

Alternative Reporting Standard: Disclosure Guidelines for the Pink[®] Market

ELRAY RESOURCES, INC.

3651 Lindell Road, Suite D131, Las Vegas, NV 89103

+1 702-318-7548

<http://elraygaming.com>

info@elraygaming.com

Quarterly Report

For the period ending March 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

4,307,112,176 as of March 31, 2024

4,217,112,176 as of December 31, 2023

Shell Status

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

Yes: No:

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

Yes: No:

Change in Control

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

Yes: No:

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

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

Elray Resources Inc. December 13, 2006

Current State and Date of Incorporation or Registration: Nevada, December 13, 2006

Standing in this jurisdiction: (e.g. active, default, inactive): active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

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

None

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

None

Address of the issuer's principal executive office:

3651 Lindell Road, Suite D131, Las Vegas NV 89103

Address of the issuer's principal place of business:

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

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

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

2) Security Information

Transfer Agent

Name: Empire Stock Transfer Inc.

Phone: 702-818-5898

Email: info@empirestock.com

Address: 1859 Whitney Mesa Dr., Henderson NV 89014

Publicly Quoted or Traded Securities:

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

Trading symbol: ELRA
Exact title and class of securities outstanding: Common Stock
CUSIP: 29015T702
Par or stated value: \$0.001
Total shares authorized: 7,500,000,000 as of date: March 31, 2024
Total shares outstanding: 4,307,112,176 as of date: March 31, 2024
Total number of shareholders of record: 129 as of date: March 31, 2024

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

None

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

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

Exact title and class of the security: Series A Preferred Stock
Par or stated value: \$0.001
Total shares authorized: 300,000,000 as of date: March 31, 2024
Total shares outstanding: 0 as of date: March 31, 2024
Total number of shareholders of record: 0 as of date: March 31, 2024

Exact title and class of the security: Series B Preferred Stock
Par or stated value: \$0.001
Total shares authorized: 280,000,000 as of date: March 31, 2024
Total shares outstanding: 192,000,000 as of date: March 31, 2024
Total number of shareholders of record: 1 as of date: March 31, 2024

Exact title and class of the security: Series C Preferred Stock
Par or stated value: \$0.001
Total shares authorized: 10,000,000 as of date: March 31, 2024
Total shares outstanding: 7,083,333 as of date: March 31, 2024
Total number of shareholders of record: 2 as of date: March 31, 2024

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

None

Security Description:

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

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

Dividend rights

Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

Voting rights

Each outstanding share of Common Stock shall entitle the holder thereof to 1 (one) vote, in person or by proxy granted in accordance with Nevada law, with respect to each matter properly submitted to the shareholders of the Company for their vote, consent, waiver, release or other action

Preemption rights

In the event that the Company proposes to issue any equity (including shares of Common Stock or shares of Company Preferred Stock), or any securities, options or debt that are convertible or exchangeable into equity or that include an equity component (the "New Securities"), the holders of outstanding shares of the common stock shall have the right to purchase for cash, at the price and on the same terms, such number of New Securities as are required to enable it to maintain its proportionate Common Stock-equivalent interest in the Company immediately prior to any such issuance of New Securities.

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

Dividend rights

The holders of the then outstanding shares of preferred stock will be entitled to receive, when, as and if declared by the Board of Directors cash dividends, as determined by the dividend calculated on each common share multiplied by the conversion ratio of the preferred stock.

Voting rights

The holders of outstanding shares of the preferred stock: (i) shall be entitled to vote together with the holders of the common stock as a single class on all matters submitted for a vote of holders of common stock; (ii) shall have such other voting rights as are specified in the Articles of Incorporation or as otherwise provided by Nevada law; and (iii) shall be entitled to receive notice of any stockholders' meeting in accordance with the Articles of Incorporation and By-laws of the Company.

Each share of preferred stock shall entitle the holder thereof to cast (i) 100 (one hundred) votes for Series A Preferred Stock, (ii) 1,000 (one thousand) votes for Series B Preferred Stock, and (iii) 1 (one) vote for Series C Preferred Stock for each whole vote that such holder would be entitled to cast had such holder converted its preferred stock into shares of common stock as of the date immediately prior to the record date for determining the stockholders of the Company eligible to vote on any such matter.

Conversion rights:

The holders of the shares of preferred stock shall be entitled, at their option, at any time to convert all or any such shares of Preferred stock into a number of fully paid and non-assessable shares of common stock.

Each share of preferred stock shall automatically convert, immediately upon the earlier of (i) the written consent of holders of more than 50% of issued and outstanding preferred stock, and (ii) the Company Election (each, an "Automatic Conversion Date") into fully paid and non-assessable shares of common stock.

The conversion ratio shall be (i) 100 (one hundred) for Series A Preferred Stock, (ii) 1 (one) for Series B Preferred Stock, and (iii) 100 (one hundred) for Series C Preferred Stock, which shall be appropriately increased or decreased in proportion to increase or decrease in outstanding shares of common stock caused by stock subdivisions/splits or combinations.

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

None

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

None

3) Issuance History

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

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

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

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.									
Date <u>01/01/2022</u>		Common: <u>2,405,612,176</u> Preferred: <u>199,083,333</u>	Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
December 7, 2022	New Issuance	30,000,000	Common Stock	0.0005	Yes	Alan Pacella	For Cash	Unrestricted	Regulation A Exemption			
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	Annabel LL Palumbo	For Cash	Unrestricted	Regulation A Exemption			
December 7, 2022	New Issuance	240,000,000	Common Stock	0.0005	Yes	Brian Herman	For Cash	Unrestricted	Regulation A Exemption			
December 20, 2022	New Issuance	240,000,000	Common Stock	0.0005	Yes	GENEVA ROTH REMARK HOLDINGS, INC Control Person: Curt Kramer	For Cash	Unrestricted	Regulation A Exemption			
December 7, 2022	New Issuance	30,000,000	Common Stock	0.0005	Yes	Harry D Schulman	For Cash	Unrestricted	Regulation A Exemption			
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	James StClair	For Cash	Unrestricted	Regulation A Exemption			
December 7, 2022	New Issuance	30,000,000	Common Stock	0.0005	Yes	Joel D. Mayersohn	For Cash	Unrestricted	Regulation A Exemption			

