DIGERATI TECHNOLOGIES, INC.

FORM 10-Q
(Quarterly Report)

Filed 12/15/22 for the Period Ending 10/31/22

Address	8023 VANTAGE DRIVE SUITE 660 SAN ANTONIO, TX, 78230
Telephone	(210) 614-7240
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SIC Code	7374 - Services-Computer Processing and Data Preparation
Industry	Integrated Telecommunications Services
Sector	Telecommunication Services
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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, 2022.

or

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

For the transition period from ____________ to ___________

Commission File Number 001-15687

DIGERATI TECHNOLOGIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada	**74-2849995**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

8023 Vantage Dr, Suite 660 San Antonio, Texas	**78216**
(Address of Principal Executive Offices)	(Zip Code)

(210) 614-7240
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
N/A	N/A	N/A

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting Company	☒
Emerging growth Company	☐		

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Number of Shares	Class:	As of:
147,164,390	Common Stock $0.001 par value	December 14, 2022

DIGERATI TECHNOLOGIES, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED OCTOBER 31, 2022

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DIGERATI TECHNOLOGIES, INC.

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, unaudited)

	October 31, 2022	July 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,048	$ 1,509
Accounts receivable, net	844	622
Prepaid and other current assets	649	383
Total current assets	2,541	2,514
LONG-TERM ASSETS:		
Intangible assets, net	14,432	15,188
Goodwill	19,380	19,380
Property and equipment, net	1,558	1,647
Other assets	347	273
Investment in Itellum	185	185
Right-of-use assets	2,254	2,498
Total assets	$ 40,697	$ 41,685
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 3,665	$ 3,222
Accrued liabilities	9,149	9,627
Equipment financing	27	21
Convertible note payable, current, net of discount of $163 and $120, respectively	4,717	3,948
Note payable, current, related party, net of discount $30 and $40, respectively	626	833
Note payable, current, net of discount of $386 and $181, respectively	11,219	870
Acquisition payable	1,000	1,000
Deferred income	1,119	931
Derivative liability	13,664	10,588
Operating lease liability, current	651	797
Total current liabilities	45,837	31,837
LONG-TERM LIABILITIES:		
Note payable, net of discount $0 and $313, respectively	23,460	33,335
Convertible note payable	250	500
Equipment financing	54	43
Operating lease liability, net of current portion	1,668	1,788
Total long-term liabilities	25,432	35,666
Total liabilities	71,269	67,503
Commitments and contingencies		
STOCKHOLDERS' DEFICIT:		
Preferred stock, $0.001, 50,000,000 shares authorized Convertible Series A Preferred stock, $0.001, 1,500,000 shares designated, 200,000 and 225,000 issued and outstanding, respectively	-	-
Convertible Series B Preferred stock, $0.001, 1,000,000 shares designated, 425,442 and 425,442 issued and outstanding, respectively	-	-
Convertible Series C Preferred stock, $0.001, 1,000,000 shares designated, 55,400 and 55,400 issued and outstanding, respectively	-	-
Series F Super Voting Preferred stock, $0.001, 100 shares designated, 100 and 100 issued and outstanding, respectively	-	-
Common stock, $0.001, 500,000,000 shares authorized, 145,064,390 and 142,088,039 issued and outstanding, respectively (45,000,000 reserved in Treasury)	145	142
Additional paid in capital	89,875	89,487
Accumulated deficit	(118,377)	(113,393)
Other comprehensive income	1	1

Total Digerati's stockholders' deficit	(28,356)	(23,763)
Noncontrolling interest	(2,216)	(2,055)
Total stockholders' deficit	(30,572)	(25,818)
Total liabilities and stockholders' deficit	$ 40,697	$ 41,685

See accompanying notes to consolidated unaudited financial statements

DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts, unaudited)

	Three months ended October 31, 2022	Three months ended October 31, 2021
OPERATING REVENUES:		
Cloud software and service revenue	$ 8,130	$ 3,777
Total operating revenues	8,130	3,777
OPERATING EXPENSES:		
Cost of services (exclusive of depreciation and amortization)	2,851	1,490
Selling, general and administrative expense	4,141	1,788
Legal and professional fees	556	574
Bad debt expense	29	13
Depreciation and amortization expense	953	492
Total operating expenses	8,530	4,357
OPERATING LOSS	(400)	(580)
OTHER INCOME (EXPENSE):		
Gain (loss) on derivative instruments	(3,076)	4,433
Income tax benefit (expense)	(50)	(77)
Other income (expense)	446	(4)
Interest expense	(2,065)	(1,506)
Total other income (expense)	(4,745)	2,846
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(5,145)	2,266
Less: Net loss attributable to the noncontrolling interests	161	158
NET INCOME (LOSS) ATTRIBUTABLE TO DIGERATI'S SHAREHOLDERS	(4,984)	2,424
Deemed dividend on Series A Convertible preferred stock	(4)	(5)
NET INCOME (LOSS) ATTRIBUTABLE TO DIGERATI'S COMMON SHAREHOLDERS	$ (4,988)	$ 2,419
INCOME (LOSS) PER COMMON SHARE - BASIC	$ (0.03)	$ 0.02
INCOME (LOSS) PER COMMON SHARE - DILUTED	$ (0.03)	$ (0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC	143,067,151	138,719,017
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - DILUTED	143,067,151	250,723,611

See accompanying notes to consolidated unaudited financial statements

DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Three Months Ended October 31, 2022
(In thousands, except for share amounts, unaudited)

	Equity Digerati's Shareholders															
	Preferred															
	Convertible								Common							
	Series A Shares	Par	Series B Shares	Par	Series C Shares	Par	Series F Shares	Par	Shares	Par	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Stockholders Equity	Noncontrolling Interest	Totals
BALANCE, July 31, 2022	225,000	-	425,442	-	55,400	-	100	-	142,088,039	142	$ 89,487	$ (113,393)	$ 1	$ (23,763)	$ (2,055)	$(25,818)
Amortization of employee stock options	-	-	-	-	-	-	-	-	-	-	23	-	-	23	-	23
Common stock issued for conversion of Series A Convertible Preferred stock	(25,000)	-	-	-	-	-	-	-	105,723	-	7	-	-	7	-	7
Common stock issued for exercise of warrants	-	-	-	-	-	-	-	-	160,628	-	21	-	-	21	-	21
Common stock issued for debt extension	-	-	-	-	-	-	-	-	2,060,000	2	247	-	-	249	-	249
Common stock issued concurrent with convertible debt	-	-	-	-	-	-	-	-	650,000	1	94	-	-	95	-	95
Dividends declared	-	-	-	-	-	-	-	-	-	-	(4)	-	-	(4)	-	(4)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(4,984)	-	(4,984)	(161)	(5,145)
BALANCE, October 31, 2022	200,000	-	425,442	-	55,400	-	100	-	145,064,390	145	$ 89,875	$ (118,377)	$ 1	$ (28,356)	$ (2,216)	$(30,572)

See accompanying notes to consolidated unaudited financial statements

DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Three Months Ended October 31, 2021
(In thousands, except for share amounts, unaudited)

	Equity Digerati's Shareholders															
	Preferred															
	Convertible								Common							
	Series A Shares	Par	Series B Shares	Par	Series C Shares	Par	Series F Shares	Par	Shares	Par	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Stockholders' Deficit	Noncontrolling Interest	Totals
BALANCE, July 31, 2021	225,000	-	425,442	-	55,400	-	100	-	138,538,039	$ 139	$ 89,100	$ (105,380)	$ 1	$ (16,140)	$ (714)	$(16,854)
Amortization of employee stock options	-	-	-	-	-	-	-	-	-	-	24	-	-	24	-	24
Common stock issued concurrent with convertible debt	-	-	-	-	-	-	-	-	600,000	-	38	-	-	38	-	38
Dividends declared	-	-	-	-	-	-	-	-	-	-	(5)	-	-	(5)	-	(5)
Net income	-	-	-	-	-	-	-	-	-	-	-	2,424	-	2,424	(158)	2,266
BALANCE, October 31, 2021	225,000	-	425,442	-	55,400	-	100	-	139,138,039	$ 139	$ 89,157	$ (102,956)	$ 1	$ (13,659)	$ (872)	$(14,531)

See accompanying notes to consolidated unaudited financial statements

DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Three months ended October 31, 2022	Three months ended October 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (5,145)	$ 2,266
Adjustments to reconcile net loss to cash (used in) provided by operating activities:		
Depreciation and amortization expense	953	492
Stock compensation and warrant expense	23	24
Bad debt expense	29	13
Amortization of Right-of-use Assets	267	112
Amortization of debt discount	204	943
Loss (gain) on derivative liabilities	3,076	(4,433)
(Gain) on settlement of conversion premium on note(s)	(466)	-
Accrued interest added to principal	-	184
Debt extension fee charged to interest expense	303	-
Shares issued for debt extension charged to interest expense	249	-
Changes in operating assets and liabilities:		
Accounts receivable	(251)	132
Prepaid expenses and other current assets	(266)	2
Inventory	-	11
Other Assets	(74)	-
Right-of-use operating lease liability	(280)	(112)
Accounts payable	442	282
Accrued expenses	(110)	130
Deferred income	188	(17)
Net cash (used in) provided by operating activities	(858)	29
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid in acquisition of equipment	(108)	(29)
Net cash used in investing activities	(108)	(29)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from convertible debt, net of original issuance cost and discounts	957	300
Proceeds from the exercise of warrants	21	-
Borrowings from related party notes, net of original issuance cost and discounts	150	-
Principal payments on convertible debt, net	(250)	-
Principal payments on related party notes, net	(367)	(134)
Principal payment on equipment financing	(6)	(9)
Net cash provided by financing activities	505	157
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(461)	157
CASH AND CASH EQUIVALENTS, beginning of period	1,509	1,489
CASH AND CASH EQUIVALENTS, end of period	$ 1,048	$ 1,646
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$ 905	$ 355
Income tax paid	$ -	$ -
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Accrued interest rolled into principal	$ 365	$ 355
Stock issued with convertible debt - debt discount	$ 95	$ 38
Common Stock issued for the conversion of Series A Preferred Stock	$ 7	$ -
Dividend declared	$ 4	$ 5

See accompanying notes to consolidated unaudited financial statements

DIGERATI TECHNOLOGIES, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Digerati Technologies, Inc. ("we" "us," "our," or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the United States Securities and Exchange Commission. In the opinion of management, these interim financial statements contain all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of financial position and the results of operations for the interim periods presented. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the consolidated financial statements, which would substantially duplicate the disclosure contained in the audited consolidated financial statements for the year ended July 31, 2022, contained in the Company's Form 10-K filed on October 31, 2022 have been omitted.

Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share is computed by dividing loss attributable to common stockholders by the weighted average number of shares of Common Stock outstanding during the period. Basic earnings (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of shares of Common Stock outstanding during the respective period presented in the Company's accompanying condensed consolidated financial statements. Fully-diluted earnings (loss) per share is computed similarly to basic income (loss) per share except that the denominator is increased to include the number of dilutive Common Stock equivalents using the treasury stock method for options and warrants and the if-converted method for convertible debt.

	Three months ended October 31,	
(in thousands, except per share data)	**2022**	**2021**
NUMERATOR:		
NET INCOME (LOSS)	$ (4,988)	$ 2,419
DENOMINATOR:		
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC	143,067,151	138,719,017
	$ (0.03)	**$ 0.02**

	Three months ended October 31,	
(in thousands, except per share data)	**2022**	**2021**
NUMERATOR:		
NET INCOME (LOSS)	$ (4,988)	$ 2,419
Less: adjustments to net income	$ -	$ (4,331)
NET INCOME (LOSS) - DILUTED SHARES OUTSTANDING CALCULATION	$ (4,988)	$ (1,912)
DENOMINATOR:		
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC	143,067,151	138,719,017
Warrants and Options to purchase common stock	-	100,731,026
Convertible Debt	-	11,273,568
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - DILUTED	143,067,151	250,723,611
LOSS PER COMMON SHARE - DILUTED	**$ (0.03)**	**$ (0.01)**

The Company excluded the following securities from the calculation of basic and diluted net loss per share as the effect would have been antidilutive

	Three months ended October 31,	
	2022	**2021**
Convertible Preferred Shares	57,501,882	56,405,216
Convertible Debt	37,963,920	11,966,667
Total	**95,465,802**	**68,371,883**

Treasury Shares

As a result of entering into various convertible debt instruments which contained a variable conversion feature with no floor, warrants with fixed exercise price, and convertible notes with fixed conversion price or with a conversion price floor, we reserved 45,000,000 treasury shares for consideration for future conversions and exercise of warrants, for convertible notes with fixed conversion price, notes with variable conversion feature with a floor and warrants with a conversion price floor. The Company will evaluate the reserved treasury shares on a quarterly basis, and if necessary, reserve additional treasury shares. As of October 31, 2022, we believe that the treasury shares reserved are sufficient for any future conversions of these instruments. As a result, these debt instruments and warrants are excluded from derivative consideration.

Customers and Suppliers

We rely on various suppliers to provide services in connection with our VOIP and UCaaS offerings. Our customers include businesses in various industries including Healthcare, Banking, Financial Services, Legal, Real Estate, and Construction. We are not dependent upon any single supplier or customer.

During the three months ended October 31, 2022, and 2021, the Company did not derive revenues of 10% or more from any single customer.

As of October 31, 2022, and 2021, the Company did not have outstanding accounts receivable of 10% or more from any single customer.

Sources of revenue:

The Company recognizes cloud-based hosted services revenue, mainly from subscription services for its cloud telephony applications that includes hosted IP/PBX services, SIP trunking, call center applications, auto attendant, voice, and web conferencing, call recording, messaging, voicemail to email conversion, integrated mobility applications that are device and location agnostic, and other customized applications. Other services include enterprise-class data and connectivity solutions through multiple broadband technologies including cloud WAN or SD-WAN (Software-defined Wide Area Network), fiber, and Ethernet over copper. We also offer remote network monitoring, data backup and disaster recovery services. The Company applies a five-step approach in determining the amount and timing of revenue to be recognized: (i) identifying the contract with a customer, (ii) identifying the performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations in the contract and (v) recognizing revenue when the performance obligation is satisfied. Substantially all of the Company’s revenue is recognized at the time control of the products transfers to the customer.

Service Revenue

Service revenue from subscriptions to the Company's cloud-based technology platform is recognized over time on a ratable basis over the contractual subscription term beginning on the date that the platform is made available to the customer. Payments received in advance of subscription services being rendered are recorded as deferred revenue. Usage fees, either bundled or not bundled, are recognized when the Company has a right to invoice. Professional services for configuration, system integration, optimization, customer training and/or education are primarily billed on a fixed-fee basis and are performed by the Company directly. Alternatively, customers may choose to perform these services themselves or engage their own third-party service providers. Professional services revenue is recognized over time, generally as services are activated for the customer.

Product Revenue

The Company recognizes product revenue for telephony equipment at a point in time, when transfer of control has occurred, which is generally upon delivery. Sales returns are recorded as a reduction to revenue estimated based on historical data.

Disaggregation of Cloud-based hosted revenues.

Summary of disaggregated revenue is as follows (in thousands):

	For the Three Months ended October 31,	
	2022	**2021**
Cloud software and service revenue	$ 8,076	$ 3,703
Product revenue	54	74
Total operating revenues	$ 8,130	$ 3,777

Contract Assets

Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services or equipment for a reduced consideration at the onset of an arrangement; for example, when the initial month's services or equipment are discounted. Contract assets are included in prepaid and other current assets in the consolidated balance sheets, depending on if their reduction is recognized during the succeeding 12-month period or beyond. Contract assets as of October 31, 2022, and July 31, 2022, were $5,988 and $6,701, respectively.

Deferred Income

Deferred income represents billings or payment received in advance of revenue recognition and is recognized upon transfer of control. Balances consist primarily of annual plan subscription services, for services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding 12-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other noncurrent liabilities in the consolidated balance sheets. Deferred income as of October 31, 2022, and July 31, 2022, were $244,530 and $66,167, respectively.

Customer deposits

The Company in some instances requires customers to make deposits for last month of services, equipment, installation charges and training. As equipment is installed and training takes places the deposits are then applied to revenue. The deposit for the last month of services is applied to any outstanding balances if services are cancelled. If the customer's account is paid in full, the Company will refund the full deposit in the month following service termination. As of October 31, 2022, and July 31, 2022, Digerati's customer deposits balance was $873,518 and $864,345, respectively. The customer deposit balance is included as part of deferred income on the consolidated balance sheet.

Costs to Obtain a Customer Contract

Direct incremental costs of obtaining a contract, consisting of sales commissions, are deferred and amortized over the estimated life of the customer, which currently averages 36 months. The Company calculates the estimated life of the customer on an annual basis. The Company classifies deferred commissions as prepaid expenses or other noncurrent assets based on the timing of when it expects to recognize the expense. As of October 31, 2022, the Company has $317,358 in deferred commissions/contract costs. Sales commissions expensed for the three months ended October 31, 2022 and October 31, 2021, were $676,608 and $323,704, respectively. The cost to obtain customer contract balance is included as part of prepaid expenses on the consolidated balance sheet.

Direct Costs - Cloud software and service

We incur bandwidth and colocation charges in connection with our UCaaS or cloud communication services. The bandwidth charges are incurred as part of the connectivity between our customers to allow them access to our various services. We also incur costs from underlying providers for fiber, internet broadband, and telecommunication circuits in connection with our data and connectivity solutions.

Derivative financial instruments.

Digerati does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. However, Digerati evaluates its convertible instruments and free-standing instruments such as warrants for derivative liability accounting.

For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date. Any changes in fair value are recorded as non-operating, non-cash income or expense for each reporting period. For derivative notes payable conversion options and warrants Digerati uses the Black-Scholes option-pricing model to value the derivative instruments.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is probable within the next 12 months from the balance sheet date.

Fair Value of Financial Instruments.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy is used which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy based on the three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

For certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the short maturity of these instruments. The carrying value of our long-term debt approximates its fair value based on the quoted market prices for the same or similar issues or the current rates offered to us for debt of the same remaining maturities.

Our derivative liabilities as of October 31, 2022, and July 31, 2022, are approximately $13,664,035 and $10,587,717, respectively.

The following table provides the fair value of the derivative financial instruments measured at fair value using significant unobservable inputs:

		Fair value measurements at reporting date using.		
Description	**Fair Value**	**Quoted prices in active markets for identical liabilities (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Derivative liability at July 31, 2022	$ 10,587,717	-	-	$ 10,587,717
Derivative liability at October 31, 2022	$ 13,664,035	-	-	$ 13,664,035

The fair market value of all derivatives during the year ended July 31, 2022, was determined using the Black-Scholes option pricing model which used the following assumptions:

Expected dividend yield	0.00%
Expected stock price volatility	63.32% - 250.19%
Risk-free interest rate	0.03% - 2.98%
Expected term	0.05 - 9.50 years

The fair market value of all derivatives during the three months ended October 31, 2022, was determined using the Black-Scholes option pricing model which used the following assumptions:

Expected dividend yield	0.00%
Expected stock price volatility	86.37% - 230.15%
Risk-free interest rate	4.00% - 4.10%
Expected term	0.16 - 8.05 years

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:

Balance at July 31, 2022	$ 10,587,717
Derivative loss	3,076,318
Balance at October 31, 2022	$ 13,664,035

Noncontrolling interest

The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation,* which governs the accounting for and reporting of non-controlling interests ("NCIs") in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs be treated as a separate component of equity, not as a liability, that increases and decreases in the parent's ownership interest that leave control intact be treated as equity transactions rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance. The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations.

