

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

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

For the quarterly period ended October 31, 2019

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

For the transition period from _____ to _____.

Commission file number: 000-56142

OBITX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

82-1091922
(I.R.S. Employer
Identification No.)

4720 Salisbury Road
Jacksonville, FL
(Address of principal executive offices)

32256
(Zip Code)

(570) 778-6459
Registrant's telephone number, including area code

(Former name and address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

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

As of March 24, 2020, the Company had 10,460,000 shares of common stock, \$0.0001 par value outstanding.

Transitional Small Business Disclosure Format Yes No

OBITX, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements
Interim Condensed Financial Statements and Notes to Interim Financial Statements

General

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's original S-1 filing and the annual audit for the year ended January 31, 2019. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the nine months ended October 31, 2019 are not necessarily indicative of the results that can be expected for the year ending January 31, 2020.

OBITX, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

ASSETS	<i>(unaudited)</i> October 31, 2019	<i>(audited)</i> January 31, 2019
Current Assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	—	4,500
Assets held for Sale	—	408,166
Prepaid expenses	—	149
Total current assets	—	412,815
Property, plant and equipment, net	2,081,845	2,445,322
Intangible assets, net	3,638	5,576
Total assets	<u>\$ 2,085,483</u>	<u>\$ 2,863,713</u>
	October 31,	January 31,
	2019	2019
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 157,211	\$ 143,702
Due to Related Party	218,263	707,680
Total current liabilities	375,474	851,382
Accounts Payable , Noncurrent Portion	114,724	—
Due to Related Party, Noncurrent Portion	89,400	—
Total noncurrent liabilities	204,124	—
Total Liabilities	579,598	851,382
Stockholders' equity		
Series A Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; 0 shares issued and outstanding, as of October 31, 2019 and 100,000 shares issued and outstanding, as of January 31, 2019.	—	10
Common stock, \$0.0001 par value, voting; 200,000,000 shares authorized; 10,460,000 shares issued and outstanding, as of October 31, 2019 and 5,460,000 as of January 31, 2019.	1,046	546
Additional paid in capital	3,442,335	3,442,825
Accumulated deficit	(1,937,496)	(1,431,050)
Total stockholders' equity	1,505,885	2,012,331
Total liabilities and stockholders' equity	<u>\$ 2,085,483</u>	<u>\$ 2,863,713</u>

See accompanying notes to unaudited consolidated financial statements.

OBITX, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations
(unaudited)

	For the three months ended October 31,		For the nine months ended October 31,	
	2019	2018	2019	2018
Sales	\$ —	\$ 46,320	\$ —	\$ 84,610
Computer Lease	—	3,382	—	11,418
Cost of Services	—	29,057	—	65,479
Depreciation Expense	121,159	121,159	363,477	363,475
Software Maintenance	—	26,920	—	79,792
Total Cost of Sales	121,159	180,518	363,477	520,164
Gross Loss	<u>(121,159)</u>	<u>(134,198)</u>	<u>(363,477)</u>	<u>(435,554)</u>
Selling, general, and administrative	711	11,156	5,272	20,051
Professional fees	—	2,925	5,256	24,033
Marketing & advertising	—	804	—	9,795
Payroll	—	8,978	—	30,761
Consultant fees	42,000	57,477	126,000	168,977
Bad Debt Expense	—	—	4,500	—
Amortization & Depreciation Expense	646	646	1,938	1,531
Total operating expenses	43,357	81,986	142,966	255,148
Net Loss from operations	<u>(164,516)</u>	<u>(216,184)</u>	<u>(506,443)</u>	<u>(690,702)</u>
Other income (expense)	<u>(1)</u>	<u>(3)</u>	<u>—</u>	<u>—</u>
Net income (loss) before Extraordinary items	\$ (164,517)	\$ (216,184)	\$ (506,446)	\$ (690,702)
Basic and diluted (Loss) per share:				
Income(Loss) per share - basic and diluted	<u>(0.0157)</u>	<u>(0.0389)</u>	<u>(0.0575)</u>	<u>(0.1242)</u>
Weighted average shares outstanding - basic and diluted	<u>10,460,000</u>	<u>5,560,000</u>	<u>8,811,648</u>	<u>5,560,000</u>

See accompanying notes to unaudited consolidated financial statements.

OBITX, Inc.
and SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance - January 31, 2018	100,000	\$ 10	5,460,000	\$ 546	\$ 3,442,825	\$ 688,735	\$ 4,132,116
Net Loss	—	—	—	—	—	\$ (2,119,785)	\$ (2,119,785)
Balance - January 31, 2019	100,000	\$ 10	5,460,000	\$ 546	\$ 3,442,825	\$ (1,431,050)	\$ 2,012,331
Stock converted from preferred to common	(100,000)	\$ (10)	5,000,000	\$ 500	\$ (490)	—	—
Net income (loss)	—	—	—	—	—	\$ (506,446)	\$ (506,446)
Balance - October 31, 2019	—	—	10,460,000	\$ 1,046	\$ 3,442,335	\$ (1,937,496)	\$ 1,505,885

