deficit	<u>\$ 146,164</u>	<u>\$ 262,387</u>

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

TIMEFIREVR INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenues	\$ 4,813	\$ —
Cost of revenues	37,257	—
Gross margin	<u>(32,444)</u>	<u>—</u>
Operating expenses:		
Occupancy	2,523	3,095
Officer compensation	52,563	276,490
Professional fees	59,673	290,084
Other operating expenses	16,771	66,836
Total operating expenses	<u>131,530</u>	<u>636,505</u>
Loss from operations	(163,974)	(636,505)
Other income (expense):		
Change in fair value of derivative liabilities	(3,286)	(268,928)
Loss recognized on disposition of cryptocurrencies	(4,612)	(56,600)
Interest income	4,501	1,841
Interest expense	(121,097)	(162,134)
Total other expense	<u>(124,494)</u>	<u>(485,821)</u>
Loss from continuing operations	(288,468)	(1,122,326)
Gain on disposal of Timefire, LLC	—	670,428
Loss from discontinued operations	—	(180)
Income from discontinued operations	—	670,248
Income tax expense	—	—
Net loss	<u>\$ (288,468)</u>	<u>\$ (452,078)</u>
Basic and diluted net income (loss) per common share, continuing operations	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Basic and diluted net income (loss) per common share, discontinued operations	<u>\$ —</u>	<u>\$ 0.01</u>
Basic and diluted weighted average common shares outstanding	<u>235,460,470</u>	<u>114,181,237</u>

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

TIMEFIREVR INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Operating Activities:		
Net loss from continuing operations	\$ (288,468)	\$ (1,122,326)
Net income from discontinued operations	—	670,248
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16,026	868
Common stock issued for services	—	71,339
Amortization of prepaid colocation services	21,161	—
Warrants and options issued for services	17,949	348,587
Change in derivative liabilities	3,286	268,928
Net cryptocurrencies received in lieu of cash	(4,149)	—
Loss recognized on disposition of cryptocurrencies	4,612	56,600
Interest expense from amortization of debt discount	14,069	25,670
Gain on sale of subsidiary	—	(670,428)
Changes in operating assets and liabilities:		
Cryptocurrencies exchanged for cash	24,300	—
Accounts receivable	(594)	—
Interest receivable	(4,500)	(1,800)
Prepaid expenses and other current assets	—	(58,019)
Accrued interest	106,954	136,645
Accounts payable and accrued expenses	44,987	(71,166)
Net Cash Used in Operating Activities	(44,367)	(344,854)
Investing Activities:		
Purchases of property and equipment	—	(52,105)
Proceeds from sale of subsidiary net of subsidiary cash	—	99,495
Collection of miscellaneous receivable	62,500	—
Purchase of cryptocurrency	—	(100,000)
Net Cash Used in Investing Activities	62,500	(52,610)
Financing Activities:		
Net proceeds from convertible notes payable	—	1,000,000
Repayment of note payable - related party	(15,000)	—
Net Cash Provided by Financing Activities	(15,000)	1,000,000
Net Increase in Cash	3,133	602,536
Cash - Beginning of Period	5,787	559,237
Cash - End of Period	\$ 8,920	\$ 1,161,773
Supplemental disclosure of non-cash investing and financing activities:		
Issuance of Series E Preferred for Series A, A-1 and C Preferred and warrants	\$ —	\$ 1,629,992
Issuance of Series E Preferred for convertible debt and accrued interest	\$ —	\$ 939,966
Conversion of Series E Preferred stock to common stock	\$ —	\$ 108,332
Note receivable from sale of subsidiary	\$ —	\$ 120,000
Reduction of misc receivable in exchange for prepaid colocation services	\$ 15,000	\$ —
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$ 74	\$ —
Income taxes paid in cash	\$ —	\$ —

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

TIMEFIREVR INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY/(DEFICIT)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid in Capital	Common Stock to be Issued	Accumulated Deficit	Total Shareholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2018	122,290	\$ 1,223	235,460,470	\$ 235,461	\$ 2,639,005	\$ 1,000	\$ (5,383,871)	\$ (2,507,182)
Stock options issued for services	—	—	—	—	17,949	—	—	17,949
Net loss	—	—	—	—	—	—	(288,468)	(288,468)
Balance at March 31, 2019	<u>122,290</u>	<u>\$ 1,223</u>	<u>235,460,470</u>	<u>\$ 235,461</u>	<u>\$ 2,656,954</u>	<u>\$ 1,000</u>	<u>\$ (5,672,339)</u>	<u>\$ (2,777,701)</u>