December 7, 2022	New Issuance	150,000,000	Common Stock	0.0005	Yes	JTA Resources LLC Control Person: Jason Adelman	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Kircher Charitable Remainder Unitrust Control Person: Stephen C. Kircher	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Kircher Family Trust DTD 03/24/2004 Control Person: Stephen C. Kircher	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	Kevin J. Kramer	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	Lisa Ciervo	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	Mark Ford	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	10,000,000	Common Stock	0.0005	Yes	Matthew Ronan	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	40,000,000	Common Stock	0.0005	Yes	Michael Solomon	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	40,000,000	Common Stock	0.0005	Yes	Sean Moriarity	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	30,000,000	Common Stock	0.0005	Yes	Water to Wine Control Person: Doug Aguililla	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	40,000,000	Common Stock	0.0005	Yes	William D Kwiatek	For Cash	Unrestricted	Regulation A Exemption
December 7, 2022	New Issuance	71,500,000	Common Stock	0.0005	Yes	Bennett Thompson	For Cash	Restricted	Regulation D Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Frank T Powell	For Cash	Restricted	Regulation D Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Frederic M Bauthier	For Cash	Restricted	Regulation D Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Jeffrey Olyniec	For Cash	Restricted	Regulation D Exemption
December 7, 2022	New Issuance	50,000,000	Common Stock	0.0005	Yes	Noah William Gass Trust Control Person: Randy William Gass	For Cash	Restricted	Regulation D Exemption
December 7, 2022	New Issuance	350,000,000	Common Stock	0.0005	Yes	Randy William Gass Revocable Trust Control Person: Randy William Gass	For Cash	Restricted	Regulation D Exemption

December 7, 2022	New Issuance	40,000,000	Common Stock	0.0005	Yes	Thomas J Franco	For Cash	Restricted	Regulation D Exemption
March 6, 2023	New Issuance	70,000,000	Common Stock	0.0005	Yes	GENEVA ROTH REMARK HOLDINGS, INC Control Person: Curt Kramer	For Cash	Unrestricted	Regulation A Exemption
June 14, 2023	New Issuance	40,000,000	Common Stock	0.0005	No	James H. Caplan	For Corporate Communication and Investor Relation Services	Restricted	4(a)(2)
March 1, 2024	New Issuance	90,000,000	Common Stock	0.0005	Yes	Brian Herman	For Consulting Services	Restricted	Rule 144
March 1, 2024	New Issuance	10,000,000	Common Stock	0.0005	Yes	James St. Clair	For Consulting Services	Restricted	Rule 144
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>03/31/2024</u> Common: <u>4,307,112,176</u>									
Preferred: <u>199,083,333</u>									

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

None

B. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>05/06/2013</u>	<u>\$10,670</u>	<u>\$50,000</u>	<u>\$11,509</u>	<u>12/03/2013</u>	<u>Conversion Price: 50% multiplied by the market price</u>	<u>JSJ Investments, Inc. Sameer Hirji</u>	<u>Loan</u>
<u>08/21/2014</u>	<u>\$45,560</u>	<u>\$50,000</u>	<u>\$86,990</u>	<u>02/21/2015</u>	<u>Conversion Price: 40% multiplied by the market price</u>	<u>JSJ Investments, Inc. Sameer Hirji</u>	<u>Loan</u>
<u>01/20/2015</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$44,110</u>	<u>07/20/2015</u>	<u>Conversion Price: 40% multiplied by the market price</u>	<u>JSJ Investments, Inc. Sameer Hirji</u>	<u>Loan</u>
<u>01/20/2015</u>	<u>\$32,623</u>	<u>\$60,000</u>	<u>\$35,462</u>	<u>01/20/2010</u>	<u>Conversion Price: 50% multiplied by the market price</u>	<u>JSJ Investments, Inc. Sameer Hirji</u>	<u>Loan</u>
<u>09/23/2014</u>	<u>\$116,936</u>	<u>\$75,000</u>	<u>\$228,336</u>	<u>09/23/2015</u>	<u>Conversion Price: 50% multiplied by the market price</u>	<u>WHC Capital, LLC Hamin Abdullah</u>	<u>Loan</u>
<u>09/02/2014</u>	<u>\$10,966</u>	<u>\$30,000</u>	<u>\$20,959</u>	<u>03/02/2015</u>	<u>Conversion Price: 50% multiplied by the market price</u>	<u>Beaufort Capital Partners LLC Robert Marino</u>	<u>Loan</u>
<u>10/13/2014</u>	<u>\$15,393</u>	<u>\$55,000</u>	<u>\$33,781</u>	<u>10/13/2015</u>	<u>Conversion Price: 45% multiplied by the market price</u>	<u>Tangiers Investment Group, LLC Michael Sobeck</u>	<u>Loan</u>

<u>10/13/2014</u>	<u>\$33,000</u>	<u>\$33,000</u>	<u>\$58,695</u>	<u>10/13/2015</u>	<u>Conversion Price: 45% multiplied by the market price</u>	<u>Tangiers Investment Group, LLC</u> <u>Michael Sobeck</u>	<u>Loan</u>
<u>02/23/2015</u>	<u>\$4,654</u>	<u>\$20,000</u>	<u>\$4,915</u>	<u>01/23/2017</u>	<u>Conversion Price: 40% multiplied by the market price</u>	<u>Microcap Equity Group, LLC</u> <u>Ibrahim Almagarby</u>	<u>Loan</u>
<u>01/23/2014</u>	<u>\$2,324,000</u>	<u>\$2,800,000</u>	<u>\$4,009,759</u>	<u>01/23/2017</u>	<u>Conversion Price: 100% multiplied by the market price</u>	<u>GoldGlobe Investments Ltd</u> <u>Anastasia Themistocleous</u>	<u>Loan</u>
<u>04/15/2014</u>	<u>\$5,800</u>	<u>\$25,000</u>	<u>\$8,167</u>	<u>04/14/2016</u>	<u>Conversion Price: 60% multiplied by the market price</u>	<u>Vista Capital Investments, LLC</u> <u>David Clark</u>	<u>Loan</u>

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

None

4) Issuer's Business, Products and Services

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

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

Elray Resources was formed in 2004 when a group of Successful Online Software marketing specialists identified an opportunity: the market need for professional and qualified consultants to effectively manage, market and operate online e-commerce businesses.

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

None

C. Describe the issuers' principal products or services.

Elray Resources was formed in 2004 when a group of Successful Online Software marketing specialists identified an opportunity: the market need for professional and qualified consultants to effectively manage, market and operate online e-commerce businesses. Elray Resources provides a complete turnkey solution for numerous successful online e-commerce companies as well as performs strategic marketing and consulting services for companies from all parts of the world.