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

OBITX, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the nine months ended October 31,
(unaudited)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net (Loss)	\$ (506,446)	\$ (690,702)
<i>Adjustments to reconcile net loss to net</i>		
<i>Cash provided by (used in) operating activities:</i>		
Depreciation and amortization	365,412	365,006
<i>Decrease (Increase) in:</i>		
Accounts receivable, net	4,500	215,456
Prepaid expenses and other current assets	149	(224)
Accounts payable, accrued expenses and taxes payable	128,233	54,324
Net cash used in operating activities	<u>\$ (8,152)</u>	<u>\$ (56,140)</u>
Cash flows from investing activities:		
<i>Increase (Decrease) in:</i>		
Assets held for Sale	—	(108,196)
Acquisition of property, plant and equipment	—	(5,822)
Acquisition of intangible assets	—	(8,301)
Net cash received in investing activities	<u>\$ —</u>	<u>\$ (122,319)</u>
Cash Flows From Financing Activities:		
Borrowing from related party	8,152	162,148
Net Cash Provided By Financing Activities	<u>\$ 8,152</u>	<u>\$ 162,148</u>
Net Change in Cash	—	(16,311)
Cash at Beginning of Year	—	16,350
Cash at End of Period	<u>\$ —</u>	<u>\$ 39</u>
Non-cash Investing and Financing Activities:		
Conversion of preferred stock to common stock	500	
Reduction on debt for available for sale assets	<u>408,166</u>	<u>—</u>

See accompanying notes to unaudited consolidated financial statements.

OBITX, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Organization and Basis of Presentation

The accompanying unaudited financial statements of OBITX, Inc., (the “Company”, “we”, “our”), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”).

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). All significant intercompany accounts and transactions have been eliminated.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Haute Jobs, LLC, (“HAUTE”), Campaign Pigeon, LLC, (“CAMP”), and altCUBE, Inc., (“altCUBE”).

Description of Business

The Company was incorporated in the State of Delaware on March 30, 2017 originally under the name GigeTech, Inc. On October 31, 2017 the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIG. The Company is headquartered in Jacksonville, Florida.

The Company’s primary NAICS CODE is 519130, Internet publishing and broadcasting and web search portals. We publish and generate textual, audio, and/or video content on the Internet, and operate web sites that use a search engine to generate and maintain extensive databases of internet addresses and content.

The Company earns revenue through social media advertising, fees, and services. Under its plan, the Company developed its white label software solution for MCIG under the 420 Cloud brand in support of the cannabis industry. The company has expanded its services and solutions in software development and internet advertising and promotion into the social media industries of entertainment, business administration, blockchain technologies, and social media.¹

Subsidiaries of the Company

The company currently operates, in addition to OBITX, Inc., two wholly owned subsidiaries, and has one company in which it has discontinued operations, which are consolidated:

Haute Jobs, LLC

We incorporated on May 10, 2018 in the state of Wyoming. Haute Jobs, LLC was created to provide services in the arena of job marketing and matching services, to perform an as an employment center.

Campaign Pigeon, LLC

We incorporated on May 10, 2018 in the state of Wyoming. Campaign Pigeon, LLC was created to provide services in the arena of online marketing and generating advertising.

altCUBE, Inc

We incorporated on June 4, 2018 in the state of Wyoming. altCUBE, Inc was created to provide services in the arena of promoting individual advertising solutions and enabling access to the financial crypto global market, providing modern, efficient, clean and intuitive user interface. This company has discontinued operations and is only being included for prior year financial comparison.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the wholly owned subsidiaries of HAUTE, CAMP, and altCUBE.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates include: revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation and recoverability of long-lived assets; property and equipment; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Revenue Recognition Policies

We intend to earn revenue from the subscription, non-software related hosted services, term-based and perpetual licensing of software products, associated software maintenance and support plans, consulting services, training, and technical support.

On February 1, 2018, we adopted Topic 606, using the modified retrospective transition method applied to those contracts which were not completed as of February 1, 2018. Results for reporting periods beginning after February 1, 2018 are presented under Topic 606, while prior period amounts have not been adjusted and continue to be reported in accordance with our historic accounting. The impact of adopting the new revenue standard was not material to our financial statements and there was no adjustment to beginning retained earnings upon adoption.

Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Research and Development

Research and Development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. The Company has recognized \$0 as a capital asset for the periods ended October 31, 2019 and January 31, 2019.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables and commodities are limited due to the diverse group of customers to whom the Company provides services to. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables or the selling of its commodities warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of \$250,000. The risk is managed by maintaining all deposits in high-quality financial institutions. The Company had \$0 in excess of federally insured limits on October 31, 2019, and January 31, 2019.

Cost of Goods Sold

The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as cost of goods sold in the accompanying statement of operations.

Cost of Revenue

Cost of revenue includes: manufacturing and distribution costs for products sold and programs licensed; operating costs related to product support service centers and product distribution centers; costs incurred to include software on PCs sold by OEMs, to drive traffic to our websites and products, and to acquire online advertising space; costs incurred to support and maintain Internet-based products and services, including data center costs and royalties; warranty costs; inventory valuation adjustments; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products.

Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes, the company concentrates its cash holdings in an account at Bank of America. The Company had no cash equivalents as of October 31, 2019, or January 31, 2019.

Property, Plant, and Equipment

Property, plant, and equipment ("PPE") are stated at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements and major replacements that extend the life of the asset are capitalized.

Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of depreciable assets, which are generally three to five periods.

The Company classifies its software under the *Financial Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, and the Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting of Costs of Computer Software Developed or Obtained for Internal Use. When software is used in providing goods and services it is classified as PPE.* The Company considers its proprietary software as a major part of the Company's operations that are intended to provide profits.

Accounts Receivable

The Company's accounts receivable are trade accounts receivable. The Company recognized \$1,254,500 as an uncollectable reserve for the nine month period ending October 31, 2019 and the company had outstanding accounts receivable of \$4,500 for the year ending January 31, 2019.

For the nine month period ended October 31, 2019 and October 31, 2018 there were \$0 and \$84,610 in sales. During the period ending April 30, 2019 it was decided to write off the remaining \$4,500 accounts receivable as it was also greater than 1 year outstanding. During the last quarter for the year ended January 31, 2019 the accounts receivable of \$1,250,000 for Render Payment was written off as bad debt to take a conservative approach on the balance sheet as the amount of time of non-payment was quite substantial and greater than 1 year. For the nine-month period ending October 31, 2019 there are no accounts receivable being recognized on the balance sheet.

Advertising Costs and Expense

The advertising costs are expensed as incurred. Advertising costs were \$0 for the nine month period ending October 31, 2019 and \$9,795 for the nine month period ending October 31, 2018.

Foreign Currency Translation

The Company's functional currency and its reporting currency is the United States Dollar.

Income Taxes

In accordance with *SAB Topic 1: Financial Statements, Subsidiary's or Division's Separate Financial Statements and Segments*, income taxes are consolidated with MCIG, the controlling entity of the Company. There are currently no tax implications should the Company not consolidate with MCIG. With only losses showing for the periods shown there would be no taxes payable for any periods presented. If there were tax expenses they would be based on the IRS published corporate tax rate of 21% for 2018 and 2019.

Basic and Diluted Net Earnings (Loss) Per Share

The Company follows *ASC Topic 260 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* to account for earnings per share. Basic earnings per share (“EPS”) calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will incur and that the amount of the loss can be reasonably estimated. The Company recognized \$0 as a loss on contingencies in the nine month periods ending October 31, 2019 and October 31, 2018.

Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history, no certainty of continuation can be stated. The accompanying financial statements for the period ended October 31, 2019, has been prepared to assume that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has negative cash flow and there are no assurances the Company will generate a profit or obtain positive cash flow. The Company has sustained its solvency through the support of the shareholder, MCIG as well as a significant decrease in operating costs, which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time to the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate the revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

Note 4. Property, Plant and Equipment, and Intangible Assets

In a major transaction, the Company acquired the 420 Cloud software environment which includes, 420 Cloud mobile, 420 Cloud browser, 420 Cloud API, WhoDab, BangPunch, 420 single sign-on mobile wallet, 420 job search, Weedistry, Ehesive, 420 cue, 420 wise guy, and Palm weed. While some of the software applications are currently in use, others are still under development. The Company launched its 420 cloud software service on April 20, 2017. On June 3, 2019 OBITX sold all assets held for sale to MCIG for the price of \$408,166. The payment was made by OBITX decreasing the amount owed to MCIG by \$408,166.

The following is a detail of equipment:

	Nine months ended October 31, 2019	Year ended January 31, 2019
Software	\$ 3,129,411	\$ 3,129,411
Intangibles	7,753	7,753
Machinery & Equipment	—	—
Total acquisition cost	3,137,164	3,137,164
Accumulated depreciation	1,051,678	686,265
Total property, plant, and equipment	\$ 2,085,483	\$ 2,450,898

Depreciation expense on property, plant and equipment was \$363,477 for the nine month period ended October 31, 2019 and \$363,475 for the nine month period ending October 31, 2018.

Note 5. Related Party Transactions

On June 14, 2018 the Company entered a Line of Credit with APO Holdings, LLC for up to \$100,000 at any one time. The Line of Credit may be cancelled at any time by either party providing 30 days written notice of cancellation. It was given at a 0.6% interest rate and may be paid at any time with no definitive payoff date. As of October 31, 2019 the current outstanding on the line of credit is \$77,400 principal and \$4.85 interest.

On June 30, 2018 OBITX provided services to their subsidiary altCUBE in the amount of \$25,167. This amount was made up of General Administrative expenses of \$1,250, Website Design of \$16,009, Marketing Expense \$7,168, and Website Maintenance of \$740. In January 2019 altCUBE was written off as discontinued operations.

On May 1, 2019 MCIG converted all 100,000 Series A Preferred shares at par value of \$0.0001 to 5,000,000 common shares at par value of \$0.0001.