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

TIMEFIREVR INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Use of Estimates

Basis of Presentation and Organization and Reorganization

Effective September 13, 2016, TimefireVR Inc., a Nevada corporation (“Timefire,” “we,” “us,” “our” or the “Company”) entered into a Membership Interest Purchase Agreement (the “Agreement”) by and between the Company and Mitchell Saltz (“Saltz”). Pursuant to the terms of the Agreement, Saltz acquired all the membership interests of the Company’s subsidiary, Timefire LLC (“TLLC”).

In consideration for entering in the Agreement, the Company received: (i) \$100,000 in cash and (ii) a secured (by all the tangible and intangible property of TLLC) promissory note in the principal amount of \$120,000 bearing 6% annual interest which matured on September 28, 2018. TLLC made a partial payment of \$20,000, on November 1, 2018. Starting September 28, 2018 interest is accruing at the default rate of 18%. Additionally, Saltz or TLLC assumed certain of the Company’s liabilities including a sublease agreement entered into by the Company, loans made by Saltz to the Company, a certain \$100,000 senior convertible note of the Company dated March 3, 2017, a certain services agreement entered into by the Company, certain past compensation owed to the Company’s former executive officers, and certain credit card debts owed by the Company. As of December 31, 2018, management had created an allowance for the full remaining \$100,000 principal amount on the promissory note due to uncertainty about collectability.

On January 3, 2018, the Company purchased \$100,000 of ether, the cryptocurrency offered by the Ethereum network. This purchase was the Company’s first material cryptocurrency purchase and signified the start of the Company’s entry into the cryptocurrency business. The Company is engaged in the mining of Bitcoin. Mining involves using computer equipment to verify cryptocurrency transactions by solving complex mathematical equations relating to the blockchain of the cryptocurrency. Miners who successfully solve equations on the blockchain before other miners may be rewarded for their efforts with cryptocurrency.

Unaudited Interim Financial Statements

The interim financial statements of the Company as of March 31, 2019 and 2018, and for the periods then ended, are prepared in accordance with the instructions to Form 10-Q. Accordingly, the accompanying financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America (“U.S. GAAP”). 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 March 31, 2019 and the results of its operations and its cash flows for the periods ended March 31, 2019 and 2018. These results are not necessarily indicative of the results expected for the year ended December 31, 2019. The financial statements should be read in conjunction with the Company’s annual report on Form 10-K for the year ended December 31, 2018, filed with the U.S. Securities and Exchange Commission (the “SEC”) on April 1, 2019. The balance sheet as of December 31, 2018 has been derived from the audited financial statements included in that filing.

Discontinued Operations

The Company has classified the operating results related to the TLLC virtual reality business, which was sold on January 3, 2018, as discontinued operations in the financial statements. Discontinued operations consist of specifically identified expenses as follows:

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenues	\$ —	\$ —
Operating expenses:		
Research and development	—	—
Occupancy	—	—
Depreciation and amortization	—	—
Officer compensation	—	—
Professional fees	—	—
Other operating expenses	—	—
Total operating expenses	—	—
Loss from operations	—	—
Other income (expense):		
Gain on disposal of Timefire, LLC	—	670,428
Interest income	—	—
Interest expense	—	(180)
Total other income (expense)	—	670,248
Income (loss) from discontinued operations	\$ —	\$ 670,248

Cryptocurrencies

The company records cryptocurrency assets as intangible assets recorded at cost and tested for impairment at least annually, and more frequently if events or circumstances indicate that the assets are impaired. No impairment was recognized for the period ended March 31, 2019.

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of 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 liabilities, accruals and contingencies, the fair value of the Company’s common stock and the estimated fair value of warrants.

Revenue Recognition

On January 1, 2018, the Company adopted Accounting Standards Codification (“ASC”) Topic 606, “Revenue from Contracts with Customers” (“ASC 606”). The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under U.S. GAAP including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The adoption of ASC 606 has not had any material impact on the financial statements of the Company.

The Company is engaged in the mining of cryptocurrencies. The revenue generated is valued by the cryptocurrency closing price on the date earned as reported by various exchanges, including Coindesk for Bitcoin, Ether and Litecoin, and CoinMarketCap for Raven.