5) Issuer's Facilities

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

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

The Issuer uses shared office space at a nominal monthly cost located at 3651 Lindell Road, Suite D131, Las Vegas NV 89103

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

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

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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

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

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Anthony Brian Goodman</u>	<u>Director, CEO, CFO, President and Secretary</u>	<u>Dover Heights, Australia</u>	<u>234,418,992</u>	<u>Common</u>	<u>5.44%</u>	
<u>Weiting Feng</u>	<u>Treasurer and Director</u>	<u>Bondi Junction, Australia</u>	<u>5</u>	<u>Common</u>	<u>0%</u>	
<u>Luxor Capital LLC</u>	<u>5% or great holder</u>	<u>Las Vegas, Nevada</u>	<u>192,000,000</u>	<u>Preferred B</u>	<u>100%</u>	<u>Anthony Brian Goodman</u>
<u>Virtual Technology Group Inc.</u>	<u>5% or great holder</u>	<u>Jackson's Gap, AL</u>	<u>5,000,000</u> <u>290</u>	<u>Preferred C</u> <u>Common</u>	<u>70.59%</u> <u>0%</u>	<u>Andrew McGreer</u>
<u>Yangjiu Xie</u>	<u>5% or great holder</u>	<u>No. 51-19 Hanxibei Road</u>	<u>2,083,333</u>	<u>Preferred C</u>	<u>29.41%</u>	

7) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

None

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

None

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

None

8) Third Party Service Providers

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

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Newlan Law Firm PLLC/Eric Newlan
Address 1: 2201 Long Prairie Road Suite 107-762
Address 2: Flower Mound, Texas 75022
Phone: 940-367-6154
Email: eric@newlanpllc.com

Accountant or Auditor

None

Investor Relations

Name: James H. Caplan
Firm: N/A
Address 1: 2005 Key West Cove
Address 2: Austin, TX 78746
Phone: 512-329-9505
Email: jimmycaplan@me.com

All other means of Investor Communication:

X (Twitter): ELRA Official
Discord: N/A
LinkedIn: elray-gaming
Facebook: elraygamingofficial
[Other] None

Other Service Providers

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

Name: Jacqueline Danforth
Firm: The Ideal Connection
Nature of Services: Compliance consulting
Address 1: 30 North Gould, Suite 5953
Address 2: Sheridan WY 82801
Phone: 646-831-6244
Email: jd@theidealconnection.com

9) Disclosure & Financial Information

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

Name: **Anthony B. Goodman**
Title: **CEO and CFO**
Relationship to Issuer: **Officer and director**

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

- IFRS
 U.S. GAAP

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

Name: **Anthony B. Goodman**
Title: **CEO and CFO**
Relationship to Issuer: **Officer and director**

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Mr. Goodman serves as Chief Executive Officer, senior officer or managing director of several corporate entities, both public and private, and has filled similar roles for over 30 years. In these roles as senior officer, Mr. Goodman has also been required to prepare and review financial statements and has developed sufficient financial literacy to fulfill this role. While Mr. Goodman does not have a specific degree in financial accounting his work efforts are supported by accounting personnel.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Anthony Brian Goodman certify that:

1. I have reviewed this Disclosure Statement for Elray Resources Inc;

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

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 15, 2024

/s/Anthony B. Goodman

Principal Financial Officer:

I, Anthony Brian Goodman certify that:

1. I have reviewed this Disclosure Statement for Elray Resources Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 15, 2024

/s/Anthony B. Goodman

ELRAY RESOURCES, INC.
Condensed Balance Sheets
(Unaudited)

	March 31,	December 31,
	2024	2023
ASSETS		
Current assets:		
Cash	492,353	581,544
Account receivable-related party	106,841	106,841
Prepaid Expenses	11,891	13,331
Loan Receivable	119,814	91,372
Total current assets	730,899	793,088
Total assets	730,899	793,088
 LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	6,380,401	6,240,006
Accounts payable – related parties	2,823,870	2,830,424
Advances from shareholders	59,391	59,391
Other payable-related party	39,824	39,824
Short-term debt	1,727,266	1,727,266
Notes payable	164,476	164,476
Notes Payable in Default	125,000	125,000
Convertible notes payable, net of discounts	2,639,602	2,639,602
Derivative liabilities - note conversion feature	2,605,262	2,584,072
Advances from customers	6,821	125,000
Total liabilities	16,571,913	16,535,061
 Shareholders' deficit:		
Series A preferred stock, par value \$0.001, 300,000,000 shares authorized, 0 and 0 shares issued and outstanding, respectively	-	-
Series B preferred stock, par value \$0.001, 280,000,000 shares authorized, 192,000,000 and 192,000,000 shares issued and outstanding, respectively	192,000	192,000
Series C preferred stock, par value \$0.001, 10,000,000 shares authorized, 7,083,333 and 7,083,333 shares issued and outstanding, respectively	7,083	7,083

Common stock, par value		
\$0.001,7,500,000,000 shares authorized, 4,307,112,176 and 4,217,112,176 shares issued and outstanding, respectively	4,307,112	4,217,112
Additional paid-in capital	15,247,427	15,292,427
Subscription receivable	(75,672)	(75,672)
Stock issuable	5,022	5,022
Accumulated deficit	(35,523,986)	(35,379,945)
Total shareholders' deficit	<u>(15,841,014)</u>	<u>(15,741,973)</u>
Total liabilities and shareholders' deficit	<u>730,899</u>	<u>793,088</u>

ELRAY RESOURCES, INC.
Condensed Statements of Operations
(unaudited)

For the Three Months
Ended March 31,

	2024	2023
Revenues	113,179	-
Cost of goods sold - Related Party	1,576	-
Cost of goods sold	48,916	-
Gross Profit	62,687	-
Costs and expenses		
General and administrative expenses	17,924	58,823
General and administrative expenses - Related Party	22,500	22,500
Total operating expenses	40,424	81,323
Profit from operations	22,263	(81,323)
Other income (expense):		
Interest income	12,598	3,373
Interest expense	(157,712)	(158,508)
Unrealized gain (loss) on derivative liability - note conversion feature	(21,190)	31,906
Total other income (expense)	(166,304)	(123,229)
Net loss	(144,041)	(204,552)
Net loss per common share - basic	-	-
Net loss per common share - diluted	-	-
Weighted average number of common shares outstanding - basic	4,247,771,517	4,127,334,398
Weighted average number of common shares outstanding - diluted	4,247,771,517	4,127,334,398

ELRAY RESOURCES, INC.
Condensed Statements of Shareholders' Deficit
Three Months Ended March 31, 2023 and 2024

	Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid-in Capital	Subscription Receivable	Stock Issuable	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance as of December 31, 2022	192,000,000	192,000	7,083,333	7,083	4,107,112,176	4,107,112	15,339,427	(75,672)	5,022	(34,766,413)	(15,191,441)
Issuance of unrestricted shares for cash	-	-	-	-	70,000,000	70,000	(35,000)	-	-	-	35,000
Net loss	-	-	-	-	-	-	-	-	-	(204,552)	(204,552)
Balance as of March 31, 2023	192,000,000	192,000	7,083,333	7,083	4,177,112,176	4,177,112	15,304,427	(75,672)	5,022	(34,970,965)	(15,360,993)
Balance as of December 31, 2023	192,000,000	192,000	7,083,333	7,083	4,217,112,176	4,217,112	15,292,427	(75,672)	5,022	(35,379,945)	(15,741,973)
Adjustment of Shares issued	-	-	-	-	(10,000,000)	(10,000)	5,000	-	-	-	(5,000)
Issuance of restricted shares for service					100,000,000	100,000	(50,000)				50,000
Net loss										(144,041)	(144,041)
Balance as of March 31, 2024	192,000,000	192,000	7,083,333	7,083	4,307,112,176	4,307,112	15,247,427	(75,672)	5,022	(35,523,986)	(15,841,014)

Elray Resources. INC
Condensed Cash Flow Statements
(Unaudited)

For the Three Months
Ended March 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	(144,041)	(204,552)
Adjustments to reconcile net loss to net cash		
(Gain) Loss on derivative liabilities - note conversion feature	21,190	(31,906)
Interest Receivable	(12,585)	(3,207)
Changes in operating assets and liabilities:		
Accounts receivable - related parties	-	500
Prepaid Expenses	1,440	1,375
Prepaid Expenses-Related Party	-	7,500
Accounts payable	185,395	204,642
Accounts payable - related parties	(6,554)	(23,043)
Advances from customers	(118,179)	-
CASH USED FOR OPERATING ACTIVITIES	(73,334)	(48,691)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in loan receivable	(15,857)	(11,213)
CASH USED FOR INVESTING ACTIVITIES	(15,857)	(11,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issuance	-	35,000
CASH PROVIDED BY FINANCING ACTIVITIES	-	35,000
NET INCREASE (DECREASE) IN CASH	(89,191)	(24,904)
CASH AT BEGINNING OF PERIOD	581,544	698,406
CASH AT END OF PERIOD	492,353	673,502
Supplemental disclosure of non-cash activities		
Common stocks issued for acquisition of Service	50,000	-

ELRAY RESOURCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Elray Resources, Inc. ("Elray" or the "Company"), a Nevada Company formed on December 13, 2006, has been providing marketing and support for online gaming operations. The Company maintains its administrative office in Australia and its gaming operations is currently targeting the Asian market.

The accompanying unaudited condensed consolidated financial statements of Elray have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments purchased with an original maturity of six months or less to be cash equivalents.

Derivative Instruments

Derivatives are measured at their fair value on the balance sheet. In determining the appropriate fair value, the Company uses the Black-Scholes-Merton option pricing model. Changes in fair value are recorded in the statements of operations.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A three-tier fair value hierarchy prioritizes the inputs used in measuring 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). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

Our financial instruments include cash, accounts receivable – related parties, accounts payable and accrued liabilities, notes payable, short-term debt payable, convertible notes payable, advances from shareholders, and derivative liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term nature except for derivative liabilities. The derivative liabilities are stated at their fair value as a level 3 measurement.

Revenues

Prior to January 1, 2018, revenues were recognized when the four basic criteria for recognition were met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) consideration is fixed or determinable; and (4) collectability is reasonably assured. The Company adopted new accounting guidance for revenue recognition effective January 1, 2018 which did not have a material impact on the Company's financial statements.

Beginning January 1, 2018, the Company analyzes contracts to determine the appropriate revenue recognition using the following steps: (i) identification of contracts with customers; (ii) identification of distinct performance obligations in the contract; (iii) determination of

contract transaction price; (iv) allocation of contract transaction price to the performance obligations; and (v) determination of revenue recognition based on timing of satisfaction of the performance obligation. The Company recognizes revenues upon the satisfaction of its performance obligations (upon transfer of control of promised goods or services to customers) in an amount that reflects the consideration to which it expects to be entitled to in exchange for those goods or services.

The Company currently derives its revenues mainly from: (a) granting non-exclusive, non-licensable, non-sublicensable, non-assignable and non-transferable licenses of gaming contents solely for online blockchain casinos (“Games Licensing”) and, (b) provision of turnkey online solution and related marketing and consulting services (“Services”) to its customers.

For Games Licensing, the Company acts as the distributor of the third-party online gaming contents utilized by its customers. The customers pay consideration in exchange for the gaming contents utilized. The revenue should be recognized when the usage of the gaming contents occurs based on the actual usage of the gaming contents.

For Services, the Company acts as the provider of turnkey online solution and related marketing and consulting services utilized by its customers. The customers pay consideration in exchange for the services utilized. The revenue should be recognized when the usage of the services occurs based on the actual usage of the services.

The revenues recognized for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 1,	
	2024	2023
Games Licensing	\$ 5,000	-
Services	108,179	-
Total	\$ 113,179	-

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. On December 22, 2017, new federal tax reform legislation was enacted in the United States (the “2017 Tax Act”), resulting in significant changes from previous tax law. The 2017 Tax Act reduces the federal corporate income tax rate to a flat 21% effective January 1, 2018.

Tax benefits are initially recognized in the financial statements when it is more likely than not that the position will be sustained upon examination by the tax authorities. Such tax positions are initially, and subsequently, measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming full knowledge of the position and all relevant facts. No deferred tax asset attributable to the net operating loss carry forward has been recognized, as it is not deemed likely to be realized.

Loss Per Common Share

Basic net earnings (loss) per common share are computed by dividing net earnings (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The dilutive effect of outstanding stock options and warrants is reflected in diluted earnings per share by application of the treasury stock method. The dilutive effect of outstanding convertible securities and preferred stock is reflected in diluted earnings per share by application of the if-converted method.

For the three months ended March 31, 2024, the potentially diluted loss per share excludes notes convertible to 7,543,653,539 shares of the Company’s common stock and preferred stock convertible to 2,125 shares of the Company’s common stock.

Subsequent Events

Elray evaluated subsequent events through the date these financial statements were issued for disclosure purposes.

Recent Accounting Pronouncements

In February 2016, a pronouncement was issued that creates new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted. The new standard is to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the new pronouncement on its financial statements.

Elray's management does not believe that any other recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying financial statements.

NOTE 2 – GOING CONCERN

The accompanying unaudited consolidated financial statements of Elray have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company sustained a loss of \$144,041 for the three months ended March 31, 2024, and carried an accumulated deficit of \$35,523,986 as of March 31, 2024. The factor raises substantial doubt regarding the Company's ability to continue as a going concern. Without realization of additional capital, it would be unlikely for Elray to continue as a going concern. Elray's management plans on raising cash from public or private debt, on an as needed basis, and in the longer term, revenues from the gambling business. Elray's ability to continue as a going concern is dependent on these additional cash financings, and, ultimately, upon achieving profitable operations through the development of its gambling business.