MCIG entered into a Line of Credit Agreement with the Company on November 1, 2016 with a maximum limit of \$500,000. MCIG increased the limit to \$1,000,000 on January 1, 2018. The agreement expired on April 30, 2019. The Line of Credit bore 0% interest with a right to convert at 15% discount to market rate. The Company defaulted and has failed to payoff the Line of Credit. On June 3, 2019 MCIG purchased all cryptocurrency-based automated teller machines from OBITX for the price of \$408,166. The payment was made by OBITX decreasing the amount owed to MCIG by \$408,166. MCIG extended the Line of Credit Agreement until December 31, 2019. As of October 31, 2019 OBITX owes MCIG \$218,257.

Note 6. Commitments and Contingencies

The Company entered into a commitment for its corporate offices on January 4, 2019. The commitment is for a period of twelve (12) months at the rate of \$69 per month. The Company may utilize additional space on an as needed basis at an hourly or daily rate.

Note 7. Stockholders' Equity**Common Stock**

As of October 31, 2019 and January 31, 2019, the Company had 200,000,000 common shares authorized, with 10,546,000 common shares on October 31, 2019 and 5,460,000 common shares on January 31, 2019 at a par value of \$0.0001 issued and outstanding. On May 1, 2019 MCIG elected to convert its 100,000 shares of Series A Preferred Stock into 5,000,000 common shares of stock in accordance with the Series A Preferred terms and conditions.

Preferred Stock

As of October 31, 2019 and January 31, 2019, the company had 1,000,000 Series A Preferred shares authorized, with 0 Series A Preferred Shares on October 31, 2019 and 100,000 Series A Preferred shares on January 31, 2019 at a par value of \$0.0001 issued and outstanding.

Note 8. Basic Income per Share before Non-Controlling Interest

Basic Income Per Share - The computation of basic and diluted loss per common share is based on the weighted average number of shares outstanding during each period.

	Basic Income Per share	
	For the nine months Ended October 31,	
	2019	2018
Net income	(506,446)	(690,702)
Basic income per share	(0.0575)	(0.1242)
Basic weighted average number of shares outstanding	8,811,648	5,560,000

The computation of basic loss per common share is based on the weighted average number of shares outstanding during the period.

Note 9. Warrants

On November 1, 2017 the Company issued 7 warrants to officers, directors, and investors for the purchase of up to 3,000,000 shares of common stock at \$1.00 per share. The warrants expire on November 1, 2022 at 5:00 PM Eastern Standard Time. The warrants contain participation rights to any registration statement filed by the Company. The Holder shall not be entitled to exercise their Warrant when the number of shares exercised by the Warrant Holder would cause the Holder to exceed 4.99% of the total outstanding common stock.

A summary of warrant activity for nine months ended October 31, 2019 is as follows:

	<u>Shares</u>	<u>Weighted Average Conversion Price</u>
Warrants outstanding at January 31, 2019	3,000,000	\$ 1.00
Exercised	-	-
Granted	3,000,000	\$ 1.00
Warrants outstanding at October 31, 2019	3,000,000	\$ 1.00

Note 10. Subsequent Events

There are no reportable subsequent events.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and related notes thereto in our S-1 and annual audit for the year ended January 31, 2019. .

Certain statements in this section contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report and not clearly historical in nature are forward-looking, and the words “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “intends,” “potential,” and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) generally are intended to identify forward-looking statements. Any statements in this report that are not historical facts are forward-looking statements. Actual results may differ materially from those discussed from time to time in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.

HISTORY AND BACKGROUND

We were incorporated in the State of Delaware on March 30, 2017, originally under the name GigeTech, Inc. On October 31, 2017, the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIG. The Company is headquartered in Jacksonville, Florida.

The Company’s Primary Standard Industrial Classification Code (referred to as “SIC Codes”) is 7379, Computer Related Services, not elsewhere classified. The Company’s primary NAICS CODE is 519130, Internet publishing and broadcasting and web search portals. We publish and generate textual, audio, and/or video content on the Internet, and operate websites that use a search engine to generate and maintain extensive databases of internet addresses and content.

GENERAL

OBITX is engaged in the business of marketing and advertising through its proprietary software. We believe that our products will provide our consumers in the tech, internet, blockchain, and cannabis markets with an advertising and marketing approach uniquely designed for them. We provide consulting services in various approaches to marketing and advertising for each customer with an execution plan for the promotion and growth of their business.

We compete in a highly competitive market that includes other marketing companies, as well as traditional internet promotion companies. In this highly fragmented market, we have focused on building brand awareness early through viral adoption and word of mouth. In the future, we expect to employ additional marketing strategies.

Viral Marketing is a technique that uses pre-existing social networking services and other technologies to try to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes.

Thus far, we have been successful in driving traffic to our websites and building a client base by utilizing viral marketing strategies. Specifically, we have built a presence on leading social-media sites such as Facebook and Twitter. Through these sites, we post information about our services and make daily attempts to engage our target audience. This process is designed to drive traffic to our websites and eventually leads to sales. The viral marketing strategy is cost-effective, and we do not anticipate any significant costs arising from this strategy.