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. We place our cash and cash equivalents with major financial institutions. Such amounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”). From time to time, balances may exceed FDIC coverage limits.

Property and Equipment

Property and equipment is recorded at cost reduced by accumulated depreciation. 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:

Cryptocurrency mining equipment	3 years
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Impairment of Long-Lived Assets and Intangible Assets

The Company follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 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 and amortizable intangible asset to be held and used. Long-lived assets and amortizable intangible 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 and amortizable intangible 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 and amortizable intangible 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 March 31, 2019.

Research and Development Costs

Research and development costs, including design, development and testing of software, are expensed as incurred.

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 March 31, 2019 and 2018, there were total shares of 183,727,724 and 258,424,724, 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 U.S. GAAP, 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).

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.

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

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of March 31, 2019. 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 Liabilities

The Company issued common stock purchase warrants in September 2016 in conjunction with a Merger Agreement with TLLC. Additional warrants were issued in March and August 2017 as part of private placement offerings. Warrants were also issued in March and August 2018 as part of private placement offerings (see Note 6) and per an advisory agreement (see Note 8). In accordance with ASC No. 480, *Distinguishing Liabilities from Equity* ("ASC 480"), the fair value of these warrants is classified as a liability on the Company's 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. Corresponding changes in the fair value of the warrants are recognized as a gain or loss on the Company's Statements of Operations in each subsequent period.

The fair value of the warrants at March 31, 2019 and December 31, 2018 was \$82,374 and \$79,088, respectively. The difference has been recorded as a change in change in fair value of derivatives.

2. Going Concern

The Company has incurred losses since inception and requires additional funds for future operating activities. The Company 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 11, Subsequent Events. Additionally, the Company is seeking to move forward with an acquisition partner.

The Company's ability to meet its cash requirements in the next year is dependent upon obtaining additional financing and moving forward with an acquisition. 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 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. Gain on Disposal of Timefire LLC

As discussed in Note 1, on January 3, 2018, the Company entered into the Agreement. Pursuant to the terms of the Agreement, Mr. Saltz acquired all the membership interests of TLLC.

In consideration for entering into the Agreement, the Company received: (i) \$100,000 in cash and (ii) a secured promissory note in the principal amount of \$120,000 bearing 6% annual interest that matured on September 28, 2018. Additionally, Mr. Saltz and TLLC each assumed certain of the Company's liabilities including a sublease agreement entered into by the Company, loans made by Mr. Saltz to the Company, a certain \$100,000 senior convertible note from the March 2017 Notes, as defined below, a certain services agreement entered into by the Company, certain past compensation owed to the Company's former executive officers, and certain credit card debts owed by the Company. Total gross proceeds from the sale were \$220,000, including the cash payment and secured promissory note, plus \$510,599 in liabilities relieved, less \$60,171 of assets sold to TLLC resulted in a gain on disposal of \$670,428.

Assets sold:	
Cash	(505)
Property & equipment, net	(26,128)
Accounts receivable	(38)
Deposit	(33,500)
	<u>(60,171)</u>
Liabilities relieved:	
Accounts payable & accrued expenses	204,809
Demand obligation payable - related party	116,883
Convertible notes payable	100,000
Accrued interest	31,507
Short-term advance - related party	57,400
	<u>510,599</u>
Additional consideration:	
Note receivable	120,000
Cash	100,000
	<u>220,000</u>
Gain on disposal of Timefire, LLC	<u>670,428</u>

The gain on disposal is included in the income from discontinued operations on the profit and loss statement for the three months ended March 31, 2018.

As of March 31, 2019, TLLC had only paid \$20,000 of the \$120,000 secured promissory note. As of December 31, 2018, management had created an allowance for the full remaining \$100,000 principal amount due to uncertainty about collectability.

4. Property and Equipment, net

The following represents a summary of our property and equipment as of March 31, 2019:

Cryptocurrency mining equipment	\$	192,305
Less: accumulated depreciation		(61,655)
Less: reserve for impairment		(55,000)
	\$	<u>75,650</u>

Depreciation expense was \$16,026 for the three months ended March 31, 2019. This is reflected as part of cost of revenues on the statement of operations.

5. Cryptocurrencies

On January 3, 2018, the Company purchased \$100,000 of ether (106.95 units), the cryptocurrency offered by the Ethereum network. In April 2018, the Company began its mining operations. The Company is paid in cryptocurrency for these operations. It started out mining Bitcoin and later, expanded into the mining of Ether, Litecoin and Raven. The Company currently only mines Bitcoin. The revenue generated is valued by the cryptocurrency fair value on the date earned. Such amounts aggregated \$4,813 for the three months ended March 31, 2019.