NOTE 3 – LOAN RECEIVABLE

On November 1, 2022, the Company entered into a license agreement with Maxi Technology N.V. ("Maxibet") and Min Kai, Yen, the sole shareholder of Maxibet (collectively with Maxibet the "Licensee"), whereby the Company agreed to provide licenses of online gaming content and a short term interest bearing loan to the Licensee in order to assist the Licensee to deploy its Blockchain casino and to obtain the necessary gaming licenses. The loan was capped at the amount of \$50,000, subsequently amended as \$100,000 in the addendum dated May 1, 2023, with a monthly interest rate of 6%. As of March 31, 2024, the balance of loan and accrued interest was respectively \$75,574 and \$44,240.

NOTE 4 – SHORT-TERM DEBT

On December 20, 2013, the Company entered into a settlement agreement with Tarpon Bay Partners LLC ("Tarpon") whereby Tarpon acquired certain notes and accounts payable against the Company in the amount of \$2,656,214. Pursuant to the agreement, the Company and Tarpon submitted the settlement agreement to the Circuit Court of the Second Judicial Circuit, Leon County, Florida for a hearing on the fairness of the agreement and the exemption from registration under the Securities Act of 1933 for the shares that will be issued to Tarpon for resale ("Settlement Shares"). 75% of the proceeds less all applicable fees and charges from the resale of the Settlement Shares will be remitted to the original claim holders of the Company ("Remittance Amount"). The Company agreed to issue sufficient shares to generate proceeds such that the aggregate Remittance Amount equals \$2,656,214. The settlement agreement was effective on January 27, 2014 when the court granted approval.

On May 17, 2018, the Company entered into a cancellation and release agreement with Tarpon. Pursuant to the agreement, the outstanding balance of the original notes and accounts payable of the Company shall continue to be an obligation of the Company. The Company reclassified \$1,689,905 of the outstanding settlement payable to short-term debt and \$472,254 of the outstanding settlement payable to accounts payable.

GSM Fund Management LLC

On January 30, 2015, the Company entered into an assignment and modification agreement to assign \$62,500 of the convertible promissory note of VTG dated January 23, 2014 to GSM Fund Management LLC (“GSM”). The note bears interest at 12% and matured on January 30, 2016. GSM has the right after a period of 180 days to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest closing bid price in the 15 trading days prior to the conversion date. The Company recorded a loss on extinguishment of debt of \$52,364 related to the exchange. On April 9, 2018, the Company issued 150,221,707 shares of common stock for the conversion of this note in the amount of \$7,511.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of \$37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company’s obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statute, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward. As of March 31, 2024, balance of the debt was \$37,361.

NOTE 5 – NOTES PAYABLE

Notes payable

Notes payable on March 31, 2024 and December 31, 2023 consisted of the following:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Morchester International Limited	July 14, 2012	15%	\$ 35,429	\$ 35,429
Morchester International Limited	July 14, 2012	8%	10,000	10,000
Vista Capital Investments, LLC	May 18, 2024	10%*	119,047	119,047
Total			<u>\$ 164,476</u>	<u>\$ 164,476</u>

* Effective interest rate for fair value calculation

On December 9, 2011, Elray entered into an Amended Splitrock Agreement whereby the Company acquired certain assets and liabilities of Splitrock. As part of the liabilities assumed in terms of the Amended Splitrock Agreement, the Company assumed notes payable of \$292,929 bearing interest of 8% or 15% per annum. On December 20, 2013, the Company entered into a settlement agreement with Tarpon Bay Partners LLC (“Tarpon”) whereby Tarpon acquired \$247,500 of the notes payable against the Company. The remaining notes issued to Morchester International Limited not purchased by Tarpon are currently in default. The default had no effect on the notes’ interest rate.

On November 18, 2022, the Company issued the Note to VTG to replace the Convertible Redeemable Note dated January 23, 2014, with the remaining principal amount of \$481,500 and interest accrued of \$672,463 (the “Replacement”), issued by Elray in favor of VTG. The principal amount of the Note is \$250,000 which shall not bear interest, and which shall be due and payable in two installments as (a) \$125,000 on or before November 18, 2023; and (b) \$125,000 on or before May 18, 2024. The Replacement discharged Elray's full obligation under the foresaid Convertible Redeemable Note. As of March 31, 2024, the first installment of \$125,000 which should be due and payable on November 18, 2023, consisting of balance of the Note \$102,814 and accrued interest \$22,186, is in default without any default penalty or default interest.

As of March 31, 2024, the undue balance of the Note was \$119,047, and the balance of interest payable of the Note accrued at effective interest rate of 10% was \$4,383.

Convertible notes payable

Convertible notes payable, on March 31, 2024 and December 31, 2023, consisted of the following:

<u>Interest Rate</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
----------------------	---------------------------	------------------------------

JSJ Investments, Inc.	10%~20%	\$ 128,853	\$128,853
WHC Capital, LLC	22%	116,936	116,936
Beaufort Capital Partners, LLC	12%	10,966	10,966
Tangiers Investment Group, LLC	20%	48,393	48,393
Microcap Equity Group, LLC	10%	4,654	4,654
Gold Globe Investments Ltd	24%	2,324,000	2,324,000
Vista Capital Investments, LLC.	12%	5,800	5,800
Total		<u>\$ 2,639,602</u>	<u>\$ 2,639,602</u>

JSJ Investments, Inc.

On May 31, 2013, the Company entered into a convertible promissory note with JSJ Investments, Inc. (“JSJ”) for \$50,000. The note matured on December 2, 2013. The note holder has the option to convert the note to common shares in the Company at a discount of 50% of the average closing price over the last 120 days prior to conversion, or the average closing price over the last seven days prior to conversion. As of March 31, 2024, the remaining principal of \$10,670 has not been converted. The note is currently in default. As of March 31, 2024, accrued interest of this note was \$11,509. The default had no effect on the note’s interest rate.

On August 21, 2014, the Company entered into a convertible promissory note with JSJ for \$50,000 cash. The note matured on February 21, 2015. Upon the maturity, the note has a cash redemption premium of 150% of the principal amount. The note is convertible to the Company’s common shares at a discount of 60% of the average of the three lowest bids on the twenty days before the date this note is executed, or 60% of the average of the three lowest bids during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The note is currently in default and has a default interest rate of 20% per annum. As of March 31, 2024, balance of this note was \$45,560, accrued interest of this note was \$86,990.