On May 1, 2018, T3 Communications, Inc. ("T3"), a Nevada Corporation, entered into a Stock Purchase Agreement ("SPA"), whereby in an exchange for $250,000, T3 agreed to sell to the buyers 199,900 shares of common stock equivalent to 19.99% of the issued and outstanding common share of T3 Communications, Inc. The $250,000 of the cash received under this transaction was recognized as an adjustment to the carrying amount of the noncontrolling interest and as an increase in additional paid-in capital in T3. At the option of the Company, and for a period of five years following the date of the SPA, the 199,900 shares of common stock in T3 may be converted into Common Stock of Digerati at a ratio of 3.4 shares of DTGI Common stock for everyone (1) share of T3 at any time after the DTGI Common Stock has a current market price of $1.50 or more per share for 20 consecutive trading days.

For the three months ending October 31, 2022, and 2021, the Company accounted for a noncontrolling interest of $161,000 and $158,000, respectively. Additionally, one of the buyers serves as a Board Member of T3 Communications, Inc., a Florida Corporation, one of our operating subsidiaries.

Recently issued accounting pronouncements.

Recent accounting pronouncements, other than below, issued by the FASB (including its Emerging Issues Task Force), the AICPA and the SEC did not, or are not, believed by management to have a material effect on the Company's present or future financial statements. In August 2020, the FASB issued "ASU 2020-06, Debt with Conversion and Other Options (Subtopic 47020) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)" which simplifies the accounting for convertible instruments. The guidance removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition is permissible for the adoption of this standard. Update No. 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of this ASU on its financial statements.

NOTE 2 – GOING CONCERN

Financial Condition

The Company's consolidated financial statements for the three months ending October 31, 2022, have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Since the Company's inception in 1993, the Company has incurred net losses and accumulated a deficit of approximately $118,377,000, a working capital deficit of approximately $43,296,000 which raise substantial doubt about Digerati's ability to continue as a going concern.

Management Plans to Continue as a Going Concern

Management believes that available resources as of October 31, 2022, will not be sufficient to fund the Company's operations and corporate expenses over the next 12 months. The Company's ability to continue to meet its obligations and to achieve its business objectives is dependent upon, and other things, raising additional capital, issuing stock-based compensation to certain members of the executive management team in lieu of cash, or generating sufficient revenue in excess of costs. At such time as the Company requires additional funding, the Company will seek to secure such best-efforts funding from various possible sources, including equity or debt financing, sales of assets, or collaborative arrangements. If the Company raises additional capital through the issuance of equity securities or securities convertible into equity, stockholders will experience dilution, and such securities may have rights, preferences, or privileges senior to those of the holders of common stock or convertible senior notes. If the Company raises additional funds by issuing debt, the Company may be subject to limitations on its operations, through debt covenants or other restrictions. If the Company obtains additional funds through arrangements with collaborators or strategic partners, the Company may be required to relinquish its rights to certain technologies. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms. If the Company is unable to obtain financing on acceptable terms, it may be unable to execute its business plan, the Company could be required to curtail its operations, and the Company may not be able to pay off its obligations, if and when they come due.

We are currently taking initiatives to reduce our overall cash deficiencies on a monthly basis. During fiscal 2023 certain members of our management team will continue to receive a portion of their compensation in common stock to reduce the depletion of our available cash. To strengthen our business, we intend to adopt best practices from or recent acquisitions and invest in a marketing and sales strategy to grow our monthly recurring revenue; we anticipate utilizing our value-added resellers and channel partners to tap into new sources of revenue streams; and we have also secured numerous agent agreements through our recent acquisitions that we anticipate will accelerate revenue growth. In addition, we will continue to focus on selling a greater number of comprehensive services to our existing customer base. Further, in an effort to increase our revenues, we will continue to evaluate the acquisition of various assets with emphasis in VoIP Services and Cloud Communication Services. As a result, during the due diligence process we anticipate incurring significant legal and professional fees.

Our cash requirements to meet our interest payments to Post Road, capital expenditure needs, and operational cash flow needs over the next 18 months are estimated to be approximately $3,500,000. The Company anticipates issuing additional equity or entered into additional Convertible Notes to secure the funding required to meet these cash needs. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms. If the Company is unable to obtain financing on acceptable terms, the Company may not be able to meet its interest payments, capital expenditures and operational needs. As a result, the Company will be required to negotiate with its lender the terms of the current financing agreements, in addition to postponing the timing of deployment of its capital expenditures and extending the timing of the operational cash needs.

The Credit Agreement contains customary representations, warranties, and indemnification provisions. The Credit Agreement also contains affirmative and negative covenants with respect to operation of the business and properties of the loan parties as well as financial performance. Below are key covenants requirements, (measured quarterly) as of October 31, 2022:

- Maximum Allowed - Senior Leverage Ratio of 4.05 to 1.00
- Minimum Allowed - EBITDA of $3,771,629
- Minimum Allowed - Liquidity of $2,000,000
- Maximum Allowed - Capital Expenditures of $94,798 *(Quarterly)*
- Minimum Allowed - Fixed Charge Coverage Ratio of 1.5 to 1.00
- Maximum Allowed - Churn of 3.00% at any time

On December 15, 2022, the lender agreed to forbear the financial covenants that were not complied with during the quarter ended October 31,2022. The Company and Post Road are currently working on an amendment to the credit agreement and anticipate having it completed on or before January 31, 2023. However, as of the date of this filing, the Company cannot predict the final outcome of the negotiations with Post Road.

While Digerati, the parent company of T3 Nevada, is not subject to these financial covenants, they have had and will continue to have a material impact on T3 Nevada's expenditures and ability to raise funds.

In addition, our Term Loan C Note with Post Road with a maturity date of August 4, 2023, requires a full principal payment (currently $10,000,000) and accrued interest by the maturity date. We will work with our equity partners to secure additional financings to meet this obligation by the maturity date. In addition, we will work with our lender on the current terms to the Term Loan C Note, to extend the maturity date or restructure the terms of the note. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms to meet the cash payment requirements on the Term Loan C Note. In addition, there can be no assurance that we will be able to restructure the terms or extend the maturity date of the Term Loan C Note with Post Road. If the Company is not able to restructure the financing or repay the Term Loan C Note by the August 4th maturity date and Post Road declares an event of default, it would have a material adverse effect on our business and financial condition, including the possibility of Post Road foreclosing on some or all of our assets.

We have been successful in raising debt and equity capital in the past and as described in Notes 6, 7, 8, and 13. Although we have successfully completed financings and reduced expenses in the past, we cannot assure you that our plans to address these matters in the future will be successful.

The current Credit Agreement with Post Road will allow the Company to continue acquiring UCaaS service providers that meet the Company's acquisition criteria. Management anticipates that future acquisitions will provide additional operating revenues to the Company as it continues to execute on its consolidation strategy. There can be no guarantee that the planned acquisitions will close or that they will produce the anticipated revenues on the schedule anticipated by management.

The Company will continue to work with various funding sources to secure additional debt and equity financings. However, Digerati cannot offer any assurance that it will be successful in executing the aforementioned plans to continue as a going concern.

Our current cash expenses are expected to be approximately $1,300,000 per month, including wages, rent, utilities, corporate expenses, and legal professional fees associated with potential acquisitions. As described elsewhere herein, we are not generating sufficient cash from operations to pay for our corporate and ongoing operating expenses, or to pay our current liabilities. As of October 31, 2022, our total liabilities were approximately $71,269,000, which included $13,664,000 in derivative liabilities. We will continue to use our available cash on hand to cover our deficiencies in operating expenses.

Digerati's consolidated financial statements as of October 31, 2022, do not include any adjustments that might result from the inability to implement or execute Digerati's plans to improve our ability to continue as a going concern.

NOTE 3 – INTANGIBLE ASSETS

Below are summarized changes in intangible assets at October 31, 2022, and July 31, 2022:

October 31, 2022	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
NetSapiens - license, 10 years	$ 150,000	$ (150,000)	$ -
Customer relationships, 5 years	40,000	(38,017)	1,983
Customer relationships, 7 years	10,947,262	(2,943,548)	8,003,714
Trademarks, 7 & 10 years	7,148,000	(1,226,311)	5,921,689
Non-compete, 2 & 3 years	931,000	(507,083)	423,917
Marketing & Non-compete, 5 years	800,263	(719,983)	80,280
Total Definite-lived Intangible Assets	20,016,525	(5,584,942)	14,431,583
Goodwill	19,380,080	-	19,380,080
Balance, October 31, 2022	$ 39,396,605	$ (5,584,942)	$ 33,811,663

July 31, 2022	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
NetSapiens - license, 10 years	$ 150,000	$ (150,000)	$ -
Customer relationships, 5 years	40,000	(36,684)	3,316
Customer relationships, 7 years	10,947,262	(2,573,052)	8,374,210
Trademarks, 7 & 10 years	7,148,000	(993,806)	6,154,194
Non-compete, 2 & 3 years	931,000	(394,583)	536,417
Marketing & Non-compete, 5 years	800,263	(679,980)	120,283
Total Definite-lived Intangible Assets	20,016,525	(4,828,105)	15,188,420
Goodwill	19,380,080	-	19,380,080
Balance, July 31, 2022	$ 39,396,605	$ (4,828,105)	$ 34,568,500

Total amortization expense for the three months ended October 31, 2022, and 2021 was $756,837 and $433,785, respectively.

NOTE 4 – STOCK-BASED COMPENSATION

In November 2015, the Company adopted the Digerati Technologies, Inc. 2015 Equity Compensation Plan (the "Plan"). The Plan authorizes the grant of up to 7.5 million stock options, restricted common shares, non-restricted common shares and other awards to employees, directors, and certain other persons. The Plan is intended to permit the Company to retain and attract qualified individuals who will contribute to the overall success of the Company. The Company's Board of Directors determines the terms of any grants under the Plan. Exercise prices of all stock options and other awards vary based on the market price of the shares of common stock as of the date of grant. The stock options, restricted common stock, non-restricted common stock, and other awards vest based on the terms of the individual grant.

During the three months ended October 31, 2022 and October 31, 2021, the Company did not issue any new stock options.

The Company recognized approximately $22,996 and $23,394 in stock-based compensation expense for stock options to employees for the three months ended October 31, 2022, and 2021, respectively. Unamortized compensation stock option cost totaled $74,976 and $172,441 as of October 31, 2022, and October 31, 2021, respectively.

A summary of the stock options outstanding as of October 31, 2022, and July 31, 2022, and the changes during the three months ended October 31, 2022, are presented below:

	Options	Weighted average exercise price	Weighted average remaining contractual term (years)
Outstanding at July 31, 2022	9,130,000	$ 0.17	2.39
Granted	-	-	-
Exercised	-	-	-
Forfeited and cancelled	-	-	-
Outstanding on October 31, 2022	9,130,000	$ 0.17	2.13
Exercisable on October 31, 2022	7,766,613	$ 0.19	1.96

The aggregate intrinsic value (the difference between the Company's closing stock price on the last trading day of the period and the exercise price, multiplied by the number of in-the-money options) of the 9,130,000 and 9,130,000 stock options outstanding as of October 31, 2022, and July 31, 2022, was $320,160 and $191,722, respectively.

The aggregate intrinsic value of 7,766,613 and 7,551,179 stock options exercisable on October 31, 2022, and July 31, 2022, was $212,330 and $110,380, respectively.

NOTE 5 – WARRANTS

During the three months ended October 31, 2022 and 2021, the Company did not issue any warrants.

A summary of the warrants outstanding as of October 31, 2022, and July 31, 2022, and the changes during the three months ended October 31, 2022, are presented below:

	Warrants	Weighted average exercise price	Weighted average remaining contractual term (years)
Outstanding at July 31, 2022	108,841,179	$ 0.01	8.21
Granted	-	-	-
Exercised	(160,628)	$ 0.13	-
Forfeited and cancelled	(129,702)	$ 0.15	-
Outstanding on October 31, 2022	108,550,849	$ 0.01	7.98
Exercisable on October 31, 2022	81,325,562	$ 0.01	8.00

The aggregate intrinsic value (the difference between the Company's closing stock price on the last trading day of the period and the exercise price, multiplied by the number of in-the-money warrants) of the 108,550,849 and 108,841,179 warrants outstanding as of October 31, 2022, and July 31, 2022, was $12,304,994 and $9,002,606, respectively.

The aggregate intrinsic value of 81,325,562 and 81,615,885 warrants exercisable on October 31, 2022, and July 31, 2022, were $9,235,511 and $6,757,037, respectively.

NOTE 6 – NOTES PAYABLE NON-CONVERTIBLE

On October 22, 2018, the Company issued a secured promissory note for $50,000, bearing interest at a rate of 8% per annum, with maturity date of December 31, 2018. The maturity date was extended multiple times and on September 8, 2022, the lender agreed to extend the maturity until July 31, 2023. The promissory note is secured by a Pledge and Escrow Agreement, whereby the Company agreed to pledge rights to a collateral due under certain Agreement. The outstanding balance as of October 31, 2022 and July 31, 2022 was $50,000.

Credit Agreement and Notes

On November 17, 2020, T3 Communications, Inc., a Nevada corporation ("T3 Nevada"), a majority owned subsidiary of Digerati Technologies, Inc. (the "Company") and the Company's other subsidiaries entered into a credit agreement (the "Credit Agreement") with Post Road. The Company is a party to certain sections of the Credit Agreement. Pursuant to the Credit Agreement, Post Road will provide T3 Nevada with a secured loan of up to $20,000,000 (the "Loan"), with initial loans of $10,500,000 pursuant to the issuance of a Term Loan A Note and $3,500,000 pursuant to the issuance of a Term Loan B Note, each funded on November 17, 2020, and an additional $6,000,000 on loans, in increments of $1,000,000 as requested by T3 Nevada before the 18 month anniversary of the initial funding date to be lent pursuant to the issuance of a Delayed Draw Term Note. After payment of transaction-related expenses and closing fees of $964,000, net proceeds to the Company from the Note totaled $13,036,000. The Company recorded these discounts and cost of $964,000 as a discount to the Notes and will be amortized as interest expense over the term of the notes.

During the three months ended October 31, 2022, the total debt discount for the Term Loan A Note and the Term Loan B Note was fully amortized. The total debt discount outstanding on the notes as of October 31, 2022, and July 31, 2022, was $0.

Term Loan A Note with a maturity date of November 17, 2024, and an interest rate of LIBOR (with a minimum rate of 1.5%) plus twelve percent (12%). Term Loan A is non-amortized (interest only payments) through the maturity date and contains an option for the Company to pay interest in kind (PIK) for up to five percent (5%) of the interest rate in year one, four percent (4%) in year two and three percent (3%) in year three.

Term Loan B had a maturity date of December 31, 2021, and an interest rate of LIBOR (with a minimum rate of 1.5%) plus twelve percent (12%). Term Loan B is non-amortized (interest only payments) through the maturity date and contains an option for the Company to pay interest in kind (PIK) for up to five percent (5%) of the interest rate in year one, four percent (4%) in year two and three percent (3%) in year three. The Term Loan B was recapitalized under the revised A&R Term Loan A Note as indicated below.

On December 20, 2021, T3 Nevada and Post Road entered into an amendment to the Credit Agreement (the "Amendment") in connection with which T3 Nevada issued an Amended and Restated Term Loan A Note (the "A&R Term Loan A Note") in replacement of the Term Loan A Note. Under the First Amendment, the Term Loan B Note principal of $3,500,000, accrued interest of $187,442, and amendment fee of $1,418,744 were recapitalized under the revised A&R Term Loan A Note.

Pursuant to the First Amendment, the additional proceeds of $6,000,000 were used to fund the acquisition of Skynet assets and for general corporate and working capital purposes as well as professional fees and other fees and expenses with respect to the transactions contemplated by the Amendment. The Company evaluated the amendment and the recapitalization of the notes and accounted for these changes as an extinguishment of debt and recognized a loss on extinguishment of debt of $5,479,865, the loss is composed of the full amortization debt discount of $4,061,121, and the amendment fees of $1,418,744.

The A&R Term Loan A Note has a maturity date of November 17, 2024, and an interest rate of LIBOR (with a minimum rate of 1.5%) plus twelve percent (12%). The principal balance and accrued PIK interest outstanding on the A&R Term Loan was $22,959,387 and $22,168,515 as of October 31, 2022 and July 31, 2022, respectively, and had accrued PIK interest outstanding of $790,872 and $530,672, respectively.

On February 4, 2022, T3 Nevada and Post Road entered into a Credit Agreement in connection with which T3 Nevada issued a Term Loan C Note, Pursuant to the Credit Agreement, Post Road provided T3 Nevada with a secured loan of $10,000,000. The proceeds $10,000,000 were used to fund the acquisition of Next Level Internet and for general corporate and working capital purposes as well as professional fees and other fees and expenses with respect to the transactions contemplated by the Amendment. At issuance the company recognized $250,000 in OID and $220,000 in debt issuance. The total unamortized debt discount was $235,001 and $313,334 as of October 31, 2022 and July 31, 2022, respectively. The principal balance on Term Loan C was $10,000,000 as of October 31, 2022 and July 31, 2022 and had accrued PIK interest outstanding of $304,029 and $199,413, respectively.

The Term Loan C Note has a maturity date of August 4, 2023, and an interest rate of LIBOR (with a minimum rate of 1.5%) plus twelve percent (12%).

The Credit Agreement contains customary representations, warranties, and indemnification provisions. The Credit Agreement also contains affirmative and negative covenants with respect to operation of the business and properties of the loan parties as well as financial performance. Below are key covenants requirements, (measured quarterly) as of October 31, 2022:

1. Maximum Allowed - Senior Leverage Ratio of 4.05 to 1.00

2. Minimum Allowed - EBITDA of $3,771,629

3. Minimum Allowed - Liquidity of $2,000,000

4. Maximum Allowed - Capital Expenditures of $94,798 *(Quarterly)*

5. Minimum Allowed - Fixed Charge Coverage Ratio of 1.5 to 1.00

6. Maximum Allowed - Churn of 3.00% at any time

On December 15, 2022, the lender agreed to forbear from exercising its remedies in connection with the financial covenants that were not complied with during the quarter ended October 31,2022, as well as certain other specified defaults, until December 23, 2022 or such later date as agreed to in writing by the lender. The Company and Post Road are currently working on an amendment to the credit agreement and anticipate having it completed on or before January 31, 2023. However, as of the date of this filing, the Company cannot predict the final outcome of the negotiations with Post Road.

While Digerati, the parent company of T3 Nevada, is not subject to these financial covenants, they have had and will continue to have a material impact on T3 Nevada's expenditures and ability to raise funds.

T3 Nevada's obligations under the Credit Agreement are secured by a first-priority security interest in all of the assets of T3 Nevada and guaranteed by the other subsidiaries of the Company pursuant to the Guaranty and Collateral Agreement, dated November 17, 2020, subsequently amended on December 31, 2021 and February 4, 2022 and December 15, 2022 by and among T3 Nevada, the Company's other subsidiaries, and Post Road Administrative LLC (the "Guaranty and Collateral Agreement"). In addition, T3 Nevada's obligations under the Credit Agreement are, pursuant to a Pledge Agreement (the "Pledge Agreement"), secured by a pledge of a first priority security interest in T3 Nevada's 100% equity ownership of each of T3 Nevada's operating companies.