The Company has utilized its cryptocurrency holdings to satisfy certain trade payables either via direct payment to vendors of cryptocurrency or by conversion of cryptocurrency to cash. The Company recognizes gain or loss at the time of the disposition of the cryptocurrency assets, which is the difference of the then fair value versus book value. The Company recognized \$4,612 in net loss on disposition of cryptocurrencies in the three months ended March 31, 2019.

6. Notes Payable

On December 21, 2017, the Company closed on an offering with three institutional investors pursuant to which the Company issued and sold convertible notes (convertible at \$0.03 per share) in the aggregate principal amount of \$703,947 (the "December 2017 Notes"). The December 2017 Notes had an original issue discount of 5%, for proceeds to the Company in the amount of \$668,750. The notes matured on January 20, 2018, bear interest at 8%, and require the repayment of 120% of principal and accrued interest at maturity.

On March 6, 2018, the holders of \$70,000 of Notes issued in October 2017 and the December 2017 Notes agreed to extend the due date of these notes to April 15, 2019 as discussed below.

On March 6, 2018, the Company closed on a private placement offering with institutional investors pursuant to which the Company issued and sold Senior Secured Convertible Notes (the "2018 Notes") to the Investors in the aggregate principal amount of \$1,052,632 with an original issue discount of 5% and received gross proceeds of \$1,000,000. The 2018 Notes matured on April 15, 2019, bear interest at 8% per annum and are in default. The 2018 Notes are secured by a first lien on all of the assets of the Company. On the maturity date, the Company was to repay an amount equal to 120% of the outstanding principal and accrued interest. Beginning on the six-month anniversary of the issuance of the 2018 Notes, the investors may elect to convert the 2018 Notes into common stock of the Company at \$0.03 per share, subject to adjustment. As additional consideration, the Company issued the investors a total of 35,087,720 five-year warrants to purchase the Company's common stock, which are exercisable on or after the six-month anniversary of the issuance at \$0.06 per share. In addition, the Investors agreed to extend the due date of the October 2017 Notes and December 2017 Notes.

On August 7, 2018, the Company borrowed \$76,000 from an institutional investor and issued a 5% original issue discount promissory note in the total principal amount of

\$80,000. This note matured on the sixth month anniversary of the effective date and bears interest at 12% per annum. The Note automatically becomes due and payable upon the Company closing a financing through which the Company receives proceeds of at least \$125,000. This note was repaid upon receipt of the funds for the below listed August 21, 2018 note.

On August 21, 2018, the Company borrowed \$150,000 from an institutional investor and issued a convertible promissory note in the total principal amount of \$156,250. The note matured on April 15, 2019, bears interest at 8% per annum and is in default. On the maturity date, the Company was to repay an amount equal to 120% of the outstanding principal and accrued interest. Beginning on the six-month anniversary of the issuance date, the Investor may elect to convert the note into common stock of the Company at \$0.03 per share, subject to adjustment. As additional consideration, the Company issued the investor a total of 5,000,000 five-year warrants to purchase the Company's common stock, which are exercisable on or after the six-month anniversary of the issuance date at \$0.06 per share.

On October 12, 2018, the Company entered into a promissory note with its Chief Executive Officer in the amount of \$15,000. The note bears interest at a rate of 2.55%. This note was repaid in January 2019.

On November 21, 2018, the Company borrowed \$75,000 from an institutional investor and issued the investor a promissory note in the total principal amount of \$75,000. The note matured on February 19, 2019, bears interest at 5% and is in default.

The aggregate principal amount of the above described convertible notes that remain outstanding is \$1,982,829, which is shown in the accompanying balance sheet as of March 31, 2019, net of \$2,189 debt discount, as convertible notes payable-net. The principal amount of the remaining note payable totals \$75,000. Accrued interest amounted to \$601,910 as of that date and interest expense aggregated \$121,097 for the three months ended March 31, 2019. The Notes are all in default.

7. Related Party Transactions

On March 6, 2017, the Company issued one of the March 2017 Notes to a former director as an investor for \$100,000. The Company's obligation under the March 2017 Notes was cancelled on January 3, 2018 as described below.

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, and services were to be initiated within sixty days. The Company's obligation under this agreement was cancelled on January 3, 2018 as described below.