On January 20, 2015, the Company entered into a convertible promissory note with JSJ for \$40,000. The note bears interest at 12% and matured on July 20, 2015. Upon the maturity, the note has a cash redemption premium of 150% of the principal amount. The note is convertible to the Company’s common shares at 40% of the lowest trading price on the twenty days before the date this note is executed, or 40% of the lowest trading price during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The note is currently in default. The default had no effect on the note’s interest rate. As of March 31, 2024, balance of this note was \$40,000, accrued interest of this note was \$44,110.

On January 20, 2015, the Company entered into a convertible promissory note with JSJ for \$60,000, which was issued in exchange for a portion of the promissory note issued to VTG on January 23, 2014. The note bears interest at 12% and matured on January 20, 2015. JSJ has the right to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest trading price on the twenty days before the date this note is executed, or 50% of the lowest trading price during the twenty trading days preceding the delivery of any conversion notice, whichever is lower. The Company recorded a loss on extinguishment of debt of \$441 related to the exchange. The note is currently in default. The default had no effect on the note’s interest rate. As of March 31, 2024, balance of this note was \$32,623, accrued interest of this note was \$35,462.

WHC Capital, LLC

On September 23, 2014, the Company entered into a convertible promissory note with WHC Capital, LLC (“WHC”) for \$75,000. The note bears interest at 12% and matured on September 23, 2015. WHC has the right at any time during the period beginning on the date of this note to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest intra-day trading price during the fifteen trading days prior to the conversion date. On September 23, 2015, the Company failed to repay the outstanding balance of this note and a penalty of \$41,978 was added to the outstanding balance pursuant to the note terms. As of March 31, 2024, balance of this note was \$116,936, accrued interest of this note was \$228,336. This note is currently in default and has a default interest rate of 22% per annum.

Beaufort Capital Partners, LLC

On September 2, 2014, the Company entered into a convertible promissory note with Beaufort Capital Partners, LLC (“Beaufort”) for \$21,000. The note matured on March 2, 2015. Beaufort has the right after the maturity date to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest trading prices during the fifteen trading days prior to the conversion date. Under certain conditions, the conversion price would be reset to \$0.0001 or 65% off the lowest price of the previous five trading days.

As of March 31, 2024, balance of this note was \$10,966, accrued interest of this note was \$20,959. This note is currently in default. The default had no effect on the note's interest rate.

Tangiers Investment Group, LLC

On October 13, 2014, the Company entered into a convertible promissory note with Tangiers Investment Group LLC ("Tangiers") for \$55,000. The note matured on October 13, 2015. Tangiers has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 45% of the lowest trading prices during the twenty trading days prior to the conversion date. As of March 31, 2024, balance of this note was \$15,393, accrued interest of this note was \$33,781. This note is currently in default and has a default interest rate of 20% per annum.

On October 13, 2014, the Company entered into a convertible promissory note with Tangiers for \$33,000. The note bears interest at 10% and matured on October 13, 2015. Tangiers has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 45% of the lowest trading prices during the twenty trading days prior to the conversion date. As of March 31, 2024, balance of this note was \$33,000, accrued interest of this note was \$58,695. This note is currently in default and has a default interest rate of 20% per annum.

GSM Fund Management LLC

On January 30, 2015, the Company entered into an assignment and modification agreement to assign \$62,500 of the convertible promissory note of VTG dated January 23, 2014 to GSM Fund Management LLC ("GSM"). The note bears interest at 12% and matured on January 30, 2016. GSM has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest closing bid price in the 15 trading days prior to the conversion date. The Company recorded a loss on extinguishment of debt of \$52,364 related to the exchange. On April 9, 2018, the Company issued 150,221,707 shares of common stock for the conversion of this note in the amount of \$7,511.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of \$37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company's obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statute, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward.

Microcap Equity Group, LLC

On February 23, 2015, the Company entered into a convertible promissory note with Microcap Equity Group LLC ("Microcap") for \$20,000, which was issued in exchange for a portion of the promissory note issued to VTG on January 23, 2014. The note matured on January 23, 2017. Microcap has the right to convert the balance outstanding into the Company's common stock at a rate equal to 40% of the lower of the lowest bid price during the thirty trading days prior to the conversion date, or the lowest bid price on the day that the converted shares are cleared for physical delivery. The Company recorded a loss on extinguishment of debt of \$28,213 related to the exchange. As of March 31, 2024, balance of this note was \$4,654, accrued interest of this note was \$4,915. The note is currently in default. The default had no effect on the note's interest rate.

Virtual Technology Group, Ltd

On January 23, 2014, the Company entered into a convertible promissory note with VTG for \$1,500,000. VTG has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 100% of the average of the closing bid prices for the seven trading days prior to the conversion date when the Company's shares are traded in the OTCQB or during the ten trading days prior to the conversion date when the Company's shares are traded on another other exchange. On November 10, 2014, \$50,000 of this note was replaced with a note issued to LG. On January 20, January 23 and January 30, 2015, \$60,000, \$20,000 and \$62,500 of this note were replaced with notes issued to JSJ, Microcap and GSM. On November 18, 2022, \$481,500 of this note and \$672,463 of accrued interest were replaced by a promissory note issued to VTG. As of March 31, 2024, Elray's obligation under this note has been fully discharged, and both balance of this note and accrued interest have been fully settled.

Gold Globe Investments Ltd

On January 23, 2014, the Company entered into a convertible promissory note with GGIL for \$2,800,000. GGIL has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 100% of the average of the

lowest three trading prices during the seven trading days prior to the conversion date when the Company's shares are traded in the OTCQB or during the ten trading days prior to the conversion date when the Company's shares are traded on another exchange. On December 3, 2014, \$45,000 of this note was replaced with a note issued to Tangiers. As of March 31, 2024, balance of this note was \$2,324,000, accrued interest of this note was \$4,009,759. The note is currently in default and has a default interest rate of 24% per annum.

Vista Capital Investments, LLC.

On April 15, 2014, the Company entered into a convertible promissory note with Vista Capital Investments, LLC ("Vista") for \$250,000. The note has an original issuance discount of \$25,000. The note matures 2 years from the date of each payment of the principal from Vista. In the event that the note remains unpaid at maturity date, the outstanding balance shall immediately increase to 120% of the outstanding balance. Vista has the right to convert the outstanding balance into the Company's common stock at a rate equal to the lesser of \$0.008 per share or 60% of the lowest trade occurring during the twenty-five consecutive trading days preceding the conversion date. Due to certain events that occurred during 2014, the conversion price has been reset to \$0.005 per share or 50% of the lowest trade occurring during the twenty-five consecutive trading days preceding the conversion date. Pursuant to the agreement, if the conversion price calculated under this agreement is less than \$0.01 per share, the principal amount outstanding shall increase by \$10,000 ("Sub-Penny"). \$25,000 net proceeds were received on April 23, 2014. The remaining fund of this note has not been received. As of March 31, 2024, balance of this note was \$5,800, accrued interest of this note was \$8,167. The note is currently in default. The default had no effect on the note's interest rate.