We currently operate the following websites, which are not incorporated as part of this Form 10Q:

www.ObitX.com
www.ehesive.com
www.latestPR.com
www.Marketaro.com
www.BlogCertified.com

Corporate Information

Our principal executive office is located at 4720 Salisbury Road, Jacksonville, Florida 32256 and our telephone number is (904) 748-9750. Our fiscal year end is January 31 of each calendar year.

Implications of Being an Emerging Growth Company

We currently qualify as an “emerging growth company” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we expect that we will take advantage of the reduced reporting requirements that are otherwise applicable to public companies. These reduced reporting requirements include:

- not being required to comply with the auditor attestation requirements of Section 404(b) of the SarbanesOxley Act of 2002, as amended (the “**SarbanesOxley Act**”);
- reduced disclosure obligations regarding executive compensation in this prospectus and in our future periodic reports, proxy statements and registration statements; and
- not being required to hold a non-binding advisory vote on executive compensation or to seek stockholder approval of any golden parachute payments not previously approved.

We may continue to take advantage of these reduced reporting obligations until March 30, 2022. However, if certain events occur prior to such date, including if we become a “large accelerated filer,” our annual gross revenue exceeds \$1.07 billion or we issue more than \$1.0 billion of non-convertible debt in any three year period, we would cease to be an emerging growth company.

We have elected to take advantage of certain of the reduced disclosure obligations regarding executive compensation and other matters in this prospectus and other filings we make with the SEC. As a result, the information that we provide to our stockholders is different than the information you might receive from other public fully reporting companies in which you hold equity interests.

The JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to avail ourselves of this exemption and, therefore, we are not subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

INDUSTRY

A Blockchain is a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network. The blockchain system has been designed to use nodes agreement to order transactions and prevent fraud so that records cannot be altered retroactively. The network orders transaction by putting them together into groups called blocks, each block contains a definite amount of transactions and a link to the previous block. Bitcoin, which is the name of the best-known cryptocurrency, is the one for which blockchain technology was invented. Blockchain is, quite simply, a digital, decentralized ledger that keeps a record of all transactions that take place across a peer-to-peer network.

Bitcoins are not the only type of Digital Assets founded on math-based algorithms and cryptographic security, although it is considered the most prominent as of the date of the filing of this Registration Statement. Over 1,000 other Digital Assets, (commonly referred to as “altcoins”, “tokens”, “protocol tokens”, or “digital assets”), have been developed since the Bitcoin Network’s inception, including Ethereum, Ripple, Litecoin, Dash, and Monero.

Blockchain Technologies

Cryptocurrencies

Cryptocurrency is an encrypted decentralized digital currency transferred between peers and confirmed in a public ledger via a process known as mining. As of September 2017, there are over 1,000 digital currencies in existence.

Blockchain Value

Cryptocurrencies are Digital Asset that is not a fiat currency (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization) and is not backed by hard assets or other credit. As a result, the value of cryptocurrencies is determined by the value that various market participants place on them through their transactions.

Exchange Valuation

Due to the peer-to-peer framework of cryptocurrencies, transferors and recipients of cryptocurrencies are able to determine the value of the cryptocurrency transferred by mutual agreement or barter with respect to their transactions. As a result, the most common means of determining the value of a cryptocurrency is by surveying one or more Exchanges where the cryptocurrency is publicly bought, sold and traded.

Uses of Cryptocurrencies

Global Cryptocurrency Market

Global trade in cryptocurrencies consists of individual end-user-to-end-user transactions, together with facilitated exchange-based trading. There is currently no reliable data on the total number or demographic composition of users on the global exchanges.

Goods and Services

Cryptocurrencies can be used to purchase goods and services, either online or at physical locations, although reliable data is not readily available about the retail and commercial market penetration of the various cryptocurrencies. To date, the rate of consumer adoption and use of cryptocurrencies for paying merchants has trailed the broad expansion of retail and commercial acceptance of cryptocurrency. Other markets, such as credit card companies and certain financial institutions are not accepting such digital assets. It is likely that there will be a strong correlation between the continued expansion of the Cryptocurrency Network and its retail and commercial market penetration.

Anonymity and Illicit Use

The Blockchain Network was not designed to ensure the anonymity of users, despite a common misperception to the contrary. All transactions are logged on the Blockchain and any individual or government can trace the flow of cryptocurrencies from one address to another. Off-Blockchain transactions occurring off the Network are not recorded and do not represent actual transactions or the transfer of cryptocurrencies from one digital wallet address to another, though information regarding participants in an Off-Blockchain transaction may be recorded by the parties facilitating such Off-Blockchain transactions. Digital wallet addresses are randomized sequences of 27-34 alphanumeric characters that, standing alone, do not provide sufficient information to identify users; however, various methods may be used to connect an address to a particular user's identity, including, among other things, simple Internet searching, electronic surveillance and statistical network analysis and data mining. Anonymity is also reduced to the extent that certain Exchanges and other service providers collect users' personal information, because such Exchanges and service providers may be required to produce users' information in order to comply with legal requirements. In many cases, a user's own activity on the Blockchain Network or on Internet forums may reveal information about the user's identity.