During the year ended December 31, 2017, the Company received advances totaling \$116,883 from a related party, an original TLLC investor. These advances are not evidenced by a promissory note, and are non-interest bearing. The Company's obligation to repay this amount was cancelled on January 3, 2018 as described below.

On January 3, 2018, the Company effected the sale of TLLC to a group of persons including TLLC's former owners and two of the Company's former executive officers and directors.

As discussed in Note 6, on October 12, 2018, the Company borrowed \$15,000 from its Chief Executive Officer. This loan was repaid in January 2019.

As of March 31, 2019, the Company owed Mr. Jonathan Read, its Chief Executive Officer \$1,820 for expenses paid on behalf of the Company by Mr. Read. On May 13, 2019, this amount was repaid.

8. Commitments and Contingencies

Employment Agreements

Effective January 3, 2018, the Company entered into an oral employment agreement (the "Read Agreement") with the Company's current Chief Executive Officer (the "CEO"), Jonathan Read. Under the terms of the Read Agreement, the Company is to pay Mr. Read an annual salary of \$240,000 per year subject to his continued employment with the Company. Additionally, the Company paid Mr. Read compensation for his services as the Company's CEO from October 20, 2017, to December 31, 2017, calculated as a pro-rata portion of an annual salary of \$150,000. Additionally, on January 3, 2018 (the "Grant Date") the Company's Board of Directors (the "Board") granted Mr. Read 15,000,000 stock options of which 5,000,000 vested on the Grant Date, 5,000,000 vested one-year from the Grant Date, and 5,000,000 were to vest two years from the Grant Date subject to continued employment with the Company. On March 1, 2019, Mr. Read moved to a part-time arrangement with compensation of \$5,000 per month, and the remaining 5,000,000 unvested options were forfeited.

Effective January 3, 2018, the Company agreed to compensate Gary Smith for his service as a non-employee director by paying him \$2,500 per calendar quarter effective as of July 10, 2017.

Lease Agreements

The Company has been renting an office space on a month-to-month basis, and incurred rent expense of \$2,523 during the three months ended March 31, 2019.

Other Agreements

On January 18, 2018, the Company entered into an agreement for corporate communications services. The agreement was for an initial period of six months with a monthly fee of \$5,000. Should the Company raise \$2,000,000 or more, the monthly fee increases to \$7,500 per month. The Company will also issue 1,000,000 shares of common stock per this agreement. These shares have not yet been issued as of the date of this report.

On March 16, 2018, the Company entered into an Advisor Agreement (the "Advisor Agreement") with a third party (the "Advisor"), and David Drake ("Drake"), a consultant to the cryptocurrency industry. Under the terms of the Advisor Agreement, Drake was appointed to the Company's Advisory Board and Drake and the Advisor agreed to assist the Company in the implementation and execution of its cryptocurrency business model, including initiation of its mining business and recommending to the Company potential acquisitions and joint ventures in this sector. Drake was required to devote at least three business days per month to assisting the Company. The Company agreed to issue the Advisor 6,666,666 shares of common stock valued at \$0.03 per share, which shares shall vest quarterly over a 12-month period subject to the Advisor Agreement not having been terminated as of each applicable vesting date. The Company also issued the Advisor 6,666,666 3-year warrants, with the same vesting period, exercisable at \$0.05 per share. The Company agreed to pay the Advisor a royalty from net revenues received from its mining of cryptocurrency with the royalties decreasing over a five-year period. Finally, the Company agreed to reimburse the Advisor \$5,000 a month for the services of an engineer to operate the Company's cryptocurrency mining business. On November 15, 2018, we provided the other parties to the Advisory Agreement with notice of termination of the Advisory Agreement effective December 15, 2018. As a result, the Company expensed all remaining amounts relating to the issuance of the shares and warrants.

On May 15, 2018, the Company entered into a Master Service Agreement ("MSA") with ColoGuard Enterprise Solutions ("ColoGuard") which became effective August 1, 2018. ColoGuard provided colocation and other services related to our cryptocurrency mining activities. In December 2018, the Company cancelled the MSA as part of a settlement agreement with ColoGuard. As part of this agreement, ColoGuard re-purchased 200 mining units, and agreed to host our remaining units until March 20, 2019 at no charge. Prior to March 20, 2019, the Company negotiated with ColoGuard to continue hosting our remaining units through the end of the year. In exchange, the company would allow ColoGuard to pay \$15,000 less on their amount remaining due to the Company for the purchase of the mining units.

