



Unaudited Condensed Interim Financial Statements
For the Three Months Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of the Company.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BitRush Corp.

Unaudited Condensed Interim Statements of Financial Position

As at March 31, 2024 and December 31, 2023

(Expressed in Canadian Dollars)

	As at March 31, 2024	As at December 31, 2023
	\$	\$
<u>Assets</u>		
Current Assets		
Cash	11,004	1,604
Amounts receivable (Note 4)	4,532	7,127
Total Assets	15,536	8,731
<u>Liabilities</u>		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 5 and 10)	426,733	371,879
Loans payable (Note 6)	60,000	60,000
Total Liabilities	486,733	431,879
<u>Shareholders' Deficiency</u>		
Share capital (Note 7)	4,883,249	4,883,249
Reserve for share-based payments (Note 8)	133,236	133,236
Contributed surplus	42,058	42,058
Accumulated deficit	(5,529,740)	(5,481,691)
Total Shareholders' Deficiency	(471,197)	(423,148)
Total Liabilities and Shareholders' Deficiency	15,536	8,731

Nature of operations and going concern (Note 1)

Subsequent event (Note 13)

Approved on behalf of the Board of Directors:"Karsten Arend" (signed)

Director

"Harold Morgan" (signed)

Director

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

BitRush Corp.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss

For the Three Months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	2023
	\$	\$
<u>Expenses</u>		
Management fees (Note 10)	22,500	22,500
Professional fees (Note 10)	15,550	15,500
General and administrative	6,684	5,261
Filing fees	2,730	2,355
Stock-based compensation (Notes 8 and 10)	-	1,873
Total Expenses	(47,464)	(47,489)
<u>Other Items</u>		
Interest expense (Note 5, 6 and 10)	(585)	-
Total Other Items	(585)	-
Net Loss and Comprehensive Loss	(48,049)	(47,789)
Weighted Average Number of Shares Outstanding		
Basic and diluted	99,848,607	99,848,607
Net Loss per Share		
Basic and diluted	\$ (0.000)	\$ (0.000)

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

BitRush Corp.

Unaudited Condensed Interim Statements of Cash Flows
For the Three Months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	\$	\$
<u>Operating Activities</u>		
Net loss for the period	(48,049)	(47,489)
Adjustments for non-cash items:		
Interest accrued on loans (Note 5 and 10)	75	-
Stock-based compensation (Note 8)	-	1,873
	(47,974)	(45,616)
Changes in non-cash working capital:		
Amounts receivables	2,595	1,430
Prepaid expenses	-	1,680
Accounts payable and accrued liabilities	44,779	22,117
Cash Flows (used in) Operating Activities	(600)	(20,389)
<u>Financing Activities</u>		
Advance from related party (Note 10)	5,000	17,000
Advance from third-party (Note 5)	5,000	-
Cash Flows provided by Financing Activities	10,000	17,000
Increase (decrease) in cash	9,400	(3,389)
Cash, beginning of period	1,604	13,880
Cash, end of period	11,004	10,491

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BitRush Corp.

Unaudited Condensed Interim Statements of Changes in Shareholders' Deficiency

For the Three Months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-Based Payments	Contributed Surplus	Accumulated Deficit	Total
	#	\$	\$	\$	\$	\$
Balance, December 31, 2022	99,848,607	4,883,249	135,204	42,058	(5,301,021)	(240,510)
Stock-based compensation (Note 8)	-	-	1,873	-	-	1,873
Net loss for the period	-	-	-	-	(47,489)	(47,489)
Balance, March 31, 2023	99,848,607	4,883,249	137,077	42,058	(5,348,510)	(286,126)
Balance, December 31, 2023	99,848,607	4,883,249	133,236	42,058	(5,481,691)	(423,148)
Net loss for the period	-	-	-	-	(48,049)	(48,049)
Balance, March 31, 2024	99,848,607	4,883,249	133,236	42,058	(5,529,740)	(471,197)

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

BitRush Corp.

Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

BitRush Corp. (“BitRush”, or the “Company”) was incorporated under the laws of the Province of Ontario and is governed by the *Business Corporations Act* (Ontario). The Company is currently looking to adopt a new business plan or to make an acquisition. The Company’s common shares are listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “BRH” but are currently suspended from trading. The address of the Company’s registered office is located at 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1, Canada.

For the three months ended March 31, 2024, the Company incurred a net loss of \$48,049 and negative cash flow from operations of \$600, and as at March 31, 2024, the Company had an accumulated deficit of \$5,529,740 (December 31, 2023 – deficit of \$5,481,691). These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal courses of business. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, the ability of the Company to obtain necessary financing, and to identify, evaluate, and negotiate an acquisition of assets or businesses. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions represent material uncertainties which may cast significant doubt on the Company’s ability to continue as a going concern.