Users may take certain precautions to enhance the likelihood that they and their transactions will remain anonymous. For instance, a user may send its cryptocurrencies to different addresses multiple times to make tracking the cryptocurrencies through the Blockchain more difficult or, more simply, engage a so-called "mixing" or "tumbling" service to switch its cryptocurrencies with those of other users. However, these precautions do not guarantee anonymity and are illegal to the extent that they constitute money laundering or otherwise violate the law.

As with any other asset or medium of exchange, cryptocurrencies can be used to purchase illegal goods or fund illicit activities. The use of cryptocurrencies for illicit purposes, however, is not promoted by the Blockchain Network or the user community as a whole. Furthermore, we do not believe our advertising, marketing, and consulting services has exposure to such uses because the services we provide are curated by our management and team.

DESCRIPTION OF SUBSIDIARIES

altCUBE, Inc.

We incorporated on June 4, 2018 in the state of Wyoming. altCUBE, Inc. was created to provide services in the arena of promoting individual advertising solutions and enabling access to the financial crypto global market, providing modern, efficient, clean and intuitive user interface. altCUBE was closed on January 11, 2019.

Campaign Pigeon, LLC

We incorporated on May 10, 2018 in the state of Wyoming. Campaign Pigeon, LLC was created to provide services in the arena of online marketing and generating advertising.

Haute Jobs, Inc.

We incorporated on May 10, 2018 in the state of Wyoming. Haute Jobs, LLC was created to provide services in the arena of job marketing and matching services, to perform an as an employment center.

BUSINESS MODEL

OBITX Inc. is an advertising company marketing products and services using digital technologies across the internet, mobile devices, display advertisements, and other digital mediums. As a technology driven company, we do Software as a Service (SaaS) development, deployment, and day-to-day operations. In addition, we provide website designs, copywriting, copyediting, social networking, influencing and campaign management. OBITX has developed proprietary software and web presence for the promotion and development of its business strategy.

We have developed a proprietary cloud based social media platform. This software can be a white label social media cross-platform service utilized in various industry to promote internal and external services and products. Clients may customize the parameters in which the software operates in the promotion and advertisement of their respective business. The software was initially launched under MCIG as its 420 Cloud software solution model. This software helps with managing social media by utilizing the following:

- Cloud - API / BackEnd: The HTTP and HTTPS API integration allow users greater cloud versatility. This cross-platform APIs allows cloud tenants the ability to access resources from primary cloud providers and others. This system saves time and development since organizations will be able to access the resources and workloads of different cloud providers and platforms.
- Content delivery network (CDN): this service stores a cached version of its content in multiple geographical locations (a.k.a., points of presence, or PoPs). The PoPs contain a number of caching servers responsible for content delivery to visitors within its proximity. This places your content in many places at once providing superior coverage to users.
- Single Sign-on / Wallet: single sign-on portal allowing users to enter one set of credentials to access to their web apps in the cloud only once – via desktops, smartphones, and tablets. The password security and multi-factor authentication ensure that only authorized users to get access to sensitive data. This service also allows users to make secure electronic transactions.
- Cloud Cue: A prioritize matching system based on ratings and credentials bringing products and people together. This system uses impression recognition and matching capabilities combined with the ability of mobile image capture to bring people to products they need and even people they want.
- Cloud Wise Buy: This takes cataloged data accompanying a product on an e-commerce portal and presents it in order to help a buyer find the best deal based on the time and geolocation from where the information is sourced.
- Lead Generation Software: Captures information at a point of contacts such as landing pages, white paper downloads, and email openings. These leads are then scored and defined providing information on how customers interact with brands allowing the creation of customer journeys to be used by sales teams to generate more sales.
- Cloud Tienda eCommerce: A centralized e-commerce repository system using a multichannel product content management platform making it easy to centrally manage product information and publish listings in a growing selection of channels and websites.
- Media Processing: This system unifies the media processing chain offering a comprehensive software solution that transforms traditional video preparation and delivery architectures into a cloud operation, accelerating the time it takes you to process photos and videos.
- Cardsur payment processing: An e-commerce business allowing payments and money transfers to be made through the Internet. This gives users the ability to purchase from online vendors, auction sites, and other commercial users while making sure all private user data is encrypted and secure.

In addition to the software, the digital advertising based model utilizes marketing methods such as search engine optimization, search engine marketing, content marketing, campaign marketing, social media optimization, influencer marketing, content automation, and email direct marketing. These services are offered through a series of software platforms. These platforms include:

- Ehesive: is a self-serve cost per thousand (CPM) platform that rents digital ad space to publishers to be filled with content from a pool of advertisers. This platform uses content marketing, campaign marketing, and content automation to help users reach the most potential viewers.
- Marketaro: is our email service for developers and marketers with pre-built marketing automations to help send newsletters, shipping notices, password resets, and promotional emails to clients personal email lists.
- Latest PR: is a press release circulation service using SEO to place a press release high in google listing. When a user publishes a press release through the website, they are given the following automation tools: Social Media Distribution, Search Engine Distribution, Extended Marketaro Distribution, National Media Distribution, Premium International Distribution, Bulk Blast Industry Generic, Blog Certified Sponsor Post, Published on 3rd party sites related to network, Images and Video Included within Post.
- Blog Certified: is our digital ad service that uses influencers as publishers renting out ad space on their blogs to sell to advertisers. This platform offers world-class advertising management, professional advertising implementation, custom reporting dashboard, mobile optimization, access to all ad-types and tech, site and setup audits, dedicated ad-ops team, priority testing and a data team.