Promissory Notes – Next Level Internet Acquisition

On February 4, 2022, as per the acquisition of Next Level Internet, Inc. (“Next Level” or “NLI”), the Company entered into two unsecured promissory notes (the “Unsecured Adjustable Promissory Notes”) for $1,800,000 and $200,000, respectively. The notes are payable in eight equal quarterly installments in the aggregate amount of $250,000 each commencing on June 4, 2022, through and including March 7, 2024, with a base annual interest rate of 0% and a default annual interest rate of 18%. The amount owed is subject to change based on certain revenue milestones required to be achieved by Next Level. At issuance, the Company fair valued the notes and recognized a debt discount of $241,000 which is amortized over the term of the notes. The Company amortized $30,125 to interest expense during the three months ended October 31, 2022. Total unamortized debt discount on the notes as of October 31, 2022 and July 31, 2022, was $150,625 and $180,750, respectively. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, on the Unsecured Adjustable Promissory Notes was $1,750,000.

NOTE 7 – RELATED PARTY TRANSACTIONS

On October 4, 2022, the Company entered into a $150,000 promissory note, with the Company’s president, Derek Gietzen, with a maturity date of October 15, 2022, and annual interest rate of 11%. On October 17, 2022, the Company paid the total principal outstanding of $150,000, plus accrued interest.

During the three months ended October 31, 2022, and 2021, the Company provided VoIP Hosted and fiber services to a Company owned by one of the Board members of T3 Communications, Inc., for $40,000 and $46,150, respectively.

On November 17, 2020, as a result of the of the acquisition of ActiveServe’s asset, the two sellers became related parties as they continued to be involved as consultants to manage the customer relationship, the Company paid on an annual basis $90,000 to each of the consultants. These agreements expired, and the parties agreed not to extend. As of October 31, 2022, there’s no balance outstanding under the consulting agreements. In addition, part of the Purchase Price is payable in 8 equal quarterly payments to the sellers. During the three months ended October 31, 2022, the Company paid $116,898 of the principal balance outstanding. The total principal outstanding on the notes as of October 31, 2022, and July 31, 2022, were $155,602 and $272,500, respectively.

On December 31, 2021, as a result of the of the acquisition of Skynet’s asset, the two sellers became related parties as they continued to be involved as consultants for 12 months to manage the customer relationship, the Company will pay on an annual basis $100,000 to each of the consultants. As of October 31, 2022, there were no outstanding balances owed to the consultants. Part of the Purchase Price of $600,000 (the “Earn-out Amount”) was retained by the Company and will be paid to Seller in six equal quarterly payments. An additional $100,000 (the “Holdback Amount”) was retained by the Company and will be paid to Seller in accordance with the Skynet Telecom LLC asset purchase agreement. During the three months ended October 31, 2022, the Company paid $100,000 of the principal balance outstanding. The Company amortized $9,922 and $0 of debt discount as interest expense during the three months ended October 31, 2022, and October 31, 2021, respectively. The total debt discount outstanding as of October 31, 2022, and July 31, 2022, were $29,764 and $39,686, respectively. The total balance outstanding on the Earn-out Amounts as of October 31, 2022, and July 31, 2022, were $500,000 and $600,000, respectively.

Acquisition Payable – Skynet

As part of the acquisition of Skynet’s assets, the Company will pay to the seller a $1,000,000 (the “Share Payment”) by issuance of restricted shares of the Company’s common stock to the owners. On September 1, 2022, the Company and sellers amended the Asset Purchase Agreement. In accordance with the amended agreement, the Share Payment will be made via the issuance of shares on the earlier of (i) the effective date of that certain Registration Statement on Form S-1 filed by the Company with the Securities and Exchange Commission on August 11, 2021 (in which case the stock will be valued at the price set forth in the prospectus that is a part of such Registration Statement, without underwriter discounts) and (ii) April 30, 2023 (in which case the stock will be valued at the average of the last transaction price on the OTCQB for each of the 10 trading days immediately preceding such issuance date). The total principal balance outstanding on the acquisitions payable as of October 31, 2022, and July 31, 2022, was $1,000,000.

NOTE 8 – CONVERTIBLE NOTES PAYABLE

As of October 31, 2022, and July 31, 2022, convertible notes payable consisted of the following:

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On October 13, 2020, the Company entered into a variable convertible promissory note with an aggregate principal amount of $330,000, annual interest rate of 8% and an original maturity date of October 13, 2021, the maturity date was extended until December 15, 2021, and subsequently the maturity date was extended until July 31, 2022. On September 28, 2022, the holder agreed to extend the maturity date until February 28, 2023. After payment of transaction-related expenses and closing fees of $32,000, net proceeds to the Company from the Note totaled $298,000. The Company recorded $32,000 as a discount to the Note and amortized over the term of the note. In connection with the execution of the note, the Company issued 1,000,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $45,003 as debt discount, and it will be amortized to interest expense during the term of the promissory note. Additionally, the Company recognized $134,423 as debt discount for the intrinsic value of the conversion feature, and it will be amortized to interest expense during the term of the promissory note. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a fix conversion price at issuance, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On September 28, 2022, the lender agreed to extend the maturity date until February 28, 2023. The total unamortized discount on the Note as of October 31, 2022, and July 31, 2022, was $0. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, was $165,000 **(See below variable conversion terms No.1)**.	$ 165,000	$ 165,000
On January 27, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $250,000, annual interest rate of 8% and a maturity date of January 27, 2022. In connection with the execution of the note, the Company issued 500,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $24,368 as debt discount, and it will be amortized to interest expense during the term of the promissory note. Additionally, the Company recognized $44,368 as debt discount for the intrinsic value of the conversion feature, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.05 or 75% of the lowest daily volume weighted average price ("VWAP") for the ten (10) trading day period immediately preceding the conversion date. The Holder shall, in its sole discretion, be able to convert any amounts due hereunder at a twenty-five percent (25%) discount to the per share price of the Qualified Uplisting Financing. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On January 27, 2022, the lender agreed to extend the maturity date until July 31, 2022. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $25,000. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt of $25,000 and charged to interest expense at the time of the extension. On August 1, 2022, the lender agreed to extend the maturity date until January 31, 2023. As consideration for the extension on the note, the Company agreed to add $50,000 to the principal amount outstanding and charged the total to interest expense, in addition, the Company issued 300,000 shares of common stock with a market value of $28,740 and charged the total to interest expense. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of the amendment date, the total unamortized discount on the Note was $0. The total unamortized discount on the Note as of October 31, 2022, and July 31, 2022, was $0, respectively. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, were $325,000 and $275,000, respectively.	325,000	275,000

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On April 14, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $250,000, annual interest rate of 8% and a maturity date of April 14, 2022. In connection with the execution of the note, the Company issued 500,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $63,433 as debt discount, and it will be amortized to interest expense during the term of the promissory note. Additionally, the Company recognized $96,766 as debt discount for the intrinsic value of the conversion feature, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.15 or 75% of the lowest daily volume weighted average price (“VWAP”) for the ten (10) trading day period immediately preceding the conversion date. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On April 14, 2022, the lender agreed to extend the maturity date until October 14, 2022. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $25,000. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt of $25,000 and charged to interest expense at the time of the extension. On September 16, 2022, the lender agreed to extend the maturity date until April 14, 2023. As consideration for the extension on the note, the Company agreed to add $50,000 to the principal amount outstanding and charged the total to interest expense, in addition, the Company issued 300,000 shares of common stock with a market value of $35,400 and charged the total to interest expense. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of the amendment date, the total unamortized discount on the Note was $0. The total unamortized discount on the Note as of October 31, 2022, and July 31, 2022, was $0, respectively. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, were $325,000 and $275,000, respectively.	325,000	275,000
On August 31, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $75,000, annual interest rate of 8% and a default interest rate of 20%, and a maturity date of August 31, 2022. In connection with the execution of the note, the Company issued 150,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $13,635 as debt discount, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.15 or 75% of the lowest daily volume weighted average price (“VWAP”) for the ten (10) trading day period immediately preceding the conversion date. The holder may elect to convert up to 100% of the principal plus accrued interest into the common stock into a qualified uplist financing at a 25% discount. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On September 14, 2022, the lender agreed to extend the maturity date until February 28, 2023. As consideration for the extension on the note, the Company agreed to add $15,000 to the principal amount outstanding and charged the total to interest expense, in addition, the Company issued 90,000 shares of common stock with a market value of $10,845 and charged the total to interest expense. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of the amendment date, the total unamortized discount on the Note was $0. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The Company amortized $1,136 as interest expense during the quarter ended October 31, 2022. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were $0 and $1,136, respectively. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, were, $90,000 and $75,000, respectively.	90,000	75,000

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On September 29, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $75,000, annual interest rate of 8% and a default interest rate of 20%, and a maturity date of September 29, 2022. In connection with the execution of the note, the Company issued 150,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $10,788 as debt discount, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.15 or 75% of the lowest daily volume weighted average price ("VWAP") for the ten (10) trading day period immediately preceding the conversion date. The holder may elect to convert up to 100% of the principal plus accrued interest into the common stock into a qualified uplist financing at a 25% discount. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On September 16, 2022, the lender agreed to extend the maturity date until March 29, 2023. As consideration for the extension on the note, the Company agreed to add $15,000 to the principal amount outstanding and charged the total to interest expense, in addition, the Company issued 90,000 shares of common stock with a market value of $10,620 and charged the total to interest expense. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of the amendment date, the total unamortized discount on the Note was $0. The Company amortized $1,798 as interest expense during the quarter ended October 31, 2022. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were, $0 and $1,798, respectively The total principal balance outstanding as of October 31, 2022 and July 31, 2022, were, $90,000 and $75,000, respectively.	90,000	75,000
On October 22, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $150,000, annual interest rate of 8% and a default interest rate of 20%, and a maturity date of October 22, 2022. In connection with the execution of the note, the Company issued 300,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $13,965 as debt discount, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.15 or 75% of the lowest daily volume weighted average price ("VWAP") for the ten (10) trading day period immediately preceding the conversion date. The holder may elect to convert up to 100% of the principal plus accrued interest into the common stock into a qualified uplist financing at a 25% discount. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On September 16, 2022, the lender agreed to extend the maturity date until April 29, 2023. As consideration for the extension on the note, the Company agreed to add $30,000 to the principal amount outstanding and charged the total to interest expense, in addition, the Company issued 180,000 shares of common stock with a market value of $21,240 and charged the total to interest expense. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of the amendment date, the total unamortized discount on the Note was $0. The Company amortized $3,491 as interest expense during the quarter ended October 31, 2022. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were, $0 and $3,491, respectively. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, were, $180,000 and $150,000, respectively.	180,000	150,000

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On February 4, 2022, as part the acquisition of Next Level Internet ("NLI"), the Company entered into two unsecured convertible promissory notes (the "Unsecured Convertible Promissory Notes") for $1,800,000 and $200,000, respectively. The notes are payable in eight equal quarterly installments in the aggregate amount of $250,000 each commencing on April 30, 2022, through and including January 31, 2024. With a base annual interest rate of 0% and a default annual interest rate of 18%. The Sellers have a onetime right to convert all or a portion of the Convertible Notes commencing on the six-month anniversary of the notes being issued and ending 30 days after such six-month anniversary. The conversion price means an amount equal to the volume weighted average price per share of Stock on the Nasdaq Stock Market for the ten (10) consecutive trading days on which the conversion notice is received by the Company; provided, however, that if the stock is not then listed for trading on the Nasdaq Stock Market, the Conversion Price shall be the volume weighted average transaction price per share reported by the OTC Reporting Facility for the ten (10) consecutive trading days immediately preceding the date on which such Conversion Notice is received by the Company. The Company analyzed the Notes for derivative accounting consideration and determined that since the notes are convertible on the six-month anniversary from issuance and ending 30 days after such six-month anniversary, it does not require to be accounted as a derivative instrument. At inception of the notes, the Company recognized the fair market value of the conversion on the notes of $2,382,736, and recognized $117,264 in debt discount, which was amortized over the conversion period. As of the quarter ending October 31, 2022, the conversion option on the notes ended, and the Company recognized $466,000 as other income for the settlement of the conversion option. During the quarter ending October 31, 2022, the Company made a principal payment of $250,000. The total principal balance outstanding on the Unsecured Convertible Promissory Notes as of October 31, 2022 and July 31, 2022, were $1,500,000 and $2,250,000, respectively. The total unamortized debt discount on the notes as of October 31, 2022 and July 31, 2022, were $0 and $33,914, respectively.	1,500,000	2,250,000
On January 21, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $230,000, annual interest rate of 8% and a maturity date of October 21, 2022. After payment of transaction-related expenses and closing fees of $26,300, net proceeds to the Company from the Note totaled $203,700. Additionally, the Company recorded $26,300 as a discount to the Note and amortized over the term of the note. In connection with the execution of the note, the Company issued 300,000 shares of our common stock to the note holder and recorded $30,446 as debt discount and amortized over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount into fully paid and nonassessable shares of Common Stock. The Note Conversion Price shall equal the greater of $0.15 (fifteen) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the Note. Outstanding Balance shall immediately increase to 125% of the Outstanding Balance immediately prior to the occurrence of the Event of Default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. On October 21, 2022, the holder agreed to extend the maturity date until January 31, 2023. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $30,000 and issued 300,000 shares of common stock with a fair market value of $36,330. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt for both the $30,000 increase in principal and $36,330 fair value of shares issued and charged the total $66,330 to interest expense at the time of the extension. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were $0 and $18,916, respectively. The Company amortized $18,916 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, were $260,000 and $230,000, respectively.	260,000	230,000

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On January 21, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $230,000, annual interest rate of 8% and a maturity date of October 21, 2022. After payment of transaction-related expenses and closing fees of $26,300, net proceeds to the Company from the Note totaled $203,700. Additionally, the Company recorded $26,300 as a discount to the Note and amortized over the term of the note. In connection with the execution of the note, the Company issued 300,000 shares of our common stock to the note holder and recorded $30,446 as debt discount and amortized over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount into fully paid and nonassessable shares of Common Stock. The Note Conversion Price shall equal the greater of $0.15 (fifteen) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the Note. Outstanding Balance shall immediately increase to 125% of the Outstanding Balance immediately prior to the occurrence of the Event of Default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. On October 21, 2022, the holder agreed to extend the maturity date until January 31, 2023. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $30,000 and issued 300,000 shares of common stock with a fair market value of $36,330. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt for both the $30,000 increase in principal and $36,330 fair value of shares issued and charged the total $66,330 to interest expense at the time of the extension. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. On October 21, 2022, the holder agreed to extend the maturity date until January 31, 2023. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $30,000 and issued 300,000 shares of common stock with a fair market value of $36,330. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt for both the $30,000 increase in principal and $36,330 fair value of shares issued and charged the total $66,330 to interest expense at the time of the extension. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were $0 and $18,916, respectively. The Company amortized $18,916 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, were $260,000 and $230,000, respectively.	260,000	230,000
On July 27, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $165,000, annual interest rate of 8% and a maturity date of April 27, 2023. After payment of transaction-related expenses and closing fees of $19,500, net proceeds to the Company from the note totaled $145,500. Additionally, the Company issued 300,000 shares of our common stock to the note holder. The Company recorded the $19,500 and the relative fair market value of the shares of $22,093 as debt discount and amortized to interest expense over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the note holder shall be entitled to convert any portion of the outstanding and unpaid conversion amount into fully paid and nonassessable shares of Common Stock. The note conversion price shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the note. Outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of an event of default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, were $27,729 and $41,593, respectively. The Company amortized $13,864 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 and July 31, 2022, was $165,000 and $119,500, respectively.	165,000	119,500

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On September 12, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $75,000, annual interest rate of 8% and a maturity date of September 12, 2023. In connection with the execution of the note, the Company issued 150,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $15,880 as debt discount, and it will be amortized to interest expense during the term of the promissory note. The Holder may elect to convert up to 100% of the principal amount outstanding and any accrued interest on the Note into Common Stock at any time after 180 days of funding the Note. The Conversion Price shall be the greater of $0.15 or 75% of the lowest daily volume weighted average price ("VWAP") for the ten (10) trading day period immediately preceding the conversion date. The holder may elect to convert up to 100% of the principal plus accrued interest into the common stock into a qualified uplist financing at a 25% discount. The Company analyzed the Note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 was $19,925. The Company amortized $3,985 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 was $75,000	75,000	-
On October 3, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $165,000, annual interest rate of 8% and a maturity date of July 3, 2023. After payment of transaction-related expenses and closing fees of $19,500, net proceeds to the Company from the note totaled $145,500. Additionally, the Company issued 300,000 shares of our common stock to the note holder. The Company recorded the $19,500 and the relative fair market value of the shares of $32,143 as debt discount and amortized to interest expense over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the note holder shall be entitled to convert any portion of the outstanding and unpaid conversion amount into fully paid and nonassessable shares of Common Stock. The note conversion price shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the note. Outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of an event of default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 was $45,905. The Company amortized $5,738 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 was $165,000.	165,000	-
On October 10, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $275,000, annual interest rate of 8% and a maturity date of April 10, 2023. After payment of transaction-related expenses and closing fees of $25,000, net proceeds to the Company from the note totaled $250,000. The Company recorded the $25,000 as debt discount and amortized to interest expense over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the note holder shall be entitled to convert any portion of the outstanding and unpaid conversion amount into fully paid and nonassessable shares of Common Stock. The note conversion price shall equal the greater of $0.15 (fifteen) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American, subject to adjustment as provided in the note. Any Principal Amount or interest on this Note which is not paid when due shall bear interest at the rate the lesser of (a) twenty-four percent (24%) per annum from the due date thereof until the same is paid ("Default Interest"); or (b) the maximum rate allowed by law. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 was $20,833. The Company amortized $4,167 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 was $275,000.	275,000	-