9. Shareholders' Deficit

Common Stock

There is currently only one class of common stock. Each share of common stock is entitled to one vote. The authorized number of shares of common stock of the Company at March 31, 2019 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 235,460,470 as of March 31, 2019.

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.

New Series A

On December 6, 2018, TimefireVR Inc. filed a Certificate of Designation authorizing 100 shares of the Company's preferred stock as the new Series A Preferred Stock (the "new Series A") with a par value of \$0.01 per share. The new Series A provides the holder of the new Series A with a majority of the Company's outstanding voting power. The Company issued all outstanding shares of the new Series A to the Company's Chief Executive Officer.

The new Series A is not convertible and does not have any preferential dividend or liquidation rights. Holders of the new Series A shall only be entitled to vote on the approval of an amendment to the company's Articles of Incorporation and shall be entitled to a voting power equal to one vote more than the total combined voting power of the Company's common stock and all other series or classes of the Company's outstanding equity. The Company shall have the obligation to redeem all of the Series A for a total of \$100 upon the Company's filing with the Nevada Secretary of State of an amendment to the Company's Articles of Incorporation effecting a reverse stock split or an increase in authorized capital of the Company's common stock.

Series E

Effective January 3, 2018, the Board of Directors authorized the issuance of up to 305,000 shares of Series E Convertible Preferred Stock ("Series E"). Each share of Series E has a stated value of \$1,000 and is convertible into shares of our common stock at a conversion price of \$1.00 per share. The Series E does not have any price protection from future issuances of securities by the Company at a price below the conversion price then in effect.

Pursuant to an Exchange Agreement entered into effective January 3, 2018, we issued 303,714 shares of the Series E in exchange for the cancellation of the following securities:

- 133,333.69 shares of Series A Convertible Preferred Stock (extinguishing such series) - 133,334 Series E shares;
- 14,923.30 shares of Series A-1 Convertible Preferred Stock (extinguishing such series) – 44,770 Series E shares;
- 501.54 shares of Series C Convertible Preferred Stock (extinguishing such series) – 50,154 Series E shares;
- \$650,000 of Senior Convertible Notes issued March 3, 2017 – 63,368 Series E shares;
- \$63,158 of Senior Convertible Notes issued August 21, 2017 – 7,125 Series E shares; and
- Warrants to purchase 4,963,402 shares of our common stock – 4,963 Series E shares.

At March 31, 2019, there are 122,190 shares of Series E outstanding, which are convertible into an aggregate of 122,190,000 shares of our common stock.

Warrants

There has been no warrant activity in the three months ended March 31, 2019. The balance of warrants as of that date remains at 49,887,720.

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 were originally reserved for the implementation of the 2016 Plan, either through the issuance of incentive stock options, non-qualified stock options, stock appreciation rights, restricted awards, or restricted stock units. 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. On January 3, 2018, the Board amended the Company's 2016 Equity Incentive Plan by increasing the authorized number of shares available under the plan by 30,000,000. As of March 31, 2019, 15,145,000 shares of common stock remain available for issuance under the 2016 Plan.

Effective September 13, 2016, pursuant to his employment agreement, the Company entered into a Restricted Stock Unit ("RSU") Agreement with Mr. Read which granted him 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 was to be expensed over the vesting period. Effective January 31, 2017, Mr. Read's former employment agreement was terminated and the RSUs became fully vested.

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 then Chief Executive Officer and Chief Financial Officer per the 2016 Plan. The shares vested based on months of service as of the grant date. 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 \$16,253 and \$72,775 in expense related to this grant during the three months ended March 31, 2019 and 2018, respectively. All options that were vested expired after not being exercised within 12 months of each person's employment termination.

On January 3, 2018, as part of an oral employment agreement with the Company's Chief Executive Officer, the Company granted Mr. Read 15,000,000 stock options of which 5,000,000 vested on the grant date, 5,000,000 will vest one-year from the grant date, and 5,000,000 will vest two years from the grant date subject to continued employment with the Company. On March 1, 2019, Mr. Read moved to a part-time arrangement, and the remaining 5,000,000 unvested options were forfeited. The Company recorded \$0 and \$182,625 in expense related to this grant during the three months ended March 31, 2019 and 2018, respectively.