We intend on utilizing these software platforms in multiple industries; however, our management team is primarily focused on the blockchain technology business as a key level of interest and future development.

EMPLOYEES AND CONSULTANTS

As of October 31, 2019, the Company has 2 employees who provide programming services, offshore, for the Company. Our management team is currently employed under consulting agreements with the anticipation to convert to employment contracts upon the raising of the necessary capital, or an increase in revenue, to be able to make payroll. Current management is believed to have been compensated at below market levels since inception in (March 2017).

Available Information

All reports of the Company filed with the SEC are available free of charge through the SEC's Web site at www.sec.gov. In addition, the public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Results of Operations for the three months ended October 31, 2019 and 2018

Our operating results for the three months ended October 31, 2019 and 2018 are summarized as follows:

	For the three months ended October 31,	
	2019	2018
Sales	\$ —	\$ 46,320
Total Cost of Sales	121,159	180,518
Gross (loss)	(121,159)	(134,198)
Total operating expenses	43,357	81,986
Net (loss) from operations	(164,516)	(216,184)

Revenue

For the three months ended October 31, 2019 and October 31, 2018 there was revenue of \$0 and \$46,320, respectively.

Cost of Goods Sold

Our cost of goods sold for the three months ended October 31, 2019 was \$121,159 compared to \$180,518 for the three months ended October 31, 2018. The decrease of \$59,359 is primarily due to the decrease of \$3,382 in computer lease, \$29,057 in cost of services, and \$26,920 in software maintenance.

Gross Loss

Our gross loss for the three months ended October 31, 2019 was \$121,159 compared to a gross loss of \$134,198 for the three months ended October 31, 2018. This decrease in the gross loss is primarily attributed to the decrease in cost of goods sold of \$59,359 offset by a decrease in sales of \$46,320.

Operating Expenses

Our operating expenses decreased by \$38,630 from \$81,986 for the three months ended October 31, 2018 to \$43,357 for the three months ended October 31, 2019.

While we had no sales for the three months ended October 31, 2019 we are still incurring operating costs to keep the company in operations. Costs decreased over all areas when comparing the nine months ended October 31, 2019 and 2018, except for the increase in selling, general, and administrative of \$77. Decreases in operating expenses included professional fees of \$28,650, marketing and advertising of \$7,240, payroll of \$9,809, consultant fees of \$28,000, and depreciation of \$239.

Our total operating expenses for the three months ended October 31, 2019 of \$43,357 consisted of \$711 of selling, general and administrative expenses, consulting expense of \$42,000, and \$646 of amortization and depreciation expenses. Our general and administrative expenses consist of computer and internet expenses.

Our total operating expenses for the three months ended October 31, 2018 of \$81,986 consisted of \$11,156 of selling, general and administrative expenses, \$2,925 of professional fees, consulting expense of \$57,477, payroll of \$8,978, marketing and advertising of \$804, and \$646 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Loss

Our net loss from operations of \$164,517 for the three months ended October 31, 2019 decreased from \$216,184 for the three month period ending October 31, 2018. The decrease in net loss for the three months ended October 31, 2019 as compared to October 31, 2018 was attributed to the decrease in cost of sales of \$13,039, and a decrease in operating expenses of \$38,630.

Results of Operations for the nine months ended October 31, 2019 and 2018

Our operating results for the nine months ended October 31, 2019 and 2018 are summarized as follows:

	For the nine months ended October 31,	
	2019	2018
Sales	\$ —	\$ 84,610
Total Cost of Sales	363,477	520,164
Gross (loss)	(363,477)	(435,554)
Total operating expenses	142,966	255,148
Net (loss) from operations	(506,443)	(690,702)

Revenue

There was no revenue from operations for the nine months ended October 31, 2019 as compared to \$84,610 for the nine months ended October 31, 2018. This decrease is primarily a result in the decrease in advertising revenue generated. We are currently looking for ways to earn revenue with the products that we currently have created.

Cost of Goods Sold

Our cost of goods sold for the nine months ended October 31, 2019 was \$363,477 compared to \$520,164 for the nine months ended October 31, 2018. The decrease of \$156,687 is primarily due to the decrease in labor cost and direct expenses associated with cryptocurrency advertisers. The only cost for the nine months ended October 31, 2019 was related to depreciation expense attributable to cost of goods sold.