CONVERTIBLE NOTES PAYABLE NON-DERIVATIVE	October 31, 2022	July 31, 2022
On October 27, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $28,500, annual interest rate of 8% and a maturity date of July 26, 2023. After payment of transaction-related expenses and closing fees of $3,500, net proceeds to the Company from the note totaled $25,000. The Company recorded the $3,500 as debt discount and amortized to interest expense over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the note holder shall be entitled to convert any portion of the outstanding and unpaid conversion amount into fully paid and nonassessable shares of Common Stock. The note conversion price shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the note. Outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of an event of default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022 was $3,500. The Company amortized $0 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 was $28,500.	28,500	-
On October 27, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $71,500, annual interest rate of 8% and a maturity date of July 26, 2023. After payment of transaction-related expenses and closing fees of $6,500, net proceeds to the Company from the note totaled $65,000. Additionally, the Company issued 200,000 shares of our common stock to the note holder. The Company recorded the $6,500 and the relative fair market value of the shares of $38,768 as debt discount and amortized to interest expense over the term of the note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the note holder shall be entitled to convert any portion of the outstanding and unpaid conversion amount into fully paid and nonassessable shares of Common Stock. The note conversion price shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the note. Outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of an event of default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total unamortized discount on the Note as of October 31, 2022, was $45,268. The Company amortized $0 of debt discount as interest expense during the quarter ended October 31, 2022. The total principal balance outstanding as of October 31, 2022 and was $71,500.	71,500	-
On October 31, 2022, the Company entered into a variable convertible promissory note with an aggregate principal amount of $350,000, annual interest rate of 14% and a maturity date of February 28, 2023. Net proceeds to the Company from the note totaled $350,000. In the event that any payment is not made when due, either of principal or interest, and whether upon maturity or as a result of acceleration, interest shall thereafter accrue at the rate per annum equal to the lesser of (a) the maximum non-usurious rate of interest permitted by the laws of the State of Texas or the United States of America, whichever shall permit the higher rate or (b) twenty percent (20%) per annum, from such date until the entire balance of principal and accrued interest on this Note has been paid. At any time after sixty (60) days following the date hereof, Payee may elect to convert a percentage of the amount of principal and accrued interest outstanding on the Note into common stock of Debtor, in accordance with the following terms: (i) If prior to uplist to Nasdaq or NYSE, Payee may convert up to 50% of the amount outstanding on the Note into Common Stock. In such event, the price per share of Common Stock applicable to such conversion (the "Applicable Conversion Price") shall be the greater of: (a) the Variable Conversion Price or (b) the Fixed Conversion Price. The "Variable Conversion Price" shall be equal to a 20% discount to the average closing price for Common Stock for the five (5) Trading Day period immediately preceding the Conversion Date. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the principal securities exchange or other securities market on which the Common Stock is then being traded. The "Fixed Conversion Price" shall mean $0.10; and (ii) If following the Uplist, Payee may convert up to 100% of the amount outstanding on the Note into Common Stock. In such event, the Applicable Conversion Price shall be the greater of: (a) the post-Uplist Variable Conversion Price (i.e., if less than 5 days after the Uplist, then the average of the days available since the Uplist up to 5) or (b) the Fixed Conversion Price. The Company analyzed the note for derivative accounting consideration and determined that since the note has a conversion price floor, it does not require to be accounted as a derivative instrument. The Company will evaluate every reporting period and identify if any default provisions and other requirements triggered a variable conversion price and if the note needs to be classified as a derivative instrument. The total principal balance outstanding as of October 31, 2022 was $350,000.	350,000	-
Total convertible notes payables non-derivative:	**$ 4,325,000**	**$ 3,844,500**

CONVERTIBLE NOTES PAYABLE - DERIVATIVE	October 31, 2022	July 31, 2022
On July 27, 2020, the Company entered into a variable convertible promissory note with an aggregate principal amount of $275,000, annual interest rate of 8% and a maturity date of March 27, 2021. After payment of transaction-related expenses and closing fees of $35,000, net proceeds to the Company from the Note totaled $240,000. The Company recorded these discounts and cost of $35,000 as a discount to the Note and amortized over the term of the note. In connection with the execution of the note, the Company issued 500,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $11,626 as debt discount, and it will be amortized to interest expense during the term of the promissory note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount into fully paid and nonassessable shares of Common Stock the Note Conversion Price shall equal the greater of $0.05 (five) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in this Note. If an Event of Default occurs, the Conversion Price shall be the lesser of (a). $0.05 (five) cents or (b). 75% of the lowest traded price in the prior fifteen trading days immediately preceding the Notice of Conversion. The Company analyzed the note for derivative accounting consideration and determined that the embedded conversion option qualified as a derivative instrument, due to the variable conversion price. The Company recognized $61,678 of derivative liability and directly amortized all associated debt discount of $61,678 as interest expense. On July 31, 2021, the holder agreed to extend the maturity date until January 31, 2022. On February 14, 2022, the holder agreed to extend the maturity date until July 31, 2022. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $75,000 and issued 250,000 shares of common stock with a market value of $34,150. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. The Company recognized a loss on extinguishment of debt for both the $75,000 increase in principal and $34,150 fair value of shares issued and charged the total $109,150 to interest expense at the time of the extension. On July 26, 2022, the holder agreed to extend the maturity date until December 31, 2022. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $50,000 and issued 300,000 shares of common stock with a market value of $30,000. The Company evaluated the amendment and accounted for these changes as an extinguishment of debt. As of amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt for both the $50,000 increase in principal and $30,000 fair value of shares issued and charged the total $80,000 to interest expense at the time of the extension. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, was $480,000 and $480,000, respectively.	480,000	480,000
On January 31, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $80,235, annual interest rate of 8% and a maturity date of February 17, 2022. On March 7, 2022, the holder agreed to extend the maturity date until July 31, 2022. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount into fully paid and nonassessable shares of Common Stock the Note Conversion Price shall equal the greater of $0.05 (five) cents or seventy-five percent (75%) of the lowest daily volume weighted average price (“VWAP”) over the ten (10) consecutive trading day period ending on the trading day immediately prior to the applicable conversion date (the “Variable Conversion Price”); provided, however, that the Holder shall, in its sole discretion, be able to convert any amounts due hereunder at a twenty-five percent (25%) discount to the per share price of the Qualified Uplisting Financing of over $4MM. If, no later than December 31, 2021, the Borrower shall fail to uplist to any tier of the NASDAQ Stock Market, the New York Stock Exchange or the NYSE MKT, the conversion price under the Note (and the Exchange Note) will be adjusted to equal the lesser of (i) $0.05 per share; or (ii) seventy-five percent (75%) of the lowest VWAP (as defined in the Note and Exchange Note) in the preceding twenty (20) consecutive Trading Days. The Company analyzed the note for derivative accounting consideration and determined that the embedded conversion option qualified as a derivative instrument, due to the variable conversion price. As a result, the Company recognized derivative liability for the convertible note of $59,413. The total unamortized discount on the Note as of October 31, 2022, and July 31, 2021, was $0 and $0, respectively. On September 28, 2022, the holder agreed to extend the maturity date until February 28, 2023. In connection with the extension of the maturity date on the note, the Company agreed to increase the principal balance by $62,500 and charged the total to interest expense, in addition, the Company issued 500,000 shares of common stock with a market value of $70,000 and charged the total to interest expense. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, were $142,735 and $80,235, respectively.	142,735	80,235

CONVERTIBLE NOTES PAYABLE - DERIVATIVE		October 31, 2022		July 31, 2022
On April 15, 2021, the Company entered into a variable convertible promissory note with an aggregate principal amount of $113,000, annual interest rate of 8% and a maturity date of January 15, 2022. After payment of transaction-related expenses and closing fees of $13,000, net proceeds to the Company from the Note totaled $100,000. Additionally, the Company recorded $13,000 as a discount to the Note and amortized over the term of the note. In connection with the execution of the note, the Company issued 100,000 shares of our common stock to the note holder, at the time of issuance, the Company recognized the relative fair market value of the shares of $14,138 as debt discount, and it will be amortized to interest expense during the term of the promissory note. Until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount into fully paid and nonassessable shares of Common Stock. The Note Conversion Price shall equal the greater of $0.15 (fifteen) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in the Note. If an Event of Default occurs, the Conversion Price shall be the lesser of (a). $0.15 (fifteen) cents or (b). seventy-five percent (75%) of the lowest traded price in the prior fifteen (15) consecutive trading day period ending on the trading day immediately prior to the applicable conversion date (the "Variable Conversion Price"). Outstanding Balance shall immediately increase to 125% of the Outstanding Balance immediately prior to the occurrence of the Event of Default and a daily penalty of $500 will accrue until the default is remedied. The Company analyzed the note for derivative accounting consideration and determined that the embedded conversion option qualified as a derivative instrument, due to the variable conversion price. As a result, the Company recognized derivative liability for the convertible note of $64,561, of which $42,822 was recorded as debt discount and amortized over the term of the note. On January 15, 2022, the lender agreed to extend the maturity date until March 31, 2022. As consideration for the extension on the note, the Company agreed to add 15,000 to the principal amount outstanding. On March 18, 2022, the lender agreed to extend the maturity date until July 31, 2022. As consideration for the extension on the note, the Company agreed to add $15,000 to the principal amount outstanding. The Company evaluated the amendments and accounted for these changes as an extinguishment of debt. As of both amendment date, the total unamortized discount on the Note was $0. The Company recognized a loss on extinguishment of debt for both $15,000 increase in principal and charged the total $30,000 to interest expense at the time of the extension. On June 28, 2022, the lender agreed to extend the maturity date until September 30, 2022. As consideration for the extension on the note, the Company agreed to add $20,000 to the principal amount outstanding and charged the total to interest expense. The agreement as of June 28, 2022, provides the Company the option extend the maturity date for an additional 90 days for an additional $20,000 to be added to the principal amount. On September 30, 2022, the Company extended the maturity date of the note until December 30, 2022 and charged to interest expense the total $20,000 added to principal balance. The Company evaluated the amendments and accounted for these changes as an extinguishment of debt. The total unamortized discount on the Note as of October 31, 2022 and July 31, 2022, was $0. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, were, $183,000 and $163,000, respectively.		183,000		163,000
Total convertible notes payable - derivative:	**$**	**805,735**	**$**	**723,235**
Total convertible notes payable derivative and non-derivative		**5,130,735**		**4,567,735**
Less: discount on convertible notes payable		**(163,160)**		**(119,764)**
Total convertible notes payable, net of discount		**4,967,575**		**4,447,971**
Less: current portion of convertible notes payable		**(4,717,575)**		**(3,947,971)**
Long-term portion of convertible notes payable	**$**	**250,000**	**$**	**500,000**

Additional terms No.1: The Holder of the Note originally dated October 13, 2020 with a balance of $165,000 as of October 31, 2022, shall have the right to convert any portion of the outstanding and unpaid principal balance into fully paid and nonassessable shares of Common Stock. The conversion price (the "Conversion Price") shall equal $0.05 (subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Borrower relating to the Borrower's securities or the securities of any subsidiary of the Borrower, combinations, recapitalization, reclassifications, extraordinary distributions, and similar events).

The total unamortized discount on the convertible notes as of October 31, 2022, and July 31, 2022, were $163,160 and $119,764, respectively. The total principal balance outstanding as of October 31, 2022, and July 31, 2022, were $5,630,735 and $5,130,735, respectively. During the three months ended October 31, 2022, and October 31, 2021, the Company amortized $207,564 and $127,872, respectively, of debt discount as interest expense.

NOTE 9 – LEASES

The leased properties have a remaining lease term of three to sixty-three months as of October 31, 2022. At the option of the Company, it can elect to extend the term of the leases. See table below:

Location		Annual Rent	Lease Expiration Date	Business Use	Approx. Sq. Ft.
8023 Vantage Dr., Suite 660, San Antonio, Texas 78230	$	49,136	Sep-27	Executive offices	2,843
10967 Via Frontera, San Diego, CA 92127	$	369,229	Mar-26	Office space	18,541
1610 Royal Palm Avenue, Suite 300, Fort Myers, FL 33901	$	83,260	Dec-25	Office space and network facilities	6,800
2121 Ponce de Leon Blvd., Suite 200, Coral Gables FL 33134	$	106,553	Dec-27	Office space & wireless internet network	4,623
7218 McNeil Dr., FL-1, Austin, TX 78729	$	21,000	Mar-24	Network facilities	25
6606 Lyndon B. Johnson, Fwy., FL1, Suite 125, Dallas, TX 75240	$	17,040	Dec-22	Network facilities	25
9701 S. John Young Parkway, Orlando, FL 32819	$	25,440	May-23	Network facilities	540
50 NE 9th St, Miami, FL 3313	$	41,300	May-23	Network facilities	25
350 NW 215 St., Miami Gardens, FL 33169	$	29,254	May-23	Wireless internet network	100
8333 NW 53rd St, Doral, FL 33166	$	14,021	Jul-25	Wireless internet network	100
100 SE 2nd Street, Miami, FL 33131	$	36,466	Jan-24	Wireless internet network	100
9055 SW 73rd Ct, Miami, FL 33156	$	8,787	Dec-23	Wireless internet network	100
9517 Fontainebleau Blvd., Miami, FL 33172	$	11,907	Aug-24	Wireless internet network	100

The Company has not entered into any sale and leaseback transactions during the three months ended October 31, 2022.

On May 17, 2022, the Company extended the office and wireless internet network leases in Coral Gables, Florida. The Company accounted for the extension as a lease modification. The Company used the discount rate of 5% and recognized $482,865 as a day one ROU asset and liability. These leases are identified in the table above. The leases expire in December 2027, and at the option of the Company, the leases can be extended for various periods ranging from one to five years, with a base rent at the prevailing market rate at the time of the renewal.

In February 2022, as part of the acquisition of NLI, the Company secured an office lease, with a monthly base lease payment of $30,222. The lease expires in March 2026. At the option of the Company, the lease can be extended for two additional five-year terms, with a base rent at the prevailing market rate at the time of the renewal. The Company is not reasonably certain that it will exercise the renewal option.

In December 2021, as part of the acquisition of Skynet Telecom LLC's assets, the Company assumed an office lease in San Antonio, Texas. In May 2022, the lease was extended until September 2027, and at the option of the Company, the lease can be extended for a period of five years, with a base rent at the prevailing market rate at the time of the renewal. The Company accounted for the extension as a lease modification.

Amounts recognized as of July 31, 2022, and October 31, 2022, for operating leases are as follows:

ROU Asset	July 31, 2022	$	2,436,035
Amortization		$	(259,784)
Addition - Asset		$	-
ROU Asset	October 31, 2022	$	2,176,251
Lease Liability	July 31, 2022	$	2,584,865
Amortization		$	(266,333)
Addition - Liability		$	-
Lease Liability	October 31, 2022	$	2,318,532
Lease Liability	Short term	$	651,191
Lease Liability	Long term	$	1,667,341
Lease Liability	Total:	$	2,318,532
Operating lease cost:		$	200,392
Cash paid for amounts included in the measurement of lease labilities			
Operating cashflow from operating leases:		$	200,392
Weighted-average remain lease term-operating lease:			3.8 years
Weighted-average discount rate			5.0%

The future minimum lease payment under the operating leases are as follows:

Period Ending July 31,		**Lease Payments**
2023*		580,242
2024		650,734
2025		603,439
2026		431,377
2027		176,771
Total:	$	2,442,563

***** ***remaining 9 Months***

NOTE 10 – EQUIPMENT FINANCING

The Company entered into various financing agreement for equipment purchased. Under the term of the agreement, assets with a cost of approximately $62,263 and $23,650, were financed under various financing agreements as of June 2022 and September 2022, respectively. The equipment financing is net of costs associated with the assets such as maintenance, insurance and property taxes are for the account of the Company. The equipment financing agreements are for 38 months, with the first payments starting July 1, 2022, and monthly principal and interest payments of $2,282. The interest rate under the financing agreement is at 5.0% per annum.

The future payments under the equipment financing agreements are as follows:

Year		**Amount**
2023*	$	22,950
2024		30,600
2025		30,600
2026		2,550
Total future payments:	$	86,700

* ***remaining 9 Months***

Less: amounts representing interest		5,681
Present value of net minimum equipment financing payments	$	81,019
Less current maturities		27,297
Long-term equipment financing obligation	$	53,722
Lease cost:		
Amortization of ROU assets	$	27,388
Interest on lease liabilities		3,304
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cashflow from equipment financing:	$	3,304
Financing cashflow from equipment financing:		27,388
Weighted-average remaining lease term - equipment financing:		2.8 years
Weighted-average discount rate		5.0%

NOTE 11 – EQUITY

During the three months ended October 31, 2022, the Company issued the following shares of common stock:

On August 1, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $28,740 as interest expense.

On September 12, 2022, the Company entered into a $75,000 promissory note with Tysadco Partners, LLC, with a maturity date of September 12, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 150,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $15,880 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

On September 14, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 90,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $10,845 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $35,400 as interest expense. In addition, the Company agreed to add $50,000 to the principal amount outstanding and the Company recognized $50,000 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 180,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $21,240 as interest expense. In addition, the Company agreed to add $30,000 to the principal amount outstanding and the Company recognized $30,000 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 90,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $10,620 as interest expense. In addition, the Company agreed to add $15,000 to the principal amount outstanding and the Company recognized $15,000 as interest expense.

On September 28, 2022, the Company entered into a note extension agreement with Platinum Point Capital, LLC, and as consideration for the extension, the Company issued 500,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $70,000 as interest expense. In addition, the Company agreed to add $62,500 to the principal amount outstanding and the Company recognized $62,500 as interest expense.

On September 28, 2022, William Figueroa, a Series A Preferred Shareholder converted 25,000 Series A shares and $6,718 of accrued dividends into 105,273 shares of common stock.

On October 3, 2022, the Company entered into a $165,000 promissory note with Lucas Ventures, LLC, with a maturity date of July 3, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 300,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $32,143 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

On October 21, 2022, the Company entered into a note extension agreement with Lucas Ventures, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock for the extension with fair value of $30,000. In addition, the Company agreed to add $30,000 to the principal amount outstanding.

On October 21, 2022, the Company entered into a note extension agreement with LGH Investments, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock for the extension with fair values of $30,000. In addition, the Company agreed to add $30,000 to the principal amount outstanding.

On October 27, 2022, the Company entered into a $71,500 promissory note with Lucas Ventures, LLC, with a maturity date of July 26, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 200,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $38,768 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

In October 2022, the Company issued to various individuals 160,628 shares of common stock for the exercise of 160,628 warrants, with an exercise price of $0.13 per warrant and secured $20,881 in proceeds.

On November 28, 2022, the Company entered into a convertible note with Mast Hill Fund, L.P., and issued 2,100,000 commitment shares of Common Stock to the Investor

NOTE 12 – SUBSEQUENT EVENTS

MEOA Business Combination

On August 30, 2022, Digerati entered into a Business Combination Agreement (as it may be amended, supplemented or otherwise modified from time to time, the "Business Combination Agreement"), by and among Digerati, Minority Equality Opportunities Acquisition Inc., a Delaware corporation ("MEOA"), and Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of MEOA ("Merger Sub").

The Business Combination Agreement and the transactions contemplated thereby were approved by the board of directors of each of MEOA and Digerati.

The Business Combination Agreement provides, among other things, that Merger Sub will merge with and into Digerati, with Digerati as the surviving company in the merger and, after giving effect to such merger, Digerati shall be a wholly-owned subsidiary of MEOA (the "Merger"). In addition, MEOA will be renamed Digerati Holdings, Inc. The Merger and the other transactions contemplated by the Business Combination Agreement are hereinafter referred to as the "Business Combination". Other capitalized terms used, but not defined, herein, shall have the respective meanings given to such terms in the Business Combination Agreement

In accordance with the terms and subject to the conditions of the Business Combination Agreement, at the Effective Time, among other things: (i) each share of Digerati common stock outstanding as of immediately prior to the Effective Time will be exchanged for shares of MEOA common stock, par value $0.0001 per share (each, an "MEOA Share" and collectively, the "MEOA Shares"), based upon the exchange ratio set forth in the Business Combination Agreement (the "Exchange Ratio"); (ii) all vested and unvested stock options of Digerati will be assumed by MEOA and thereafter be settled or exercisable for MEOA Shares, as applicable, determined based on the Exchange Ratio; (iii) each warrant to purchase shares of Digerati common stock will be canceled in exchange for a warrant to purchase MEOA Shares determined based on the Exchange Ratio; (iv) any shares of the Series A Preferred Stock of Digerati outstanding as of the Effective Time will thereafter be convertible into a number of MEOA Shares determined by multiplying the number of shares of Digerati common stock into which such preferred shares would have been convertible immediately prior to the Effective Time by the Exchange Ratio; (v) certain convertible notes of Digerati issued following the signing of the Business Combination Agreement and outstanding as of the Effective Time will thereafter be convertible into a number of MEOA Shares determined by multiplying the number of shares of Digerati common stock into which such convertible notes would have been convertible immediately prior to the Effective Time by the Exchange Ratio; and (vi) each share of MEOA Class A common stock, par value $0.0001 per share (the "MEOA Class A Common Stock"), and each share of MEOA Class B common stock, par value $0.0001 per share (the "MEOA Class B Common Stock"), that is issued and outstanding immediately prior to the effective time shall become one MEOA Share following the consummation of the Business Combination.