These unaudited condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

2. Basis of Presentation

2.1 Statement of Compliance

The Company’s unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting (“IAS 34”).

These unaudited condensed interim financial statements were reviewed, approved and authorized for issuance by the Board of Directors (the “Board”) of the Company on May 28, 2024.

2.2 Basis of Measurement

These unaudited condensed interim financial statements were prepared under the historical cost basis except for financial instruments which are measured at fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2.3 Functional Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is the Canadian Dollar (“\$” or “CAD”), which is also the presentation currency of these financial statements, unless otherwise noted.

2.4 Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

BitRush Corp.

Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months ended March 31, 2024 and 2023
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2. Basis of Presentation (continued)

2.4 Significant Accounting Judgments and Estimates (continued)

Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, future financing and the Company's cash position at period-end.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Warrants and options

Warrants and options are initially recognized at fair value, based on the application of the Black-Scholes valuation model ("Black-Scholes"). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

3. Summary of Material Accounting Policies

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those noted in the Company's audited financial statements for the year ended December 31, 2023, unless otherwise noted.

4. Amounts Receivable

The Company's amounts receivable balance represents amounts due from government taxation authorities in respect of the Harmonized Sales Tax. The Company anticipates full recovery of these amounts and therefore no credit loss has been recorded against these receivables, which are due in less than one year.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are primarily comprised of amounts outstanding incurred in the normal course of business. The usual credit period taken for trade purchases is between 30 to 90 days.

	March 31,	December 31,
	2024	2023
	\$	\$
Trade payable	345,185	298,879
Accrued liabilities	59,500	56,000
Due to related party	22,048	17,000
	426,733	371,879

BitRush Corp.

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For the Three Months ended March 31, 2024 and 2023
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5. Accounts Payable and Accrued Liabilities (continued)

Third-party loan

On January 24, 2024, the Company entered into a loan agreement (the “Loan Agreement”) with an arm’s length party for an amount of \$5,000 (the “Third-Party Loan”). The Third-Party Loan bears simple interest of 1.5% per annum above the three-month EURIBOR rate and will be repayable in full on the day that is the first anniversary of the date of the Loan Agreement.

During the three months ended March 31, 2024, the Company received a loan of \$5,000 from the arm’s length party. As at March 31, 2024, the total outstanding balance of the Third-Party Loan was \$5,028, including accrued interest of \$28, and was included in accounts payable and accrued liabilities.

6. Loans Payable

On August 24, 2020, the Company received \$40,000 in revolving credit (the “CEBA Loan”) from the Government of Canada under the Canada Emergency Business Account (CEBA) COVID-19 Economic Response Plan. The funding is granted in the form of an interest-free loan of which up to \$40,000 may be drawn.

On December 21, 2020, the Company received an additional CEBA Loan in the amount of \$20,000 under the CEBA Loan expansion program.

Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. If 75% of the outstanding balance of the CEBA Loan is repaid on or before December 31, 2022, the remaining 25% of the balance shall be forgiven. On January 12, 2022, the Government of Canada announced the extension of the CEBA Loan repayment deadline and interest-free period to December 31, 2023. The CEBA Loan must be repaid in full by no later than December 31, 2026, which was extended from the previous repayment deadline of December 31, 2025.

As the Company did not repay the CEBA Loan by the repayment deadline and interest-free period, effective on January 19, 2024, the outstanding CEBA Loan balance commenced bearing an interest rate of 5% per annum. During the three months ended March 31, 2024, an interest expense of \$509 had been paid, and was recorded in the statements of loss and comprehensive loss.

7. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares and preferred shares.

Common shares issued and outstanding as at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
	\$	\$
Issued: 99,848,607 common shares		
(December 31, 2023 – 99,848,607 common shares)	4,883,249	4,883,249

There were no share capital transactions during the three months ended March 31, 2024 and 2023.

BitRush Corp.

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8. Stock Options

On August 19, 2021, shareholders of the Company approved the adoption of an omnibus equity incentive plan (the “Omnibus Incentive Plan”), which replaced the existing option plan. The Omnibus Incentive Plan is administered by the Board (or a committee thereof) and provides that the Board may from time to time, in its discretion, and in accordance with CSE requirements or any other stock exchange on which the common shares are listed, grant to eligible participants, non-transferable awards which will include options, restricted share units, deferred share units and performance share units. Subject to adjustment, the number of common shares reserved for issuance to participants under the Omnibus Incentive Plan, together with common shares reserved for issuance under any other share compensation arrangements of the Company, shall not exceed 20% of the total number of common shares issued and outstanding.

As at March 31, 2024, the Company has 19,169,721 common shares that are issuable under the Omnibus Incentive Plan.

There were no option activities during the three months ended March 31, 2024 and 2023. During the three months ended March 31, 2023, the Company recorded stock-based compensation of \$1,873 in connection with the vesting of options granted between April 1, 2022 to December 31, 2022.