Gross Loss

Our gross loss for the nine months ended October 31, 2019 was \$363,477 compared to a gross loss of \$435,554 for the nine months ended October 31, 2018. This decrease in the gross loss is primarily attributed to the decrease in computer lease of \$11,418, cost of services of \$65,479 and \$79,792 in software maintenance.

Operating Expenses

Our operating expenses decreased by \$112,183 from \$255,148 for the nine months ended October 31, 2018 to \$142,966 for the nine months ended October 31, 2019.

While we had no sales for the nine months ended October 31, 2019 we are still incurring operating costs to keep the company in operations. Costs decreased over all areas when comparing the nine months ended October 31, 2019 and 2018, except for the increase in bad debt of \$4,500 and depreciation of \$407. The decreases in operating expenses included professional fees of \$18,777, selling general and administrative of \$14,779, marketing and advertising of \$9,795, payroll of \$30,761, and consultant fees of \$42,977.

Our total operating expenses for the nine months ended October 31, 2019 of \$142,966 consisted of \$5,272 of selling, general and administrative expenses, \$5,256 of professional fees, consulting expense of \$126,000, bad debt expense of \$4,500, and \$1,938 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Our total operating expenses for the nine months ended October 31, 2018 of \$255,148 consisted of \$20,051 of selling, general and administrative expenses, \$24,033 of professional fees, consulting expense of \$168,977, payroll of \$30,761, marketing and advertising of \$9,795, and \$1,531 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Loss

Our net loss from operations of \$142,966 for the nine months ended October 31, 2019 decreased from \$255,148 for the nine-month period ending October 31, 2018. The accumulated deficit recognized during the year ended January 31, 2019 of \$1,431,050 to a total accumulated deficit of \$1,937,496. The decrease in net loss for the nine months ended October 31, 2019 as compared to October 31, 2018 was attributed to the decrease of sales of \$84,610, a decrease in cost of sales of \$156,687, and a decrease in operating expenses of \$184,260.

Liquidity and Capital Resources

Introduction

During the nine months ended October 31, 2019 we utilized \$0 in cash. Our cash on hand as October 31, 2019 was \$0. Currently all operating costs are being accrued.

Cash Requirements

We had cash available of \$0 as of October 31, 2019. Based on our revenues, cash on hand and current monthly burn rate, we must rely on financing to fund current operations on a daily basis. Currently all operating costs are being accrued as accounts payable.

Sources and Uses of Cash

Operation

We used \$8,152 in cash by operating activities for the nine months ended October 31, 2019, as compared to cash used in the amount of \$56,140 for the nine months ended October 31, 2018.

Net cash used by operations consisted primarily of the net loss of \$506,446 offset by non-cash expenses of \$365,412 in depreciation and amortization of assets. Additionally, changes in assets and liabilities consisted of decreases of \$4,500 in accounts receivable, prepaid expenses of \$149 and \$128,233 in accounts payable.

Investments

There was no increase in cash in investing activities for the nine months ended October 31, 2019 compared to using \$122,319 for the nine months ended October, 2018.

Financing

We had an increase in net cash borrowing for financing activities of \$8,152 in the nine months ended October 31, 2019 due to the payment of invoices by MCIG which was offset by the amount due to MCIG. For the nine months ended October 31, 2018 the company borrowed \$162,148 from related parties.

Off-Balance Sheet Arrangements

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

Going Concern

Our financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a short history and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the three months ended October 31, 2019 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The working capital for the nine months ended October 31, 2019 is (\$375,474).

Currently the company has a negative working capital as there has been a significant loss when \$1,250,000 of accounts receivable was written off for the year ended January 31, 2019. The large accumulated deficit raises substantial doubt about its ability to continue as a going concern.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of October 31, 2019. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting during the nine months ended October 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The Company's management, including its Principal Executive Officer and its Principal Financial Officer, do not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any legal proceedings which management believes will have a material effect upon the financial condition of the Company, nor are any such material legal proceedings anticipated.

Item 1A. Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

There have been no events that are required to be reported under this Item.

Item 4. Mine Safety Disclosures

There have been no events that are required to be reported under this Item.

Item 5. Other Information

There have been no events that are required to be reported under this Item.

Item 6. Exhibits

- 31.1 [Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1 * [Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 * [Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.INS XBRL Instance Document
101.SCH XBRL Taxonomy Extension Schema Document
101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OBITX, Inc.

Dated: March 24, 2020

By: /s/ Alex Mardikian
Alex Mardikian
Its: Chief Executive Officer
(Principal Executive Officer)

Dated: March 24, 2020

By: /s/ Paul Rosenberg
Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

I, Alex Mardikian, certify that:

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

Dated: March 24, 2020

/s/ Alex Mardikian
By: Alex Mardikian
Its: Chief Executive Officer
(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer

I, Paul Rosenberg, certify that:

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

Dated: March 24, 2020

/s/ Paul Rosenberg
By: Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended October 31, 2019 of OBITX, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Alex Mardikian, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 24, 2020

/s/ Alex Mardikian
By: Alex Mardikian
Its: Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended October 31, 2019 of OBITX, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Paul Rosenberg, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 24, 2020

/s/ Paul Rosenberg
By: Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.