The Business Combination is expected to close in the first calendar quarter of 2023, following the receipt of the required approval by the stockholders of MEOA and Digerati, approval by Nasdaq of MEOA's initial listing application filed in connection with the Business Combination, and the fulfillment of other customary closing conditions.

The Business Combination Agreement may be terminated under certain customary and limited circumstances at any time prior to the closing, including, without limitation, (i) by the mutual written consent of MEOA and Digerati; (ii) by MEOA, subject to certain exceptions, if any of the representations or warranties made by Digerati are not true and correct or if Digerati fails to perform any of its covenants or agreements under the Business Combination Agreement (including an obligation to consummate the closing) such that certain conditions to our obligations could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) February 25, 2023 (the "Termination Date"); (iii) by Digerati, subject to certain exceptions, if any of the representations or warranties made by our company or Merger Sub are not true and correct or if MEOA or Merger Sub fails to perform any of its covenants or agreements under the Business Combination Agreement (including an obligation to consummate the closing) such that the condition to the obligations of Digerati could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) the Termination Date; (iv) by either MEOA or Digerati, if the closing does not occur on or prior to the Termination Date, unless the breach of any covenants or obligations under the Business Combination Agreement by the party seeking to terminate proximately caused the failure to consummate the transactions contemplated by the Business Combination Agreement; (v) by either MEOA or Digerati, if (A) any governmental entity shall have issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by the Business Combination Agreement and such order or other action shall have become final and non-appealable; or (B) if the Required MEOA Stockholder Consent is not obtained; (vi) by MEOA, if (A) Digerati does not deliver, or cause to be delivered to MEOA a Transaction Support Agreement duly executed by certain Digerati stockholders or (B) the Digerati stockholders meeting has been held, has concluded, the Digerati stockholders have duly voted, and Digerati stockholder approval was not obtained; (vii) by MEOA, if Digerati does not deliver, or cause to be delivered, to MEOA a duly executed copy of the PRG Resolution Agreement on or prior to October 15, 2022. The parties are currently negotiating an extension to this deadline. There can be no assurance that an agreement on this matter will be reached; (viii) by Digerati, should MEOA not have timely taken such actions as are reasonably necessary to extend the period of time to complete an initial business combination for an additional period of three months from November 30, 2022; provided, that it shall be the obligation of Digerati to timely make the deposit into the Trust Account in connection with such extension, and Digerati shall not have a right to terminate the Business Combination Agreement as a result of Digerati's failure to make such deposit; (ix) by MEOA should Digerati not deposit into the Trust Account in a timely manner the funds necessary to extend the period for our company to complete an initial business combination for an additional period of three months from November 30, 2022, in accordance with, and as required pursuant to, the Business Combination Agreement; and (x) by MEOA should: (A) Nasdaq not approve the initial listing application for the combined company with Nasdaq in connection with the Business Combination; (B) the combined company not have satisfied all applicable initial listing requirements of Nasdaq; or (C) the common stock of the combined company not have been approved for listing on Nasdaq prior to the date of the closing.

If the Business Combination Agreement is validly terminated, none of the parties to the Business Combination Agreement will have any liability or any further obligation under the Business Combination Agreement other than customary confidentiality obligations, except in the case of a willful breach of any covenant or agreement under the Business Combination Agreement or fraud, provided, that (A) if MEOA terminates the Business Combination Agreement pursuant to clauses (ii), (vi), (vii) or (viii) of the preceding paragraph, Digerati shall pay to MEOA, promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $2,000,000, (B) if Digerati terminates the Business Combination Agreement pursuant to clauses (iii) or (ix) of the preceding paragraph, MEOA shall pay to Digerati promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $2,000,000 and (C) in the event of a termination by MEOA pursuant to clauses (ix) or (x) of the preceding paragraph, Digerati shall pay to MEOA, promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $1,265,000.

On October 28, 2022, MEOA filed a preliminary proxy statement on Schedule 14A (the "Proxy") with the Securities and Exchange Commission (the "SEC") to hold a special meeting of the stockholders of MEOA (the "Special Meeting") to consider and vote upon a proposal to amend MEOA's amended and restated certificate of incorporation to give MEOA the right to extend the date by which MEOA is required.

Unsecured Convertible Promissory Notes payment

On November 4, 2022, the Company made a quarterly principal payment of $250,000 towards the NLI Unsecured Convertible Promissory Notes.

NLI Adjustable Note MRC Targets Payment – extension of Deferred Payment amount

On November 18, 2022, the Company and The Jerry and Lisa Morris Revocable Trust Dated November 18, 2002 agreed to a Forbearance Agreement which allows the Company to an extension of the principal payment ("Deferred Payment") amount of $225,000 (originally scheduled to be paid by September 4, 2022), together with interest at the rate of 18% per annum (based upon the number of days elapsed between the date the Deferred Payment is scheduled for payment under the Note and the date the Deferred Payment is actually paid and a year of 360 days), to be paid on or before January 3, 2023 (the period from the Effective Date through January 3, 2023, being the "Forbearance Period").

Securities Purchase Agreement and Promissory Note

On November 28, 2022, Digerati Technologies, Inc. (the "Company"), entered into a securities purchase agreement (the "SPA") with Mast Hill Fund, L.P. (the "Investor"). Although the SPA and other transaction documents are dated November 22, 2022, the SPA and other transaction documents were signed on November 28, 2022. The closing of the transaction took place on November 29, 2022.

Pursuant to the SPA, the Investor purchased, and the Company issued, an unsecured promissory note (the “Note”) in the aggregate principal amount totaling approximately $1,670,000 (the “Principal Amount”) with an original issue discount of $250,500 and interest on the unpaid Principal Amount hereof at the rate of ten percent (10%). The gross proceeds the Company received prior to payment of transaction expenses was $1,419,500. The Note’s maturity date is November 22, 2023 (the “Maturity Date”). The Note requires the Company to make amortization payments to the Investor of $200,000 to $400,000 every three (3) months starting in February 2023. The SPA contains customary representations and warranties.

The Investor has the right to convert all or any portion of the amount the Company owes pursuant to the Note into shares of the Company’s common stock, $0.001 par value per share (the “Common Stock”) at any time on or following the earlier of (i) March 22, 2023 or (ii) sixty (60) calendar days after the closing of the contemplated merger (the “Merger”) of MEOA Merger Sub, Inc., a wholly owned subsidiary of Minority Equality Opportunities Acquisition Inc. (“MEOA”), with and into the Company, with the Company as the surviving company in the merger and, after giving effect to such merger, the Company being a wholly-owned subsidiary of MEOA. The Investor will not convert the Note if such conversion would result in the Investor beneficially owning more than 4.99% of the shares of Common Stock then outstanding.

The Note’s conversion price is $0.0956 per share (the “Conversion Price”), subject to adjustment for any stock dividend, stock split, stock combination or similar transaction that proportionately decreases or increases the amount of Common Stock shares outstanding. The Note contains a dilutive issuance provision such that the Conversion Price is subject to a downward adjustment if the Company issues securities with an effective purchase price lower than the conversion price then in effect.

The Company shall at all times reserve the greater of (i) 52,405,858 shares of Common Stock; or (ii) three (3) times the number of shares that is actually issuable upon full conversion of the Note (the “Reserved Amount”). Not maintaining the Reserved Amount is an event of default under the Note.

The Company can, at its option, prepay the amount the Company owes pursuant to the Note without a penalty. The Investor is allowed to convert the Note into shares of Common Stock for a period of seven (7) trading days following the Company submitting a prepayment notice to the Investor.

The Investor can require the Company to repay all or any portion the amount the Company owes pursuant to the Note via a payment of up to fifty percent (50%) of all cash proceeds the Company receives from the issuance of equity or debt, the conversion of outstanding warrants, or the sale of assets. Regarding any cash proceeds the Company receives at the closing of the Merger, the Investor can require the Company to repay all or any portion the amount the Company owes pursuant to the Note via a payment of up to the greater of (i) $1,000,000.00 or (ii) 20% of such proceeds.

The Note is a long-term debt obligation that is material to the Company. The Note contains covenants and events of default including if the Company is delinquent in its periodic report filings with the SEC and increases in the amount of the principal and interest rates under the Note in the event of such defaults.

The Company used a portion of the net proceeds to make a deposit in the amount of $83,333.33 into the MEOA trust account on November 30, 2022 to extend the period for MEOA to complete its planned merger with the Company an initial business combination for an additional one month from November 30, 2022. The Company was required to make this payment pursuant to the Merger transaction documents.

Commitment Shares and Warrant

In connection with the purchase of the Note and pursuant to the SPA, the Company issued (i) 2,100,000 shares of Common Stock to the Investor (the "Commitment Shares") and (ii) a warrant to the Investor to purchase up to 10,500,000 shares of Common Stock (the "Warrant"). The Warrant can be exercised through November 22, 2027, has an exercise price of $0.1195 (the "Exercise Price"), and has a cashless exercise provision. The Exercise Price and the amount of warrant shares is subject to adjustment for any stock dividend, stock split, or stock combination that proportionately decreases or increases the amount of Common Stock shares outstanding. The Exercise Price is subject to a downward adjustment pursuant to dilutive issuance provision in the Warrant that is similar to the one provided for in the Note.

The Company can force the exercise of the Warrant if, among other requirements, (i) the VWAP (as defined in the Warrant) of the Common Stock during each of the ten (10) trading days prior to the date on which the Company will deliver shares to the Investor pursuant to the forced exercise (the "Forced Exercise Shares") equals or exceed 250% of the Exercise Price and (ii) the trading volume of the Common Stock equals or exceeds the Forced Exercise Share amount during each of the ten (10) trading days prior to the date of delivery of such shares.

Registration Rights Agreement

In connection with the signing of the SPA and the issuance of the Note and Warrant, the Company and the Investor entered into a Registration Rights Agreement (the "RRA") with regard to the Commitment Shares, the shares of Common Stock issuable pursuant to the conversion of the Note (the "Conversion Shares"), and the shares of Common Stock issuable pursuant to the exercise of the Warrant (the "Warrant Shares" and, together with the Commitment Shares and the Conversion Shares, the "Registrable Securities"). Pursuant to the RRA, the Company is obligated to file a registration statement with the Securities and Exchange Commission to register the Registrable Securities under the Securities Act of 1933, as amended (the "Securities Act") for resale by the Investor. The RRA's deadline to file the resale registration statement is within one hundred fifty (150) days of November 22, 2022 with the effectiveness deadline being within one hundred eighty (180) days of November 22, 2022. Failure to meet these deadlines constitutes an event of default under the Note.

Second Amendment to Asset Purchase Agreement

On December 5, 2022, the Company, amended its Asset Purchase Agreement with Paul Golibart and Jerry Ou, each an individual resident in the State of Texas (each, an "Owner" and collectively, the "Owners"). The parties have agreed to amend Sections 3.01 (c) and 3.03 to the following: (i)The payment due for $100,000.00 for the quarter ending October 31, 2022, and due on December 15, 2022, shall be extended until that certain closing of Digerati Technologies, Inc. with Minority Equality Opportunities Acquisition (MEOA) slated to close during the first quarter of calendar year 2023. In addition, a 1% origination fee plus 10% interest shall apply to such payment. All other payments going forward will not be affected and shall remain the same and (ii) The Parties agree to remove the contingency associated with the remaining payments under the Asset Purchase Agreement. There will be no adjustments based on Skynet's revenue for all remaining payments. All other Terms shall remain the same.

NLI Adjustable Note MRC Targets Payment

On December 12, 2022, the Company paid the NLI Adjustable MRC target payment for the quarter ended October 31, 2022 for $250,000.

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

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. "Forward-looking statements" are those statements that describe management's beliefs and expectations about the future. We have identified forward-looking statements by using words such as "anticipate," "believe," "could," "estimate," "may," "expect," "plan," and "intend." Although we believe these expectations are reasonable, our operations involve a number of risks and uncertainties. Some of these risks include the availability and capacity of competitive data transmission networks and our ability to raise sufficient capital to continue operations. Additional risks are included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022, filed with the Securities and Exchange Commission on October 31, 2022.

The following is a discussion of the unaudited interim consolidated financial condition and results of operations of Digerati for the three months ended October 31, 2022, and 2021. It should be read in conjunction with our audited Consolidated Financial Statements, the Notes thereto, and the other financial information included in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2022, filed with the Securities and Exchange Commission on October 31, 2022. For purposes of the following discussion, fiscal 2023 or 2023 refers to the year that will end on July 31, 2023, and fiscal 2022 or 2022 refers to the year ended July 31, 2022.

Overview

Digerati Technologies, Inc., a Nevada corporation (including our subsidiaries, "we," "us," "Company" or "Digerati"), through its operating subsidiaries in Texas, Florida, and California that includes Shift8 Networks, Inc., dba, T3 Communications (a Texas entity), T3 Communications, Inc. (a Florida entity) (with both T3 in Florida and T3 in Texas being referred to herein, collectively, as "T3"), Nexogy Inc. (a Florida entity), and NextLevel Internet, Inc. (a California entity), provides cloud services specializing in Unified Communications as a Service ("UCaaS") and broadband connectivity solutions for the business market. Our product line includes a portfolio of Internet-based telephony products and services delivered through our cloud application platform and session-based communication network and network services including Internet broadband, fiber, mobile broadband, and cloud WAN solutions (SD WAN). We provide enterprise-class, carrier-grade services to the small-to-medium-sized business ("SMB") at cost-effective monthly rates. Our UCaaS or cloud communication services include fully hosted IP/PBX, video conferencing, mobile applications, Voice over Internet Protocol ("VoIP") transport, SIP trunking, and customized VoIP services all delivered Only in the Cloud™. Our broadband connectivity solutions for the delivery of digital oxygen are designed for reliability, business continuity and to optimize bandwidth for businesses using the Company's cloud communication services and other cloud-based applications.

As a provider of cloud communications solutions to the SMB, we are seeking to capitalize on the migration by businesses from the legacy telephone network to the Internet Protocol ("IP") telecommunication network and the migration from hardware-based on-premise telephone systems to software-based communication systems in the cloud. Most SMBs are lagging in technical capabilities and advancement and seldom reach the economies of scale that their larger counterparts enjoy, due to their achievement of a critical mass and ability to deploy a single solution to a large number of workers. SMBs are typically unable to afford comprehensive enterprise solutions and, therefore, need to integrate a combination of business solutions to meet their needs. Cloud computing has revolutionized the industry and opened the door for businesses of all sizes to gain access to enterprise applications with affordable pricing. This especially holds true for cloud telephony applications, but SMBs are still a higher-touch sale that requires customer support for system integration, network installation, cabling, and troubleshooting. We have placed a significant emphasis on that "local" touch when selling, delivering, and supporting our services which we believe will differentiate us from the national providers that are experiencing high attrition rates due to poor customer support.

The adoption of cloud communication services is being driven by the convergence of several market trends, including the increasing costs of maintaining installed legacy communications systems, the fragmentation resulting from use of multiple on-premise systems, and the proliferation of personal smartphones used in the workplace. Today, businesses are increasingly looking for an affordable path to modernizing their communications system to improve productivity, business performance and customer experience. Modernization has also led to businesses adopting other cloud-based business applications, including CRM, payroll, and accounting software, placing an even more important emphasis on reliable Internet connectivity.

Our cloud solutions offer the SMB reliable, robust, and full-featured services at affordable monthly rates that eliminates high-cost capital expenditures and provides for integration with other cloud-based systems. By providing a variety of comprehensive and scalable solutions, we can cater to businesses of different sizes on a monthly subscription basis, regardless of the stage of development for the business.

Recent Developments

MEOA Business Combination

On August 30, 2022, Digerati entered into a Business Combination Agreement (as it may be amended, supplemented, or otherwise modified from time to time, the "Business Combination Agreement"), by and among Digerati, Minority Equality Opportunities Acquisition Inc., a Delaware corporation ("MEOA"), and Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of MEOA ("Merger Sub").

The Business Combination Agreement and the transactions contemplated thereby were approved by the board of directors of each of MEOA and Digerati.

The Business Combination Agreement provides, among other things, that Merger Sub will merge with and into Digerati, with Digerati as the surviving company in the merger and, after giving effect to such merger, Digerati shall be a wholly-owned subsidiary of MEOA (the "Merger"). In addition, MEOA will be renamed Digerati Holdings, Inc. The Merger and the other transactions contemplated by the Business Combination Agreement are hereinafter referred to as the "Business Combination". Other capitalized terms used, but not defined, herein, shall have the respective meanings given to such terms in the Business Combination Agreement.

In accordance with the terms and subject to the conditions of the Business Combination Agreement, at the Effective Time, among other things: (i) each share of Digerati common stock outstanding as of immediately prior to the Effective Time will be exchanged for shares of MEOA common stock, par value $0.0001 per share (each, an "MEOA Share" and collectively, the "MEOA Shares"), based upon the exchange ratio set forth in the Business Combination Agreement (the "Exchange Ratio"); (ii) all vested and unvested stock options of Digerati will be assumed by MEOA and thereafter be settled or exercisable for MEOA Shares, as applicable, determined based on the Exchange Ratio; (iii) each warrant to purchase shares of Digerati common stock will be canceled in exchange for a warrant to purchase MEOA Shares determined based on the Exchange Ratio; (iv) any shares of the Series A Preferred Stock of Digerati outstanding as of the Effective Time will thereafter be convertible into a number of MEOA Shares determined by multiplying the number of shares of Digerati common stock into which such preferred shares would have been convertible immediately prior to the Effective Time by the Exchange Ratio; (v) certain convertible notes of Digerati issued following the signing of the Business Combination Agreement and outstanding as of the Effective Time will thereafter be convertible into a number of MEOA Shares determined by multiplying the number of shares of Digerati common stock into which such convertible notes would have been convertible immediately prior to the Effective Time by the Exchange Ratio; and (vi) each share of MEOA Class A common stock, par value $0.0001 per share (the "MEOA Class A Common Stock"), and each share of MEOA Class B common stock, par value $0.0001 per share (the "MEOA Class B Common Stock"), that is issued and outstanding immediately prior to the effective time shall become one MEOA Share following the consummation of the Business Combination.

The Business Combination is expected to close in the first calendar quarter of 2023, following the receipt of the required approval by the stockholders of MEOA and Digerati, approval by Nasdaq of MEOA's initial listing application filed in connection with the Business Combination, and the fulfillment of other customary closing conditions.