Loans from shareholders

On September 5, 2008, Elmside Pty Ltd, a company related to a former director, agreed to an interest free loan of \$55,991 to the Company on an as-needed basis to fund the business operations and expenses of the Company until December 9, 2011, the due date of the loan. The note is in default.

As of March 31, 2024 and December 31, 2023, the Company had advances of \$59,391 from its officer. The advances from the officers are due on demand, unsecured with no interest.

NOTE 6 – DERIVATIVE LIABILITIES – NOTE CONVERSION FEATURE

Due to the conversion features contained in the convertible notes issued, the actual number of shares of common stock that would be required if a conversion of the note as further described in Note 4 was made through the issuance of the Company's common stock cannot be predicted, and the Company could be required to issue an amount of shares that may cause it to exceed its authorized share amount. As a result, the conversion feature requires derivative accounting treatment and will be bifurcated from the note and "marked to market" each reporting period through the income statement. The fair value of the conversion future of these notes was recognized as a derivative liability instrument and will be measured at fair value at each reporting period.

The Company remeasured the fair value of the instrument as of March 31, 2024, and recorded a loss of \$21,190 for the three months ended March 31, 2024. The Company determined the fair values of these liabilities using a Black-Scholes valuation model.

On July 23, 2021, the Company, Pursuant to Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013) and other applicable law, issued a Notice of Tender to GSM Fund Management LLC by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of \$37,297. Such tender of payment by the Company to GSM Fund Management LLC was in full discharge of the Company's obligations under the Note. The registered letter was received by the counter party on August 3, 2021, but the Company did not receive any responses from GSM Fund Management LLC. As per the statute, the Company has decided to cease to incur penalty interest on the date the letter was received by GSM Fund Management LLC and will move from convertible liability to a short-term debt and be a fixed amount going forward. As such the derivative liability of \$21,221 was settled.

On November 18, 2022, the Company issued a First Amended and Restated Convertible Redeemable Note to VTG in the form of promissory note to replace the Convertible Redeemable Note dated January 23, 2014, issued by Elray in favor of VTG. As such Elray's obligation under the foresaid Convertible Redeemable Note has been fully discharged, and the incurred derivative liability of \$447,492 has been fully settled.

The following table provides a summary of the changes in fair value of the derivative financial instruments measured at fair value on a recurring basis using significant unobservable inputs:

Fair value as of December 31, 2023	\$ 2,584,072
Change in fair value of derivative liabilities	21,190
Settlement of derivative liabilities	-
Fair value as of March 31, 2024	<u>\$ 2,605,262</u>

NOTE 7 – ADVANCES FROM CUSTOMERS

Certain customers had made payments to the Company prior to the Company’s delivery of agreed gaming contents or services. Going forward, such payments were expected to be classified either as payments for gaming contents or services or as customer deposits, pursuant to the terms outlined in the agreements. As of March 31, 2024 and December 31, 2023, the balance of such advance payments was \$6,821 and \$125,000 respectively.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, we may be party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not involved currently in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

Commitments and Contingencies

On January 22, 2018, the Company entered into a lease agreement for an office located at Tenancy 2, Level 3, 2 Grosvenor Street, Bondi Junction, Australia. The Company pays approximately \$68,585 per year plus applicable local sale tax and sharing expenses. The agreement, as amended, expires on November 14, 2020. On January 1, 2019, the Company and Articulate Pty Ltd (“Articulate”) entered into a Cancellation of Strategic Partnership Agreement. Pursuant to the agreement, the Company will no longer utilize the commercial premises located at Suite 302, 2 Grosvenor Street Bondi Junction NSW Australia, and Articulate will continue to utilize these premises and as such the parties have agreed that there will be an assignment of a commercial lease from the Company to Articulate and as such Articulate will take on all responsibilities for the lease.

NOTE 9 – RELATED PARTY TRANSACTIONS

Elmside Pty Ltd

On September 5, 2008, Elmside Pty Ltd, a company related to a former director, agreed to an interest free loan to the Company on an as-needed basis to fund the business operations and expenses of the Company until December 9, 2011, the due date of the loan. As of March 31, 2024 and December 31, 2023, loans from Elmside, a shareholder, were \$55,991. The loans are currently in default.

Articulate Pty Ltd and Brian Goodman

As of March 31, 2024 and December 31, 2023, the Company had accounts payable of \$2,619,795 and \$2,627,925, respectively, to its chief executive officer and Articulate Pty Ltd (“Articulate”), a company controlled by the Company’s chief executive officer, for consulting fees, reimbursement of expenses and compensation.

On August 24, 2016, the Company entered into a strategic partnership agreement with Articulate. Pursuant to the agreement, Articulate will provide non-exclusive back office services to the Company’s clients. In exchange for the service, Elray agreed to pay \$10,000 for each month Articulate provides services. Elray will receive 0.5% of the software usage fee paid by Elray’s clients through Articulate. On January 1, 2019, the Company entered into a Cancellation of Strategic Partnership Agreement with Articulate, pursuant to which Articulate will no longer provide support, marketing and back-office services to the Company and the Company will not charge Articulate software usage fees. As of March 31, 2024 and December 31, 2023, receivable from Articulate for software usage fee was \$ 106,841.

Jay Goodman

On May 15, 2013, the Company entered into an agreement with Jay Goodman, son of the Company’s chief executive officer, to provide consulting services assisting the Company with data segmentation, financial and statistical services. In consideration for such services, the Company pays \$3,000 per month to Jay Goodman. On January 1, 2019, the consulting agreement was cancelled. As of March 31, 2024 and December 31, 2023, the Company had \$202,500 payable to Jay Goodman.

Globaltech Software Services LLC

The Company's chief executive officer is a member of Globaltech Software Services LLC ("Globaltech"). As of March 31, 2024 and December 31, 2023, the Company had other payable to Globaltech of \$39,824.

Golden Matrix Group, Inc.

On December 7, 2022, the Company entered into a Software License Agreement with Golden Matrix Group, Inc. ("GMGI"), a company controlled by Anthony Brian Goodman ("Goodman"), the Company's Chief Executive Officer, President, Chief Financial Officer, Secretary and Director. Goodman and Weiting Feng ("Feng"), the Company's Treasurer and Director, served as Chief Executive Officer, President, Secretary, Treasurer and Chairman (Goodman), and Chief Operating Officer and director (Feng), of GMGI.