On January 22, 2018, the Company granted board member Gary Smith 1,000,000 stock options under the 2016 Plan, exercisable at \$.03 per share, vesting quarterly over one year beginning in three months subject to continued service as a director on each applicable vesting date. The Company recorded \$1,696 and \$5,253 in expense related to this grant during the three months ended March 31, 2019 and 2018, respectively.

10. 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 at March 31, 2019 are as follows:

	<u>Risk-free interest rate</u>	<u>Expected life</u>	<u>Volatility</u>	<u>Dividend yield</u>
September 2016 warrants	2.21%	2.50 years	230.000%	0%
March 2017 warrants	2.21%	3.50 years	238.947%	0%
March 6, 2018 warrants	2.23%	4.50 years	218.564%	0%
March 16, 2018 warrants	2.27%	2.00 years	266.095%	0%
August 2018 warrants	2.23%	5.00 years	213.512%	0%

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
Derivative liabilities	\$ —	\$ —	\$ 82,374	\$ 82,374

11. Subsequent Events

Effective April 30, 2019, the Company borrowed \$50,000 from an institutional investor and issued the investor a 20% Original Issue Discount Convertible Promissory Note (the "April 2019 Note") in the principal amount of \$62,500. The April 2019 Note matures on July 29, 2019. The April 2019 Note is convertible into the Company's common stock at \$0.00125 per share.

Effective May 1, 2019, the Company borrowed \$150,000 from another institutional investor and issued the investor a 20% Original Issue Discount Convertible Promissory Note substantially on the same terms as the April 2019 Note in the principal amount of \$187,500 (the "May 2019 Note"). The May 2019 Note matures on July 30, 2019.

The Notes have been exchanged for Series B Convertible Preferred Stock and are not outstanding as of the date of this Report.

The Company expects to close an acquisition with a corporation engaged in another line of business (the "Target"). Shareholders of the Target will own approximately 83.3% of the Company on a fully diluted basis if we close the acquisition. As of the date this Report has been filed, we have entered into written acquisition agreements with the Target and its shareholders and holders of our derivative securities. All signatures are being held in escrow pending the filing of this Report on Form 10-Q. We expect that the closing will occur immediately after we file this Report with the SEC.

In preparation for closing, as of May 14, 2019, we filed a Certificate of Withdrawal with the Secretary of State of the State of Nevada withdrawing the Certificates of Designation for all outstanding preferred stock including the super voting Series A Preferred Stock. We also filed Certificates of Designation for a new Series A Convertible Preferred Stock and Series B Convertible Preferred Stock. Although we agreed to issue 236 million shares of common stock to the Chief Executive Officer of the Target, we do not have sufficient authorized capital for the remaining shareholders of the Target or the holders of our derivative securities. Upon closing we will issue Series A Convertible Preferred Stock to the remaining shareholders of the Target and Series B Convertible Preferred Stock to the holders of our derivative securities including our current Chief Executive Officer as disclosed below.

Assuming we will close the acquisition, we have entered into a series of transactions which will be reversed if we do not close the acquisition:

- Holders of our Series E Convertible Preferred Stock, past due and other notes and all warrants and options exchanged their securities for shares of Series B Convertible Preferred Stock which has no preferences or limitations other than a 4.99% beneficial ownership limitation. The holders of the Series B Convertible Preferred Stock will own 15.61% of the Company on a fully diluted basis; the Series A Convertible Preferred Stock is substantially similar to the Series B Convertible Preferred Stock except it will automatically convert upon the effectiveness of any future reverse split;
- Mr. Jonathan Read received Restricted Stock Units for 500 million shares of common stock (or 0.19% of the Company on a fully diluted basis post acquisition) in exchange for \$35,000 of past due compensation; and
- Mr. Gary Smith, a director, exchanged his stock options for shares of Series B Convertible Preferred Stock convertible into four million shares of common stock;

Current shareholders owning common stock will own 0.87% on a fully diluted basis upon the closing of the acquisition.

While the Company expects to complete the acquisition, no assurances can be given. If the acquisition does not close, we will cease our bitcoin mining unless our note holders provide more financing.

The Company recently repaid Mr. Read miscellaneous advances he made to the Company of approximately \$27,500.

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

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 10-Q. 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, 2018. The Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, such as statements relating to our liquidity, and our plans in the cryptocurrency business. 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. Investors should review the Risk Factors in the Company's Form 10-K for the year ended December 31, 2018. 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.

OVERVIEW

The Company is a Nevada corporation incorporated on April 10, 2002. On November 21, 2016, we changed our name to TimefireVR, Inc.