The Business Combination Agreement may be terminated under certain customary and limited circumstances at any time prior to the closing, including, without limitation, (i) by the mutual written consent of MEOA and Digerati; (ii) by MEOA, subject to certain exceptions, if any of the representations or warranties made by Digerati are not true and correct or if Digerati fails to perform any of its covenants or agreements under the Business Combination Agreement (including an obligation to consummate the closing) such that certain conditions to our obligations could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) February 25, 2023 (the "Termination Date"); (iii) by Digerati, subject to certain exceptions, if any of the representations or warranties made by our company or Merger Sub are not true and correct or if MEOA or Merger Sub fails to perform any of its covenants or agreements under the Business Combination Agreement (including an obligation to consummate the closing) such that the condition to the obligations of Digerati could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) the Termination Date; (iv) by either MEOA or Digerati, if the closing does not occur on or prior to the Termination Date, unless the breach of any covenants or obligations under the Business Combination Agreement by the party seeking to terminate proximately caused the failure to consummate the transactions contemplated by the Business Combination Agreement; (v) by either MEOA or Digerati, if (A) any governmental entity shall have issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by the Business Combination Agreement and such order or other action shall have become final and non-appealable; or (B) if the Required MEOA Stockholder Consent is not obtained; (vi) by MEOA, if (A) Digerati does not deliver, or cause to be delivered to MEOA a Transaction Support Agreement duly executed by certain Digerati stockholders or (B) the Digerati stockholders meeting has been held, has concluded, the Digerati stockholders have duly voted, and Digerati stockholder approval was not obtained; (vii) by MEOA, if Digerati does not deliver, or cause to be delivered, to MEOA a duly executed copy of the PRG Resolution Agreement on or prior to October 15, 2022. The parties are currently negotiating an extension to this deadline. There can be no assurance that an agreement on this matter will be reached; (viii) by Digerati, should MEOA not have timely taken such actions as are reasonably necessary to extend the period of time to complete an initial business combination for an additional period of three months from November 30, 2022; provided, that it shall be the obligation of Digerati to timely make the deposit into the Trust Account in connection with such extension, and Digerati shall not have a right to terminate the Business Combination Agreement as a result of Digerati's failure to make such deposit; (ix) by MEOA should Digerati not deposit into the Trust Account in a timely manner the funds necessary to extend the period for our company to complete an initial business combination for an additional period of three months from November 30, 2022, in accordance with, and as required pursuant to, the Business Combination Agreement; and (x) by MEOA should: (A) Nasdaq not approve the initial listing application for the combined company with Nasdaq in connection with the Business Combination; (B) the combined company not have satisfied all applicable initial listing requirements of Nasdaq; or (C) the common stock of the combined company not have been approved for listing on Nasdaq prior to the date of the closing.

If the Business Combination Agreement is validly terminated, none of the parties to the Business Combination Agreement will have any liability or any further obligation under the Business Combination Agreement other than customary confidentiality obligations, except in the case of a willful breach of any covenant or agreement under the Business Combination Agreement or fraud, provided, that (A) if MEOA terminates the Business Combination Agreement pursuant to clauses (ii), (vi), (vii) or (viii) of the preceding paragraph, Digerati shall pay to MEOA, promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $2,000,000, (B) if Digerati terminates the Business Combination Agreement pursuant to clauses (iii) or (ix) of the preceding paragraph, MEOA shall pay to Digerati promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $2,000,000 and (C) in the event of a termination by MEOA pursuant to clauses (ix) or (x) of the preceding paragraph, Digerati shall pay to MEOA, promptly following such termination, and in any event within not less than five business days following delivery of notice of termination, a termination fee in the amount of $1,265,000.

On October 28, 2022, MEOA filed a preliminary proxy statement on Schedule 14A (the "Proxy") with the Securities and Exchange Commission (the "SEC") to hold a special meeting of the stockholders of MEOA (the "Special Meeting") to consider and vote upon a proposal to amend MEOA's amended and restated certificate of incorporation to give MEOA the right to extend the date by which MEOA is required. MEOA's stockholders voted in favor of this proposal.

The Company made a deposit in the amount of $83,333.33 into the MEOA trust account on November 30, 2022 to extend the period for MEOA to complete an initial business combination for an additional one month from November 30, 2022. The Company was required to make this payment pursuant to the Merger transaction documents.

Key Performance indicators:

EBITDA from operations, as adjusted is a non-GAAP measure and should be considered in addition to, not as a substitute for, net income (loss), cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as corporate expenses, transactional legal expenses, stock option expense, and depreciation and amortization, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of EBITDA from operations, as adjusted provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as transactional legal fees and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures, the Company provides users of its consolidated financial statements with insight into both its operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its operations. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the financial consolidated results of the Company across different periods.

The following tables provide information regarding certain key performance indicators for Digerati for the three months ended October 31, 2022, and 2021. Management utilizes these metrics to track and forecast revenue trends and expected results from operations:

	Three months ended October 31,			
	2022	**2021**	**Variances**	**%**
OPERATING REVENUES:				
Cloud-based hosted services	$ 8,130	$ 3,777	$ 4,353	115%
Total operating revenues	8,130	3,777	4,353	115%
Cost of services (exclusive of depreciation and amortization)	2,851	1,490	1,361	91%
GROSS MARGIN	5,279	2,287	2,992	131%
Selling, general and administrative expense	4,118	1,764	2,354	133%
Stock compensation expense	23	24	(1)	-4%
Legal and professional fees	556	574	(18)	-3%
Bad debt	29	13	16	123%
Depreciation and amortization expense	953	492	461	94%
OPERATING LOSS	(400)	(580)	180	-31%
OTHER INCOME (EXPENSE):				
Gain (loss) on derivative instruments	(3,076)	4,433	(7,509)	-169%
Income tax expense	(50)	(77)	27	-35%
Other income (expense)	446	(4)	450	-11250%
Interest expense	(2,065)	(1,506)	(559)	37%
Total other income (expense)	(4,745)	2,846	(7,591)	-267%
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(5,145)	2,266	(7,411)	-327%
Less: Net loss attributable to the noncontrolling interests	161	158	3	2%
NET INCOME (LOSS) ATTRIBUTABLE TO DIGERATI'S SHAREHOLDERS	$ (4,984)	$ 2,424	$ (7,408)	-306%
Deemed dividend on Series A Convertible preferred stock	(4)	(5)	1	-20%
NET INCOME (LOSS) ATTRIBUTABLE TO DIGERATI'S COMMON SHAREHOLDERS	$ (4,988)	$ 2,419	$ (7,407)	-306%

Reconciliation of Net Income (Loss) to Adjusted EBITDA, Net of Non-cash expenses & Transactional Costs.

NET INCOME (LOSS) ATTRIBUTABLE TO DIGERATI'S SHAREHOLDERS, as reported	**$ (4,984)**	**$ 2,424**	**$ (7,408)**	**-306%**
EXCLUDING NON-CASH ITEMS TRANSACTIONAL COSTS & CORP EXP ADJUSTMENTS:				
Stock compensation & warrant expense	23	24	(1)	-4%
Corp Expenses (Net of stock compensation, - Transactional cost)	480	382	98	26%
Transactional costs	219	368	(149)	-40%
Depreciation and amortization expense	953	492	461	94%
OTHER ADJUSTMENTS				
Gain (loss) on derivative instruments	3,076	(4,433)	7,509	-169%
Income tax expense	50	77	(27)	-35%
Other income (expense)	(446)	4	(450)	-11250%
Interest expense	2,065	1,506	559	37%
ADJUSTED EBITDA - OPCO	**$ 1,436**	**$ 836**	**$ 600**	**72%**
ADD-BACKS Expenses Corp Expenses (Net of stock compensation & Transactional cost)	480	382	98	26%
ADJUSTED EBITDA - INCOME	**$ 795**	**$ 304**	**$ 491**	**162%**

	Three months ended October 31,			
Other Key Metrics	**2022**	**2021**	**Variances**	%
Total Customers	4,565	2,658	1,907	72%

Cloud software and service revenue increased by $4,353,000, or 115% from the three months ended October 31, 2021, to the three months October 31, 2022. In addition, our gross margin increased by $2,992,000 from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase in revenue and gross margin between years is primarily attributed to the increase in total customers between periods due to the acquisitions of Skynet and NextLevel.

EBITDA from operations, as adjusted, increased from $836,000 from the quarter ended October 31, 2021, to $1,436,000 for the quarter ended October 31, 2022. The primary reason for the improvement in EBITDA from operations is due to the increase in gross margin of $2,992,000 between the quarters ended October 31, 2021 and 2022. The improvement in gross margin was offset by the increase in total operational expenses of $2,812,000 between the quarter ended October 31, 2021, and 2022. EBITDA from operations, as adjusted is not intended to represent cash flows for the periods presented, nor have they been presented as an alternative to operating income or as an indicator of operating performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Our total customers increased from 2,658 during the quarter ended October 31, 2021, to 4,565 for the quarter months ended October 31, 2022. The increase in customers is attributed to the acquisitions and consolidation of Skynet and NextLevel during the quarter ended October 31, 2022. Going forward, absent further acquisitions, we expect a net increase in our number of customers of 1% to 5% each fiscal year.

Sources of revenue:

Cloud Software and Service Revenue: We provide UCaaS or cloud communication services and managed cloud-based solutions to small and medium size enterprise customers and to other resellers. Our Internet-based services include fully hosted IP/PBX services, SIP trunking, call center applications, auto attendant, voice and web conferencing, call recording, messaging, voicemail to email conversion, integrated mobility applications that are device and location agnostic, and other customized IP/PBX features in a hosted or cloud environment. Other services include enterprise-class data and connectivity solutions through multiple broadband technologies including cloud WAN or SD-WAN (Software-defined Wide Area Network), fiber, mobile broadband, and Ethernet over copper. We also offer remote network monitoring, data backup and disaster recovery.

Direct Costs:

Cloud Software and Service: We incur bandwidth and colocation charges in connection with our UCaaS or cloud communication services. The bandwidth charges are incurred as part of the connectivity between our customers to allow them access to our various services. We also incur costs from underlying providers for fiber, Internet broadband, and telecommunication circuits in connection with our data and connectivity solutions.

Results of Operations

Three Months ended October 31, 2022, Compared to Three Months ended October 31, 2021.

Cloud Software and Service Revenue. Cloud software and service revenue increased by $4,353,000 or 115% from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase in revenue is primarily attributed to the increase in total customers between periods due to the acquisitions of Skynet in December 2021 and the acquisition of Next Level Internet in February 2022. Our total number of customers increased from 2,658 for the three months ended October 31, 2021, to 4,565 customers for the three months ended October 31, 2022. As part of the acquisitions, our primary emphasis is on integrating the secured customers base, consolidating products and services, retaining the monthly recuring revenue, and providing exceptional customer support.

C*ost of Services (exclusive of depreciation and amortization).* The cost of services increased by $1,361,000 or 91%, from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase in cost of services is primarily attributed to the consolidation of various networks as part of the increase in total customers between periods due to the acquisition of Skynet in December 2021 and the acquisition of Next Level Internet in February 2022. Our total number of customers increased from 2,658 for the three months ended October 31, 2022, to 4,565 customers for the three months ended October 31, 2022. However, our consolidated gross margin improved by $2,992,000 from the quarter ended October 31, 2021, to the quarter ended October 31, 2022. We are not aware of any events that are reasonably likely to cause a material change in the relationship between our costs and our revenues.

Selling, General and Administrative (SG&A) Expenses (exclusive of legal and professional fees and stock compensation expense). SG&A expenses increased by $2,354,000, or 133%, from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase in SG&A is attributed to the acquisition of Skynet in December 2021 and the acquisition of Next Level Internet in February 2022; the Company absorbed all of the employees responsible for service delivery for the customer base, technical support, sales, customer service, and administration.

Stock Compensation expense. Stock compensation expense decreased by $1,000, from the three months ended October 31, 2021, to the three months ended October 31, 2022.

Legal and professional fees. Legal and professional fees decreased by $18,000 or 3%, from the three months ended October 31, 2021, to the three months ended October 31, 2022, which include legal and professional fees that relate to due diligence, audits for the acquisitions, purchase price allocation, legal fees paid to counsel for Post Road Group, and investor relations.

Bad debt. Bad debt increased by $16,000 from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase is attributed to the recognition of $29,000 in bad debt for accounts deemed uncollectible during the quarter ended October 31, 2022. During the quarter ended October 31, 2021, the Company recognized $13,000 in bad debt.

Depreciation and amortization. Depreciation and amortization increased by $461,000 or 94%, from the three months ended October 31, 2021, to the three months ended October 31, 2022. The increase is primarily attributed to the acquisitions and related amortization for intangible assets and the additional depreciation related to the assets acquired from Skynet and NextLevel.

Operating loss. The Company reported an operating loss of $400,000 for the three months ended October 31, 2022, compared to an operating loss of $580,000 for the three months ended October 31, 2021. The improvement in operating loss of $180,000 or 31%, between periods is primarily due to the improvement in gross margin of $2,992,000 and the reduction in legal and professional fees of $18,000. These improvements were offset by net increases in SG&A for $2,354,000, cost of services (exclusive of depreciation and amortization) for $1,361,000, $16,000 for bad debt and $461,000 for depreciation and amortization expense.

Gain (loss) on derivative instruments. The loss on derivative instruments increased by $7,509,000 from the three months ended October 31, 2021, to the three months ended October 31, 2022. We are required to re-measure all derivative instruments at the end of each reporting period and adjust those instruments to market, as a result of the re- measurement of all derivative instruments we recognized a gain or loss between periods.

Income tax benefit (expense). During the three months ended October 31, 2022, the Company recognized an income tax expense of $50,000. During the three months ended October 31, 2021, the Company recognized an income tax expense of $77,000.

Other income (expense). Other income (expense) improved by $450,000 from the three months October 31, 2021, to the three months ended October 31, 2022. The improvement in other income is due to the recognition of a gain on a settlement of conversion premium of $466,000 from a convertible note.

Interest Income (expense). Interest expense increased by $559,000 from the three months ended October 31, 2021, to the three months ended October 31, 2022. During the quarter ended October 31, 2022, the Company recognized amortization of debt discount of $186,000 related to the adjustment to the present value of various convertible notes and debt. Additionally, the Company recognized $905,000 in interest cash payments to Post Road, $3,000 in interest cash payments on various promissory notes, accrual of $85,000 for interest expense for various promissory notes and $250,000 fair value of shares issued as well as $640,000 added to the principal balance of various promissory notes, all charged to interest expense as consideration for extension of the maturity dates.

Net income (loss) including noncontrolling interest. Net income including noncontrolling interest for the three months ended October 31, 2021, was of $2,266,000 compared to the net loss of $5,145,000 for the three months ending in October 31, 2022. The net loss including noncontrolling interest between periods is primarily due to the increases in selling, general and administrative expense for $2,354,000, cost of services (exclusive of depreciation and amortization) for $1,361,000, bad debts expense for $16,000, depreciation and amortization expense for $461,000, derivative loss of $7,509,000, interest expense for $559,000, offset by increases to other income for $450,000, improvement in gross margin of $2,992,000 and the reduction in legal and professional fees of $18,000 and reduction in tax expense for $27,000.

Net income (loss) attributable to the noncontrolling interest. During the three months ended October 31, 2022, and 2021, the consolidated entity recognized a net loss in noncontrolling interest of $161,000 and a net loss of $158,000, respectively. The noncontrolling interest is presented as a separate line item in the Company's stockholders equity section of the balance sheet.

Net income (loss) attributable to Digerati's shareholders. Net loss for the three months ended October 31, 2022, was $4,984,000 compared to a net income for the three months ended October 31, 2021, of $2,424,000.

Deemed dividend on Series A Convertible Preferred Stock. Dividend declared on convertible preferred stock for the three months ended October 31, 2022, and 2021, were, $4,000 and $5,000, respectively.

Net income (loss) attributable to Digerati's common shareholders. Net loss for the three months ended October 31, 2022, was $4,988,000 compared to a net income for the three months ended October 31, 2021, of $2,419,000.

Liquidity and Capital Resources

Cash Position: We had a consolidated cash balance of approximately $1,048,000 as of October 31, 2022. Net cash used in operating activities during the three months ended October 31, 2022, was approximately $858,000. The net cash used by operating activities resulted primarily from the net loss incurred during the three months ended October 31, 2022 as a result of operating expenses, that included $23,000 in stock compensation and warrant expense, bad debt expense of $29,000, amortization of right-of-use assets for $267,000, gain on settlement of conversion premium for $466,000, amortization of debt discount of $204,000, loss on derivative liability of $3,076,000, depreciation and amortization expense of $953,000, debt extension fee charged to interest expense for $303,000, shares issued for debt extension charged to interest expense for $249,000. Decrease in accrued expense of $110,000, accounts receivable of $251,000, prepaid expenses and other current assets of $266,000, other assets of $74,000 and right-of-use operating liability of $280,000. The increase in deferred revenue of $188,000 and accounts payable $442,000.

Cash used in investing activities during the three months ended October 31, 2022, was $108,000, which was used for the acquisition of equipment.

Cash provided by financing activities during the three months ended October 31, 2022, was $505,000. The net increase in cash provided by financing was primarily due to the Company securing $957,000 from convertible notes, net of issuance costs and discounts and securing $150,000 from debt financing from a related party, net of issuance costs and discounts, proceeds from the exercise of warrants of $21,000, offset by principal payments of $250,000 on various notes, $367,000 in principal payments on related party notes, and $6,000 in principal payments on equipment financing.

Overall, our net operating, investing, and financing activities during the three months ended October 31, 2022, resulted in a net decrease in cash and cash equivalents for $461,000.

Digerati's consolidated financial statements for the three months ended October 31, 2022, have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Since the Company's inception in 1993, Digerati has incurred net losses and accumulated a deficit of approximately $118,377,000 and a working capital deficit of approximately $43,296,000 which raises doubt about Digerati's ability to continue as a going concern.

We are currently taking initiatives to reduce our overall cash deficiencies on a monthly basis. During fiscal 2023 certain members of our management team will continue to receive a portion of their compensation in common stock to reduce the depletion of our available cash. To strengthen our business, we intend to adopt best practices from or recent acquisitions and invest in a marketing and sales strategy to grow our monthly recurring revenue; we anticipate utilizing our value-added resellers and channel partners to tap into new sources of revenue streams; and we have also secured numerous agent agreements through our recent acquisitions that we anticipate will accelerate revenue growth. In addition, we will continue to focus on selling a greater number of comprehensive services to our existing customer base. Further, in an effort to increase our revenues, we will continue to evaluate the acquisition of various assets with emphasis in VoIP Services and Cloud Communication Services. As a result, during the due diligence process we anticipate incurring significant legal and professional fees.

Our cash requirements to meet our interest payments to Post Road, capital expenditure needs, and operational cash flow needs over the next 18 months are estimated to be approximability $3,500,000. The Company anticipates issuing additional equity or entered into additional Convertible Notes to secure the funding required meet these cash needs. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms. If the Company is unable to obtain financing on acceptable terms, the Company may not be able to meet its interest payments, capital expenditures and operational needs. As a result, the Company will be required to negotiate with its lender the terms of the current financing agreements, in addition to postponing the timing of deployment of its capital expenditures and extending the timing of the operational cash needs.

The Credit Agreement contains customary representations, warranties, and indemnification provisions. The Credit Agreement also contains affirmative and negative covenants with respect to operation of the business and properties of the loan parties as well as financial performance. Below are key covenants requirements, (measured quarterly) as of October 31, 2022:

- Maximum Allowed - Senior Leverage Ratio of 4.05 to 1.00
- Minimum Allowed - EBITDA of $3,771,629
- Minimum Allowed - Liquidity of $2,000,000
- Maximum Allowed - Capital Expenditures of $94,798 *(Quarterly)*
- Minimum Allowed - Fixed Charge Coverage Ratio of 1.5 to 1.00
- Maximum Allowed - Churn of 3.00% at any time

On December 15, 2022, the lender agreed to forbear from exercising its remedies in connection with the financial covenants that were not complied with during the quarter ended October 31,2022, as well as certain other specified defaults, until December 23, 2022 or such later date as agreed to in writing by the lender. The Company and Post Road are currently working on an amendment to the credit agreement and anticipate having it completed on or before January 31, 2023. However, as of the date of this filing, the Company cannot predict the final outcome of the negotiations with Post Road.