Pursuant to the Software License Agreement, which was effective as of December 1, 2022, GMGI granted The Company a non-exclusive, non-licensable, non-sublicensable, non-assignable and non-transferable license for the use and further distribution of certain of GMGI's online games, providing the Company the right to use the online games solely for the purpose of running an online blockchain casino enterprise.

In consideration for licensing the online games to the Company, the Company agreed to pay GMGI a monthly license fee equal to 125% of GMGI's costs of such games. The Company also agreed to pay GMGI a 10,000 Euro deposit which is refundable upon the termination of the agreement. For participation in the progressive jackpot games, The Company was required to make an advance payment of 5,000 Euros.

During the three months ended March 31, 2024 and 2023, the Company purchased online gaming contents for \$1,576 and nil respectively from GMGI. As of March 31, 2024 and December 31, 2023, the balance of the Company's accounts payable to GMGI was \$1,576 and nil respectively.

NOTE 10 – EQUITY

Preferred Stock – Series A

On May 3, 2012, the Company authorized the creation of 300,000,000 shares of Series A preferred stock. The Class A Preferred Series shares are convertible at a rate of 0.0000003 common shares for each Series A Preferred Share. As of March 31, 2024 and December 31, 2023, there were no Series A Preferred Stock outstanding.

Preferred Stock – Series B

On July 1, 2012, the Company authorized the creation of 100,000,000 shares of Series B preferred stock. On September 24, 2012, the authorized Series B Preferred Stock was increased from 100,000,000 to 280,000,000. After a series of reverse stock splits, the Series B Preferred stock is convertible at a rate of 0.000000003 common stock for each Series B Preferred stock.

On July 14, 2013, the Company entered into a 12-month consultancy agreement with VTG to assist the Company in developing marketing and supporting the technology of virtual online horse racing products and to provide the Company the exclusive use right to certain website domains. In consideration for such services and domains, the Company issued 192,000,000 Series B Preferred shares to VTG. The 192,000,000 Series B Preferred stock have been recorded at their estimated fair value of \$43,031.

On December 12, 2022, the Company filed a Supplemental Disclosure for Change of Control Events for a change in control of the Company effective on November 18, 2022. On such date, VTG sold 100% of the outstanding shares of Series B Preferred Stock to Luxor Capital, LLC, a company controlled by the Company's chief executive officer. Luxor Capital, LLC paid \$500 in cash to VTG and caused the Company to deliver to VTG a First Amended and Restated Convertible Redeemable Note.

Preferred Stock – Series C

On June 20, 2014, the Company authorized the creation of 10,000,000 shares of Series C preferred stock. The Series C preferred shares are convertible at a rate of 0.0003 common shares for each Series C Preferred Share.

On September 18, 2014, the Company entered into an agreement to acquire a 25% interest in Globaltech Software Services LLC doing business as Golden Galaxy ("Golden Galaxy") which operates online casinos. Under the terms of the purchase agreement, the Company will be entitled to 1% of the gross wagering generated by Golden Galaxy. In consideration for the purchase, the Company issued

5,000,000 shares of the Company's Series C preferred stock in June 2015 and recorded \$5,000 of other asset. On April 1, 2015, the Company terminated the agreement and stopped receiving 1% of the gross wagering generated by Golden Galaxy. During the year ended December 31, 2017, the management recorded an impairment of \$5,000 due to the uncertain recoverability of the other asset.

On September 18, 2014, the Company entered into an agreement with Yangjiu Xie, owner of Asialink Treasure Limited ("ATL"). Pursuant to the agreement, the Company issued 2,083,333 shares of its Series C preferred stock as part of the consideration to acquire 49% of the outstanding shares of ATL in a series of transactions. These shares were recorded at their par value of \$2,083 with a subscription receivable at the same amount. The Company has not received the certificate of ownership from ATL.

Common Stock

On July 12, 2022, the Company filed a Certificate of Amendment to Articles of Incorporation with Nevada Secretary of State, pursuant to which, the Company's authorized number of shares of Common Stock shall be increased from 2.5 billion shares, par value \$0.001, to 4.5 billion shares, par value \$0.001, with no other changes to any other class of the Company's Capital Stock.

On July 19, 2022, the Company filed a Registration Statement (the "Offering") pursuant to Tier 1 of Regulation A of the United States Securities and Exchange Commission (the "SEC"). The Company is offering for sale a maximum of 1,000,000,000 shares of its common stock (the "Offered Shares"), at a fixed price of \$0.0005 per share. A minimum purchase of \$5,000 of the Offered Shares is required and any additional purchase must be in an amount of at least \$1,000. This offering is being conducted on a best-efforts basis, which means that there is no minimum number of Offered Shares that must be sold for the offering to close. All proceeds from the offering will become immediately available to the Company and may be used as they are accepted. The Company intends to use the proceeds of the offering for general working capital and administrative expenses. The Offering received a notice of qualification on July 28, 2022.

On October 17, 2022, the Company filed a Certificate of Amendment to Articles of Incorporation pursuant with Nevada Secretary of State, pursuant to which, the Company's authorized number of shares of Common Stock shall be increased from 4.5 billion shares, par value \$0.001, to 7.5 billion shares, par value \$0.001, with no other changes to any other class of the Company's Capital Stock.

On October 25, 2022, the Company filed a Post-Qualification Offering Circular Amendment No. 1 (the "PQA") to amend the Offering Statement filed on July 19, 2022, and qualified on July 28, 2022 and as may be amended and supplemented from time to time, to add 1,000,000,000 additional shares of common stock to be offered by our company pursuant to the PQA, for a revised maximum of 2,000,000,000 shares of common stock. The PQA received a notice of qualification on November 2, 2022.

From October 3, 2022 to the date of this Report, the Company sold, to nineteen investors publicly, an aggregate of 1,110,000,000 shares of its common stocks, at a price of \$0.0005 per share, raising cash of \$555,000. The shares were offered pursuant to Tier 1 of Regulation A and the Company's entry into subscription agreements with each investor.

From October 14, 2022 to the date of this Report, the Company sold, to seven accredited investors, an aggregate of 661,500,000 shares of its common stocks, at a price of \$0.0005 per share, raising cash of \$330,750. The shares were offered pursuant to Rule 506 of Regulation D and the Company's entry into subscription agreements with each investor.

On June 14, 2023, the Company issued 40,000,000 shares of restricted common stocks to James H. Caplan as a part of consideration for corporation communication and investor relation services provided to the Company by James H. Caplan in the period beginning December 1, 2022 and concluded on 30 November 30, 2023.

On March 1, 2024, the Company issued 90,000,000 shares and 10,000,000 shares of restricted common stocks to Brian Herman and James St. Clair respectively as the consideration for advisory services provided in the six-month period beginning December 2, 2022.

NOTE 11 – SUBSEQUENT EVENTS

None.