During the three months ended March 31, 2019, we operated our bitcoin mining business on a reduced basis since we had been required to liquidate mining equipment in order to pay operating expenses. Effective March 1, 2019, our principal officer, Mr. Jonathan Read, Chief Executive Officer, ceased performing full-time services and began working full-time for another business.

During the same period, Mr. Read, together with the advice of counsel, oversaw negotiations to effect an acquisition as reflected in Note 11 to our financial statements. We cannot assure you that we will close the acquisition. However, as disclosed in Note 11, we have entered into definitive agreements with the signatures being held in escrow. We expect that immediately after we file this Report, we will complete the acquisition of this private company.

Results of Operations

The following discussion analyzes our results of operations for the three months ended March 31, 2019. The following information should be considered together with our financial statements for such periods and the accompanying notes thereto.

Revenues for the three months ended March 31, 2019 consisted of \$4,813 compared to no revenues for first quarter of 2018. Operating expenses for the first quarter of 2019 were \$131,530 compared to \$636,505 for the first quarter of 2018. The most significant savings were in reduced officer compensation and professional fees. For the quarter ended March 31, 2019, we sustained a loss from continuing operations of \$288,468 in contrast to our loss during the quarter ended March 31, 2018 of \$1,122,326.

Liquidity and Capital Resources

Historically, our primary source of liquidity has been from the issuances of debt financing. The primary uses of cash are payroll related expenses and professional fees.

Our balance sheet as of March 31, 2019 reflects that we had \$8,920 in cash. We recently borrowed \$200,000 issuing \$250,000 in convertible notes to two institutional investors. The Notes are due in late July 2019. The financing was provided in anticipation of our closing the acquisition discussed in Note 11 to our financial statements. We have used the proceeds from these two loans to pay expenses but not our indebtedness which is all past due. The Notes have been exchanged for Series B Convertible Preferred Stock and are not outstanding as of the date of this Report.

We do not have capital to remain operational for the next 12 months and if the acquisition is not completed, we will be required to cease operations unless the investors provide additional funding for us to continue our bitcoin mining business.

Going Concern

The Company has incurred losses since inception and requires additional funds for future operating activities. The Company's cryptocurrency mining 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.

Critical Accounting Policies and Estimates

Our financial statements and accompanying notes have been prepared in accordance with GAAP applied on a consistent basis. The preparation of financial statements in conformity with GAAP 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 (the “Exchange Act”) 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 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 March 31, 2019.

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 Exchange Act and are not required to provide the information under this item.

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

We have previously disclosed all sales of securities without registration under the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

N/A.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT INDEX

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	
3.3	Certificate of Designation of Series A	8-K	12/12/18	3.1	
3.4	Certificate of Designation of Series E Convertible Preferred Stock of TimefireVR Inc.	8-K	1/4/18	3.1	
3.5	Amendment No. 1 to the Certificate of Designations of Series E Convertible Preferred Stock of TimefireVR Inc.	8-K	1/4/18	3.2	
10.1	Form of Note	8-K	5/6/19	10.1	
10.2	Promissory Note dated November 21, 2018	8-K	11/21/18	10.2	
10.3	Promissory Note dated October 12, 2018	8-K	10/18/18	10.1	
10.4	Form of Note dated August 21, 2018	8-K	8/27/18	10.1	
10.5	Advisor Agreement dated March 16, 2018	10-Q	8/14/18	10.10	
10.6	Form of Warrant dated August 21, 2018	8-K	8/27/18	10.2	
10.7	Form of Note dated August 7, 2018	8-K	8/9/18	10.1	
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer (302)				Filed
32.1	Certification of Principal Executive 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

* 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.

** Certain schedules, appendices and exhibits to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission staff upon request.

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 15th day of May, 2019.

TimefireVR Inc.

Signature

/s/ Jonathan Read
Jonathan Read

Title

Chief Executive Officer and Director

Signature

/s/ Jessica L. Smith
Jessica L. Smith

Title

Chief Accounting and Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Jonathan Read, 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/ Jonathan Read
Jonathan Read
Chief Executive Officer
(Principal Executive Officer)
Date: May 15, 2019

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: May 15, 2019

**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 March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof, I, Jonathan Read, 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/ Jonathan Read

Jonathan Read

Chief Executive Officer

(Principal Executive Officer)

Dated: May 15, 2019

In connection with the quarterly report of TimefireVR Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2019, 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: May 15, 2019