While Digerati, the parent company of T3 Nevada, is not subject to these financial covenants, they have had and will continue to have a material impact on T3 Nevada's expenditures and ability to raise funds.

In addition, our Term Loan C Note with Post Road with a maturity date of August 4, 2023, requires a full principal payment (currently $10,000,000) and accrued interest by the maturity date. We will work with our equity partners to secure additional financings to meet this obligation by the maturity date. In addition, we will work with our lender on the current terms to the Term Loan C Note, to extend the maturity date or restructure the terms of the note. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms to meet the cash payment requirements on the Term Loan C Note. In addition, there can be no assurance that we will be able to restructure the terms or extend the maturity date of the Term Loan C Note with Post Road. If the Company is not able to restructure the financing or repay the Term Loan C Note by the August 4^{th} maturity date and Post Road declares an event of default, it would have a material adverse effect on our business and financial condition, including the possibility of Post Road foreclosing on some or all of our assets.

We have been successful in raising debt and equity capital in the past and as described in Notes 6, 7, 8, and 12. We have financing efforts in place to continue to raise cash through debt and equity offerings. On November 28, 2022, the Company entered into a securities purchase agreement (the "SPA") with Mast Hill Fund, L.P. (the "Investor"). Pursuant to the SPA, the Investor purchased, and the Company issued, an unsecured promissory note (the "Note") in the aggregate principal amount totaling approximately $1,670,000 (the "Principal Amount") with an original issue discount of $250,500. The gross proceeds the Company received prior to payment of transaction expenses was $1,419,500. (See Note 12) Although we have successfully completed financings and reduced expenses in the past, we cannot assure you that our plans to address these matters in the future will be successful.

The current Credit Agreement with Post Road will allow the Company to continue acquiring UCaaS service providers that meet the Company's acquisition criteria. Management anticipates that future acquisitions will provide additional operating revenues to the Company as it continues to execute on its consolidation strategy. There can be no guarantee that the planned acquisitions will close or that they will produce the anticipated revenues on the schedule anticipated by management.

The Company will continue to work with various funding sources to secure additional debt and equity financings. However, Digerati cannot offer any assurance that it will be successful in executing the aforementioned plans to continue as a going concern.

Management believes that available resources as of October 31, 2022, will not be sufficient to fund the Company's operations, debt service and corporate expenses over the next 12 months. The Company's ability to continue to meet its obligations and to achieve its business objectives is dependent upon, and other things, raising additional capital, issuing stock-based compensation to certain members of the executive management team in lieu of cash, or generating sufficient revenue in excess of costs. At such time as the Company requires additional funding, the Company will seek to secure such best-efforts funding from various possible sources, including equity or debt financing, sales of assets, or collaborative arrangements. If the Company raises additional capital through the issuance of equity securities or securities convertible into equity, stockholders will experience dilution, and such securities may have rights, preferences, or privileges senior to those of the holders of common stock or convertible senior notes. If the Company raises additional funds by issuing debt, the Company may be subject to limitations on its operations, through debt covenants or other restrictions. If the Company obtains additional funds through arrangements with collaborators or strategic partners, the Company may be required to relinquish its rights to certain technologies. There can be no assurance that the Company will be able to raise additional funds or raise them on acceptable terms. If the Company is unable to obtain financing on acceptable terms, it may be unable to execute its business plan, the Company could be required to curtail its operations, and the Company may not be able to pay off its obligations, if and when they come due.

Our current cash expenses are expected to be approximately $1,300,000 per month, including wages, rent, utilities, corporate expenses, and legal professional fees associated with potential acquisitions. As described elsewhere herein, we are not generating sufficient cash from operations to pay for our corporate and ongoing operating expenses, or to pay our current liabilities. As of October 31, 2022, our total liabilities were approximately $71,269,000, which included $13,664,000 in derivative liabilities. We will continue to use our available cash on hand to cover our deficiencies in operating expenses.

Item 3. Quantitative and Qualitative Disclosures About Market Risks.

Not Applicable.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report on Form 10-Q for the quarter ended October 31, 2022, our Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO") evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our PEO and PFO concluded that our disclosure controls and procedures as of the end of the period covered by this report were not effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

(b) Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as there has been no implementation to date of processes and/or procedures to remedy internal control weaknesses and deficiencies.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On September 21, 2021, T3 Communications, Inc.("T3"), a subsidiary of the Company, entered into a settlement agreement with Carolina Financial Securities, LLC ("CFS"). Under the settlement agreement the parties agreed to resolve all issues and claims related to the lawsuit. Pursuant to the settlement agreement, T3 agreed to pay CFS a total of $300,000, payable as follows: $100,000 by October 15, 2021, and $200,000 payable in 15 monthly installments of $13,333.33 beginning November 15, 2021. As of October 31, 2022 and July 31, 2022, the outstanding balances $40,000 and $80,000, respectively.

Item 1A. Risk Factors.

Not Applicable

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

On August 1, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $28,740 as interest expense.

On September 12, 2022, the Company entered into a $75,000 promissory note with Tysadco Partners, LLC, with a maturity date of September 12, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 150,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $15,880 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

On September 14, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 90,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $10,845 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $35,400 as interest expense. In addition, the Company agreed to add $50,000 to the principal amount outstanding and the Company recognized $50,000 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 180,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $21,240 as interest expense. In addition, the Company agreed to add $30,000 to the principal amount outstanding and the Company recognized $30,000 as interest expense.

On September 16, 2022, the Company entered into a note extension agreement with Tysadco Partners, LLC, and as consideration for the extension, the Company issued 90,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $10,620 as interest expense. In addition, the Company agreed to add $15,000 to the principal amount outstanding and the Company recognized $15,000 as interest expense.

On September 28, 2022, the Company entered into a note extension agreement with Platinum Point Capital, LLC, and as consideration for the extension, the Company issued 500,000 shares of common stock. At the time of issuance, the Company recognized the fair market value of the shares of $70,000 as interest expense. In addition, the Company agreed to add $62,500 to the principal amount outstanding and the Company recognized $62,500 as interest expense.

On September 28, 2022, William Figueroa, a Series A Preferred Shareholder converted 25,000 Series A shares and $6,718 of accrued dividends into 105,273 shares of common stock.

On October 3, 2022, the Company entered into a $165,000 promissory note with Lucas Ventures, LLC, with a maturity date of July 3, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 300,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $32,143 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

On October 21, 2022, the Company entered into a note extension agreement with Lucas Ventures, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock for the extension with fair value of $30,000. In addition, the Company agreed to add $30,000 to the principal amount outstanding.

On October 21, 2022, the Company entered into a note extension agreement with LGH Investments, LLC, and as consideration for the extension, the Company issued 300,000 shares of common stock for the extension with fair values of $30,000. In addition, the Company agreed to add $30,000 to the principal amount outstanding.

On October 27, 2022, the Company entered into a $71,500 promissory note with Lucas Ventures, LLC, with a maturity date of July 26, 2023, and annual interest rate of 8%. In conjunction with the promissory note, we issued 200,000 shares of common stock. At the time of issuance, the Company recognized the relative fair market value of the shares of $38,768 as debt discount, and it will be amortized to interest expense during the term of the promissory note.

In October 2022, the Company issued to various individuals 160,628 shares of common stock for the exercise of 160,628 warrants, with an exercise price of $0.13 per warrant and secured $20,881 in proceeds.

On November 28, 2022, the Company entered into a convertible note with Mast Hill Fund, L.P., and issued 2,100,000 commitment shares of Common Stock to the Investor.

The sales and issuances of the securities described above were made pursuant to the exemptions from registration contained into Section 4(a)(2) of the Securities Act and Regulation D under the Securities Act. Each purchaser represented that such purchaser’s intention to acquire the shares for investment only and not with a view toward distribution. We requested our stock transfer agent to affix appropriate legends to the stock certificate issued to each purchaser and the transfer agent affixed the appropriate legends. Each purchaser was given adequate access to sufficient information about us to make an informed investment decision. Except as described in this prospectus, none of the securities were sold through an underwriter and accordingly, there were no underwriting discounts or commissions involved.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information.

Not Applicable

Item 6. Exhibits

Number	Description
4.1	Convertible Promissory Note for $75,000 with Tysadco Partners, LLC dated September 12, 2022. (filed as Exhibit 4.2 to Form 10-K filed on October 31, 2022).
4.2	Convertible Promissory Note for $165,000 with Lucas Ventures, LLC dated October 3, 2022. (filed as Exhibit 4.3 to Form 10-K filed on October 31, 2022).
4.3	Promissory Note for $150,000 with Derek and Thalia Gietzen dated October 4, 2022. (filed as Exhibit 4.4 to Form 10-K filed on October 31, 2022).
4.4	Convertible Promissory Note for $275,000 with Platinum Point Capital, LLC dated October 10, 2022. (filed as Exhibit 4.5 to Form 10-K filed on October 31, 2022).
4.5*	Convertible Promissory Note for $350,000 with 3BRT Investments dated October 31, 2022.
4.6*	Convertible Promissory Note for $28,500 with LGH Investments dated October 27, 2022.
4.7*	Convertible Promissory Note for $71,500 Platinum Point dated October 10, 2022.
4.8*	Amendment 1 Convertible Promissory Note for $15,000 with Tysadco Partners, LLC, dated September 16, 2022 (extension of maturity date).
4.9*	Amendment 1 Convertible Promissory Note for $15,000 with Tysadco Partners, LLC, dated September 22, 2022 (extension of maturity date).
4.10*	Amendment 1 Convertible Promissory Note for $30,000 with Tysadco Partners, LLC, dated September 16, 2022(extension of maturity date).
4.11*	Amendment 1 Convertible Promissory Note for $30,000 with LGH Investments, LLC, dated October 21, 2022 (extension of maturity date).
4.12*	Amendment 1 Convertible Promissory Note for $30,000 with Lucas Ventures, LLC, LLC, dated October 21, 2022 (extension of maturity date).
10.1	Securities Purchase Agreement for $165,000 with Lucas Ventures, LLC dated October 3, 2022 (filed as Exhibit 10.6 to Form 10-K filed with SEC on October 31, 2022).
10.2	Securities Purchase Agreement for $275,000 with Platinum Point Capital, LLC dated October 10, 2022 (filed as Exhibit 10.7 to Form 10-K filed with SEC on October 31, 2022).
31.1*	Certification of our President and Chief Executive Officer, under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of our Chief Financial Officer, under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of our President and Chief Executive Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of our Chief Financial Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** 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.

	DIGERATI TECHNOLOGIES, INC.
Date: December 15, 2022	By: /s/ Arthur L. Smith Name: Arthur L. Smith Title: President and Chief Executive Officer (Duly Authorized Officer and Principal Executive Officer)
Date: December 15, 2022	By: /s/ Antonio Estrada Jr. Name: Antonio Estrada Jr. Title: Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

Exhibit 4.5

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

CONVERTIBLE PROMISSORY NOTE

$350,000 **San Antonio, Texas** **October 31, 2022**

FOR VALUE RECEIVED, DIGERATI TECHNOLOGIES, INC., a Nevada corporation, whose address is 8023 Vantage Dr., Suite 660 San Antonio, Texas 78230 (the "***Debtor***"), promises to pay to the order of 3BRT Investments, LP., whose address is 1250 NE Loop 410, Suite 333, San Antonio, Texas 78209 (the "***Payee***"), the sum of THREE HUNDRED FIFTY THOUSAND DOLLARS **($350,000)** in lawful money of the United States of America which shall be legal tender for the payment of debts from time to time, together with interest on the outstanding principal amount hereof at the rate of fourteen percent (14%) interest per annum, computed on the basis of a 360-day year and 30-day months.

Debtor and Payee have executed this Note to be effective as of the date set forth above, subject to and in connection with the terms of that certain Letter Agreement between the parties of even date herewith (the "***Letter Agreement***" and, together with this Note and any other document executed in connection herewith, the "***Loan Documents***").

A single payment of the principal amount outstanding plus any accrued interest shall be due and payable, without demand, on February 28, 2023 (the "***Maturity Date***"), *provided, however*, Debtor shall have the right to request that the Maturity Date be extended by one (1) additional period of ninety (90) days, until May 30, 2023, by delivery of written request therefor to Payee no later than thirty (30) days, and no earlier than sixty (60) days, prior to the Maturity Date, which request must be consented to in writing by Payee, but shall not be unreasonably withheld, conditioned or denied by Payee; *provided further*, that it shall not be unreasonable for Payee to deny such request in the event Debtor has defaulted under this Note or any other agreement between the parties during the term hereof. If the Maturity Date shall be a Saturday, Sunday, or day on which banks in San Antonio, Texas, or the place of payment are authorized or required to be closed, such payment shall be made on the next following day that is not a Saturday, Sunday or day on which banks in San Antonio, Texas, or the place of payment are authorized or required to be closed and interest thereon shall continue to accrue thereon until such date.

Time is of the essence of this Note, and the Debtor expressly agrees that in the event of default in the payment of any principal or interest when due or other default under the Loan Documents, which shall expressly include, without limitation, the receipt of an unqualified audit opinion with respect to Debtor, the Payee may declare the entirety of this Note immediately due and payable. Upon the occurrence of any default hereunder or under any other Loan Document, the Payee shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise.

In the event that any payment is not made when due, either of principal or interest, and whether upon maturity or as a result of acceleration, interest shall thereafter accrue at the rate per annum equal to the lesser of (a) the maximum non-usurious rate of interest permitted by the laws of the State of Texas or the United States of America, whichever shall permit the higher rate or (b) twenty percent (20%) per annum, from such date until the entire balance of principal and accrued interest on this Note has been paid.

Debtor has the privilege of making prepayments on this Note from time to time in any amount without penalty provided that any such prepayment shall be applied to unpaid interest on this Note and the balance, if any, to the principal amount payable under this Note. However, Debtor acknowledges and agrees that, notwithstanding anything in this Note to the contrary, (a) the prepayment rights herein are limited by the terms of the conversion rights of Payee hereunder, the waiver of any terms of which shall require the express written consent of Payee, in Payee's sole discretion, and (b) Debtor must give at least three (3) days' prior written notice to Payee of its intent to prepay all or any portion of the Note, in order to allow Payee the opportunity to elect to exercise its conversion rights hereunder.

No failure to exercise and no delay on the part of Payee in exercising any power or right in connection herewith shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No course of dealing between Debtor and Payee shall operate as a waiver of any right of Payee. No modification or waiver of any provision of this Note or any consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement thereof is to be sought, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

In the event of default under any of the Loan Documents or if payment of this Note is not made when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through any judicial proceeding whatsoever, or if any action be had hereon, then Debtor agrees and promises to pay an additional amount as reasonable, calculated and foreseeable attorneys' and collection fees incurred by Payee in connection with enforcing its rights herein contemplated.

The parties acknowledge that Debtor has entered into a definitive business combination agreement (the "***Definitive Agreement***") with Minority Equality Opportunities Acquisition Inc. and, following the closing of the transactions contemplated in the Definitive Agreement (the "***Closing***"), intends to uplist to Nasdaq or NYSE during the term of this Note (the "***Uplist***"). At any time after sixty (60) days following the date hereof, Payee may elect to convert a percentage of the amount of principal and accrued interest outstanding on the Note into common stock of Debtor ("***Common Stock***"), in accordance with the following terms:

1. If prior to the Closing, Payee may convert up to 50% of the amount outstanding on the Note into Common Stock. In such event, the price per share of Common Stock applicable to such conversion (the "***Applicable Conversion Price***") shall be the greater of: (a) the Variable Conversion Price (as defined herein) or (b) the Fixed Conversion Price (as defined herein). The "***Variable Conversion Price***" shall be equal to a 20% discount to the average closing price for Common Stock for the five (5) Trading Day period immediately preceding the Conversion Date. "***Trading Day***" shall mean any day on which the Common Stock is tradable for any period on the principal securities exchange or other securities market on which the Common Stock is then being traded. The "***Fixed Conversion Price***" shall mean $0.10.

2. If following the Uplist, Payee may convert up to 100% of the amount outstanding on the Note into Common Stock. In such event, the Applicable Conversion Price shall be the greater of: (a) the post-Uplist Variable Conversion Price (i.e., if less than 5 days after the Uplist, then the average of the days available since the Uplist *up to* 5) or (b) the Fixed Conversion Price.

Conversion shall be effectuated by delivering by facsimile, email or other delivery method to Debtor of the completed form of conversion notice attached hereto as Annex "A" (the "***Notice of Conversion***"), executed by the Holder of the Note evidencing such Holder's intention to convert a specified portion of the Note. Certificates representing Common Stock upon conversion must be delivered (including delivery by DWAC or DRS) by Debtor to the Holder within seven (7) business days from the date of delivery of the Notice of Conversion to Debtor.

To the extent permitted by applicable law, Debtor hereby waives grace, notice, demand or presentment for payment of this Note, dishonor, notice of dishonor, notice of default or nonpayment, protest, notice of protest, suit, notice of intention to accelerate, notice of acceleration, diligence or any notice of or defense on account of the extension of time of payments or change in the method of payments, and consents to any and all renewals and extensions in the time of payment hereof, and the release of any party primarily or secondarily liable hereon.

It is expressly provided and stipulated that notwithstanding any provision of this Note, in no event shall the aggregate of all interest paid by Debtor to Payee hereunder ever exceed the maximum non-usurious rate of interest which may lawfully be charged Debtor under the laws of the State of Texas or United States Federal Government, as applicable, on the principal balance of this Note remaining unpaid. It is expressly stipulated and agreed by Debtor that it is the intent of Payee and Debtor in the execution and delivery of this Note to contract in furtherance of such laws, and that none of the terms of this Note shall ever be construed to create a contract to pay for the use, forbearance or detention of money, at any interest rate in excess of the maximum non-usurious rate of interest permitted to be charged Debtor under the laws of the State of Texas or United States Federal Government, as applicable. The provisions of this paragraph shall govern over all other provisions of this Note should any such provisions be in apparent conflict herewith.

Specifically, and without limiting the generality of the foregoing paragraph, it is expressly provided that:

(i) In the event of prepayment of the principal of this Note, in whole or in part, or the payment of the principal of this Note prior to the Maturity Date, whether resulting from acceleration of the maturity of this Note or otherwise, if the aggregate amount of interest accruing hereon prior to such payment plus the amount of any interest accruing after maturity and plus any other amount paid or accrued in connection with the indebtedness evidenced hereby which by law are deemed interest on the indebtedness evidenced by the Note and which aggregate amounts paid or accrued (if calculated in accordance with the provisions of this Note other than this paragraph) would exceed the maximum non-usurious rate of interest which could lawfully be charged as above mentioned on the unpaid principal balance of the indebtedness evidenced by this Note from time to time advanced (less any discount) and remaining unpaid from the date advanced to the date of final payment thereof, then in such event the amount of such excess shall be credited, as of the date paid, toward the payment of the principal of this Note so as to reduce the amount of the final payment of principal due on this Note, or if the principal amount hereof has been paid in full, refunded to Debtor.

(ii) If under any circumstances the aggregate amounts paid on the indebtedness evidenced by this Note prior to and incident to the final payment hereof include amounts which by law are deemed interest and which would exceed the maximum non-usurious rate of interest which could lawfully have been charged or collected on this Note, as above mentioned, Debtor stipulates that (a) any non-principal payment shall be characterized as an expense, fee, or premium rather than as interest and any excess shall be credited hereon by the holder hereof (or, if this Note shall have been paid in full, refunded to Debtor); and (b) determination of the rate of interest for determining whether the indebtedness evidenced hereby is usurious shall be made by amortizing, prorating, allocating, and spreading, in equal parts during the full stated term hereof, all interest at any time contracted for, charged, or received from Debtor in connection with such indebtedness, and any excess shall be canceled, credited, or refunded as set forth in (a) herein.