The following table summarizes information of stock options outstanding and exercisable as at March 31, 2024:

Date of expiry	Number of options outstanding	Number of options exercisable	Exercise price	Weighted average remaining contractual life
	#	#	\$	Years
March 2, 2026	400,000	400,000	0.05	1.92
June 8, 2026	250,000	250,000	0.05	2.19
August 19, 2026	100,000	100,000	0.05	2.39
November 17, 2026	50,000	50,000	0.05	2.63
	800,000	800,000	0.05	2.11

9. Warrants

As at March 31, 2024, the Company had a total of 5,889,260 warrants outstanding as follows:

Date of issuance	Number of warrants outstanding	Exercise price
	#	\$
October 25, 2019	2,889,260	0.10
December 6, 2021	3,000,000	0.10
	5,889,260	0.10

All warrants are exercisable for a period of 36 months following the date on which the Company’s common shares will be reinstated for trading on the CSE.

10. Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

BitRush Corp.

Notes to the Unaudited Condensed Interim Financial Statements
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(Expressed in Canadian Dollars)

10. Related Party Transactions and Balances (continued)

Compensation provided to key management personnel during the three months ended March 31, 2024 and 2023 were as follows:

	2024	2023
	\$	\$
Management fees	22,500	22,500
Professional fees	10,500	10,500
	33,000	33,000

During the three months ended March 31, 2024, Just In-Genius Inc. (“Just In-Genius”), an entity controlled by the President, Chief Executive Officer, and a director of the Company, charged \$22,500 (2023 – \$22,500) for consulting services provided to the Company, which are included in management fees. As at March 31, 2024, an aggregate amount of \$205,943 (December 31, 2023 – \$176,375), owing to Just In-Genius, for the consulting fees and reimbursement of expenses paid on behalf of the Company, was included in accounts payables and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2024, Branson Corporate Services Ltd. (“Branson”), where the Company’s Chief Financial Officer (“CFO”) is affiliated, charged \$10,500 (2023 – \$10,500) for CFO, accounting and other administrative services to the Company, which are included in professional fees. As at March 31, 2024, an aggregate amount of \$69,657 (December 31, 2023 – \$59,157), owing to Branson was included in accounts payables and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Other related party transactions

During the three months ended March 31, 2023, the Company received an advance of \$17,000 from Just In-Genius to fund its general working capital. As at March 31, 2024, the amount was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2024, the Company received a loan of \$5,000 (the “Director Loan”) from a director of BitRush. The Director Loan bears simple interest of 1.5% per annum above the three-month EURIBOR rate and will be repayable in full on the day that is the first anniversary of the date of the loan agreement (the “Loan Agreement”), which was subsequently executed on April 22, 2024. As at March 31, 2024, the total outstanding balance of the Director Loan was \$5,048, including accrued interest of \$48, and was included in accounts payable and accrued liabilities.

11. Capital Management

The Company’s objective when managing capital is to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. While the Company does not yet have any revenues, management monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company’s capital management objectives, policies and processes have remained unchanged since the Company’s most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

BitRush Corp.

Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

12. Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with a reputable Canadian chartered bank, which is closely monitored by management. Management believes that the credit risk concentration with respect to cash is minimal. The maximum exposure to credit risk at period-end is limited to the amounts receivable balance.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs. The Company forecasts cash flows for a period of 12 months to identify financial requirements. These requirements are met through cash management, dispositions of assets and accessing financing through advances from related parties and arm's length parties. As at March 31, 2024, the Company had a cash balance of \$11,004 (December 31, 2023 – \$1,604) to settle current liabilities of \$486,733 (December 31, 2023 – \$371,879).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at March 31, 2024:

	Carrying amount	Contractual maturities		
		Year 1	Year 2 to 3	Year 4 to 5
	\$	\$	\$	\$
Accounts payable	399,657	399,657	-	-
Loan payable	60,000	60,000	-	-
Third-Party Loan	5,028	5,028	-	-
Due to related parties	22,048	22,048	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash, accounts payable, loans payable and due to related parties. The fair value of cash, accounts payable, and loans payable are approximately equal to their carrying value due to their short-term nature.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that includes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

BitRush Corp.

Notes to the Unaudited Condensed Interim Financial Statements
For the Three Months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

12. Financial Instruments (continued)

Fair value (continued)

The three levels of the fair value hierarchy are described below:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash, March 31, 2024	11,004	-	-	11,004
Cash, December 31, 2023	1,604	-	-	1,604

As at March 31, 2024 and December 31, 2023, the Company's financial instruments carried at fair value consisted of its cash, which has been classified as Level 1. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the years.

13. Subsequent Event

Subsequent to period-end, the Company received an additional amount of \$30,000 on the Director Loan, under the same terms of the Loan Agreement.