Any check, draft, money order, or other instrument given in payment of all or any portion of this Note may be accepted by Payee and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of Payee except to the extent that actual cash proceeds of such instruments are unconditionally received by Payee. If at any time any payment of the principal of or interest on this Note is rescinded or must be restored or returned upon the insolvency, bankruptcy or reorganization of Debtor or otherwise, the obligation under this Note with respect to that payment shall be reinstated as though the payment had been due but not made at that time.

Debtor agrees that this Note shall be freely assignable to any assignee of Payee, subject to compliance with applicable securities laws.

Debtor represents and warrants that the extension of credit represented by this Note is for business, commercial, investment, or other similar purposes and not primarily for personal, family, household or agricultural use.

This Note has been executed and delivered and shall be construed in accordance with and governed by the laws of the State of Texas and of the United States of America applicable in Texas. Venue for any litigation between Debtor and Payee with respect to this Note shall be Bexar County, Texas. Debtor and Payee hereby irrevocably submit to personal jurisdiction in Texas and waive all objections to personal jurisdiction in Texas and venue in Bexar County for purposes of such litigation.

THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN DEBTOR AND PAYEE AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN DEBTOR AND PAYEE.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN DEBTOR AND PAYEE.

DIGERATI TECHNOLOGIES, INC.,
a Nevada corporation

By: /s/ Art Smith
Name: Art Smith
Title: CEO

ANNEX "A"

DIGERATI TECHNOLOGIES, INC.

NOTICE OF CONVERSION

(To Be Executed by the Registered Holder in Order to Convert the Note)

The undersigned hereby irrevocably elects to convert $____________ of the amount of principal and accrued interest currently outstanding under the Note into shares of Common Stock of Digerati Technologies, Inc., a Nevada corporation (the "Company"), according to the conditions hereof, as of the date written below. After giving effect to the conversion requested hereby, the outstanding Principal Amount of such debenture is $_________________, absent manifest error.

Certificates representing Common Stock upon conversion must be delivered (including delivery by DWAC or DRS) to the undersigned within seven (7) business days from the date of delivery of this Notice of Conversion to the Company.

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Convertible Promissory Note dated October 31, 2022, executed by the Company for the benefit of 3BRT Investments, LP (the "Note").

Conversion Date:

____

Applicable Conversion Price:

____

Signature:

____

Print Name:

____

Address:

____

____

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

Digerati Technologies, Inc.
CONVERTIBLE PROMISSORY NOTE

Issuance Date: **October 27, 2022**	Original Principal Amount: **$38,500**
Note No. DTGI-7-LGH	Consideration Paid at Close: $35,000

FOR VALUE RECEIVED, Digerati Technologies, Inc., a Nevada corporation with a par value of $0.0001 per common share ("Par Value") (the "Company"), hereby promises to pay to the order of LGH Investments, LLC, a Wyoming limited liability company or registered assigns (the "Holder") the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "Principal") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest ("Interest") on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the "Issuance Date") until the same becomes due and payable, upon the Maturity Date or acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof).

The Original Principal Amount is $38,500 (thirty-eight thousand five hundred) plus accrued and unpaid interest and any other fees. The Consideration is $35,000 (thirty-five thousand) payable by wire transfer (there exists a $3,500 original issue discount (the "OID")). The Holder shall pay $35,000 of Consideration upon closing of this Note.

(1) GENERAL TERMS

(a) Payment of Principal. The "Maturity Date" shall be nine months from the date of closing, as may be extended at the option of the Holder in the event that, and for so long as, an Event of Default (as defined below) shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) or any event shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) that with the passage of time and the failure to cure would result in an Event of Default.

(b) Interest. A one-time interest charge of eight percent (8%) ("Interest Rate") shall be applied on the Issuance Date to the Original Principal Amount. Interest hereunder shall be paid on the Maturity Date (or sooner as provided herein) to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or converted into Common Stock at the Conversion Price provided the Equity Conditions are satisfied.

(c) Security. This Note shall not be secured by any collateral or any assets pledged to the Holder

(2) EVENTS OF DEFAULT.

(a) An "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) The Company's failure to pay to the Holder any amount of Principal, Interest, or other amounts when and as due under this Note (including, without limitation, the Company's failure to pay any redemption payments or amounts hereunder);

(ii) A Conversion Failure as defined in section 3(b)(ii)

(iii) The Company or any subsidiary of the Company shall commence, or there shall be commenced against the Company or any subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company or any subsidiary of the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any subsidiary of the Company or there is commenced against the Company or any subsidiary of the Company any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 61 days; or the Company or any subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any subsidiary of the Company makes a general assignment for the benefit of creditors; or the Company or any subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any subsidiary of the Company for the purpose of effecting any of the foregoing;

(iv) The Company or any subsidiary of the Company shall default in any of its obligations under any other Note or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company or any subsidiary of the Company in an amount exceeding $50,000, whether such indebtedness now exists or shall hereafter be created; and

(v) The Common Stock is suspended or delisted for trading on the Over the Counter OTCQB Venture Marketplace or OTCPink Open Marketplace (the "Primary Market").

(vi) The Company loses its ability to deliver shares via "DWAC/FAST" electronic transfer.

(vii) The Company loses its status as "DTC Eligible."

(viii) The Company shall become late or delinquent in its filing requirements as a fully-reporting issuer registered with the Securities & Exchange Commission.

(ix) The Company shall fail to reserve and keep available out of its authorized Common Stock a number of shares equal to at least the full number of shares of Common Stock issuable upon conversion of all outstanding amounts under this Note.

(b) Upon the occurrence of any Event of Default that has not been cured within five calendar days from the date of the Event of Default (a "Cure Failure"), the Outstanding Balance shall immediately increase to 125% of the Outstanding Balance immediately prior to the occurrence of the Event of Default (the "Default Effect") and a daily penalty of $500 (five hundred) will accrue until the default is remedied. The Default Effect shall automatically apply upon the occurrence of an Event of Default without the need for any party to give any notice or take any other action. Upon the occurrence of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Outstanding Balance, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

(3) <u>CONVERSION OF NOTE</u>. The Holder shall have the right, but not the obligation, to convert the Outstanding Balance into shares of the Company's Common Stock, on the terms and conditions set forth in this Section 3.

(a) <u>Conversion Right</u>. Subject to the provisions of Section 3(c) and in no case until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into fully paid and nonassessable shares of Common Stock in accordance with Section 3(b), at the Conversion Price (as defined below). The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to this Section 3(a) shall be equal to the quotient of dividing the Conversion Amount by the Conversion Price. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer agent fees, legal fees, costs and any other fees or costs that may be incurred or charged in connection with the issuance of shares of the Company's Common Stock to the Holder arising out of or relating to the conversion of this Note.

(i) "<u>Conversion Amount</u>" means the portion of the Original Principal Amount and Interest to be converted, plus any penalties, redeemed or otherwise with respect to which this determination is being made.

(ii) "<u>Conversion Price</u>" shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in this Note.

(b) <u>Mechanics of Conversion</u>.

(i) <u>Optional Conversion</u>. To convert any Conversion Amount into shares of Common Stock on any date (a "<u>Conversion Date</u>"), the Holder shall (A) transmit by email, facsimile (or otherwise deliver), for receipt on or prior to 11:59 p.m., New York, NY Time, on such date, a copy of an executed notice of conversion in the form attached hereto as <u>Exhibit A</u> (the "<u>Conversion Notice</u>") to the Company. On or before the third Business Day following the date of receipt of a

Conversion Notice (the "Share Delivery Date"), the Company shall (A) if legends are not required to be placed on certificates of Common Stock pursuant to the then existing provisions of Rule 144 of the Securities Act of 1933 ("Rule 144") and provided that the Transfer Agent is participating in the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system or (B) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled which certificates shall not bear any restrictive legends unless required pursuant the Rule 144. If this Note is physically surrendered for conversion and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall, upon request of the Holder, as soon as practicable and in no event later than three (3) Business Days after receipt of this Note and at its own expense, issue and deliver to the holder a new Note representing the outstanding Principal not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock upon the transmission of a Conversion Notice.

(ii) Company's Failure to Timely Convert. If within two (2) Trading Days after the Company's receipt of the facsimile or email copy of a Conversion Notice the Company shall fail to issue and deliver to Holder via "DWAC/FAST" electronic transfer the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (a "Conversion Failure"), the Original Principal Amount of the Note shall increase by $500 per day until the Company issues and delivers a certificate to the Holder or credit the Holder's balance account with DTC for the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (under Holder's and Company's expectation that any damages will tack back to the Issuance Date). *Company will not be subject to any penalties once its transfer agent processes the shares to the DWAC system.* If the Company fails to deliver shares in accordance with the timeframe stated in this Section, resulting in a Conversion Failure, the Holder, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Outstanding Balance with the rescinded conversion shares returned to the Company (under Holder's and Company's expectations that any returned conversion amounts will tack back to the original date of the Note).

(iii) Book-Entry. Notwithstanding anything to the contrary set forth herein, upon conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal and Interest converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion.

(c) Limitations on Conversions or Trading.

(i) Beneficial Ownership. The Company shall not effect any conversions of this Note and the Holder shall not have the right to convert any portion of this Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% of the number of shares of Common Stock outstanding

immediately after giving effect to such conversion or receipt of shares as payment of interest. Since the Holder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of a conversion hereunder, unless the conversion at issue would result in the issuance of shares of Common Stock in excess of 4.99% of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof, the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Note is convertible shall be the responsibility and obligation of the Holder. If the Holder has delivered a Conversion Notice for a principal amount of this Note that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the conversion for the maximum principal amount permitted to be converted on such Conversion Date in accordance with Section 3(a) and, any principal amount tendered for conversion in excess of the permitted amount hereunder shall remain outstanding under this Note.

(ii) Capitalization. So long as this as this Note is outstanding, upon written request of the Holder, the Company shall furnish to the Holder the then-current number of common shares issued and outstanding, the then-current number of common shares authorized, and the then-current number of shares reserved for third parties.

(d) Other Provisions.

(i) Share Reservation. The Company shall at all times reserve and keep available out of its authorized Common Stock a number of shares equal to at least the full number of shares of Common Stock issuable upon conversion of all outstanding amounts under this Note; and within 3 (three) Business Days following the receipt by the Company of a Holder's notice that such minimum number of shares of Common Stock is not so reserved, the Company shall promptly reserve a sufficient number of shares of Common Stock to comply with such requirement. The Company will at all times reserve at least 500,000 shares of Common Stock for conversion.

(ii) Prepayment. In the event that the Company shall pay any amounts due under the Note prior to the Maturity Date defined herein, the Company shall remit to Holder the product of the amount tendered multiplied by one hundred twenty percent (120%). All calculations under this Section 3 shall be rounded up to the nearest $0.00001 or whole share.

(iii) Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 2 herein for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(4) Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at Holder's option, shall become a part of the transaction documents with the Holder. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods,

interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage. Financings in which the Company receives proceeds of one million dollars or greater or excluded from the Terms of Future Financings.

(5) REISSUANCE OF THIS NOTE.

(a) Assignability. The Company may not assign this Note. This Note will be binding upon the Company and its successors and will inure to the benefit of the Holder and its successors and assigns and may be assigned by the Holder to anyone of its choosing without Company's approval.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note representing the outstanding Principal.

(6) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) (iii) upon receipt, when sent by email; or (iv) one (1) Trading Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be those set forth in the communications and documents that each party has provided the other immediately preceding the issuance of this Note or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

The addresses for such communications shall be:

If to the Company, to:

Digerati Technologies, Inc.
ATT: Arthur Smith, CEO
8023 Vantage Dr.
Suite 660
San Antonio, TX 78230
Email: a.smith@t3com.net

If to the Holder:

Lucas Hoppel
Phone: 858-232-5110
Email: Luke@LGHInvestments.com

(7) APPLICABLE LAW AND VENUE. This Note shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflicts of laws thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of California or in the federal courts located in the city of San Diego, in the State of California. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

(8) WAIVER. Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

(9) LIQUIDATED DAMAGES. Holder and Company agree that in the event Company fails to comply with any of the terms or provisions of this Note, Holder's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Holder and Company agree that any fees, balance adjustments, default interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Holder's and Company's expectations that any such liquidated damages will tack back to the Closing Date for purposes of determining the holding period under Rule 144).

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Convertible Note to be duly executed by a duly authorized officer as of the date set forth above.

COMPANY:

Digerati Technologies, Inc.

By: Arthur L. Smith
Arthur L. Smith (Nov 1, 2022 11:02 CDT)

Name: Arthur Smith

Title: Chief Executive Officer

HOLDER:

Lucas Ventures, LLC

By: Lucas Hoppel

Name: Lucas Hoppel

Title: Managing Member

[Signature Page to Note No. DTGI-7-LGH]

EXHIBIT A

CONVERSION NOTICE

[Company Contact, Position]
[Company Name]
[Company Address]
[Contact Email Address}

The undersigned hereby elects to convert a portion of the $_______ Convertible Note ______ issued to Lucas Hoppel on ___________ into Shares of Common Stock of ___________ according to the conditions set forth in such Note as of the date written below.

By accepting this notice of conversion, you are acknowledging that the number of shares to be delivered represents less than 5% (ten percent) of the common stock outstanding. If the number of shares to be delivered represents more than 4.99% of the common stock outstanding, this conversion notice shall immediately automatically extinguish and debenture Holder must be immediately notified.

Date of Conversion: ____________________

Conversion Amount: ____________________

Conversion Price: ____________________

Shares to be Delivered: ____________________

Shares delivered in name of:

Lucas Ventures, LLC

Signature: ____________________

2. DTGI-7-LGH Note

Final Audit Report 2022-11-01

Created:	2022-11-01
By:	Kathleen Keller (katie.keller@shift8networks.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAAP43LrtKAjRc8BEUDajuqrs9Y6J45fe5x

"2. DTGI-7-LGH Note" History

Document created by Kathleen Keller (katie.keller@shift8networks.net)
2022-11-01 - 3:59:41 PM GMT- IP address: 63.247.148.10

Document emailed to Katie Keller (k.keller@t3com.net) for signature
2022-11-01 - 4:00:04 PM GMT

Email viewed by Katie Keller (k.keller@t3com.net)
2022-11-01 - 4:02:03 PM GMT- IP address: 63.247.148.10

Signer Katie Keller (k.keller@t3com.net) entered name at signing as Arthur L. Smith
2022-11-01 - 4:02:30 PM GMT- IP address: 63.247.148.10

Document e-signed by Arthur L. Smith (k.keller@t3com.net)
Signature Date: 2022-11-01 - 4:02:32 PM GMT - Time Source: server- IP address: 63.247.148.10

Agreement completed.
2022-11-01 - 4:02:32 PM GMT

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

Digerati Technologies, Inc.
CONVERTIBLE PROMISSORY NOTE

Issuance Date: **October 27, 2022**
Note No. DTGI-8-LV

Original Principal Amount: **$71,500**
Consideration Paid at Close: $65,000

FOR VALUE RECEIVED, Digerati Technologies, Inc., a Nevada corporation with a par value of $0.0001 per common share ("Par Value") (the "Company"), hereby promises to pay to the order of Lucas Ventures, LLC, a Arizona limited liability company or registered assigns (the "Holder") the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "Principal") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest ("Interest") on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the "Issuance Date") until the same becomes due and payable, upon the Maturity Date or acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof).

The Original Principal Amount is $71,500 (seventy-one thousand five hundred) plus accrued and unpaid interest and any other fees. The Consideration is $65,000 (sixty-five thousand) payable by wire transfer (there exists a $6,500 original issue discount (the "OID")). The Holder shall pay $65,000 of Consideration upon closing of this Note.

(1) GENERAL TERMS

(a) Payment of Principal. The "Maturity Date" shall be nine months from the date of closing, as may be extended at the option of the Holder in the event that, and for so long as, an Event of Default (as defined below) shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) or any event shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) that with the passage of time and the failure to cure would result in an Event of Default.

(b) Interest. A one-time interest charge of eight percent (8%) ("Interest Rate") shall be applied on the Issuance Date to the Original Principal Amount. Interest hereunder shall be paid on the Maturity Date (or sooner as provided herein) to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or converted into Common Stock at the Conversion Price provided the Equity Conditions are satisfied.

(c) Security. This Note shall not be secured by any collateral or any assets pledged to the Holder

(2) EVENTS OF DEFAULT.

(a) An "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) The Company's failure to pay to the Holder any amount of Principal, Interest, or other amounts when and as due under this Note (including, without limitation, the Company's failure to pay any redemption payments or amounts hereunder);

(ii) A Conversion Failure as defined in section 3(b)(ii)

(iii) The Company or any subsidiary of the Company shall commence, or there shall be commenced against the Company or any subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company or any subsidiary of the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any subsidiary of the Company or there is commenced against the Company or any subsidiary of the Company any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 61 days; or the Company or any subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any subsidiary of the Company makes a general assignment for the benefit of creditors; or the Company or any subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any subsidiary of the Company for the purpose of effecting any of the foregoing;

(iv) The Company or any subsidiary of the Company shall default in any of its obligations under any other Note or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company or any subsidiary of the Company in an amount exceeding $50,000, whether such indebtedness now exists or shall hereafter be created; and

(v) The Common Stock is suspended or delisted for trading on the Over the Counter OTCQB Venture Marketplace or OTCPink Open Marketplace (the "Primary Market").

(vi) The Company loses its ability to deliver shares via "DWAC/FAST" electronic transfer.

(vii) The Company loses its status as "DTC Eligible."

(viii) The Company shall become late or delinquent in its filing requirements as a fully-reporting issuer registered with the Securities & Exchange Commission.

(ix) The Company shall fail to reserve and keep available out of its authorized Common Stock a number of shares equal to at least the full number of shares of Common Stock issuable upon conversion of all outstanding amounts under this Note.

(b) Upon the occurrence of any Event of Default that has not been cured within five calendar days from the date of the Event of Default (a "Cure Failure"), the Outstanding Balance shall immediately increase to 125% of the Outstanding Balance immediately prior to the occurrence of the Event of Default (the "Default Effect") and a daily penalty of $500 (five hundred) will accrue until the default is remedied. The Default Effect shall automatically apply upon the occurrence of an Event of Default without the need for any party to give any notice or take any other action. Upon the occurrence of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Outstanding Balance, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

(3) CONVERSION OF NOTE. The Holder shall have the right, but not the obligation, to convert the Outstanding Balance into shares of the Company's Common Stock, on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(c) and in no case until the earlier of 6 months or the Company listing on Nasdaq or NYSE American, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into fully paid and nonassessable shares of Common Stock in accordance with Section 3(b), at the Conversion Price (as defined below). The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to this Section 3(a) shall be equal to the quotient of dividing the Conversion Amount by the Conversion Price. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer agent fees, legal fees, costs and any other fees or costs that may be incurred or charged in connection with the issuance of shares of the Company's Common Stock to the Holder arising out of or relating to the conversion of this Note.

(i) "Conversion Amount" means the portion of the Original Principal Amount and Interest to be converted, plus any penalties, redeemed or otherwise with respect to which this determination is being made.

(ii) "Conversion Price" shall equal the greater of $0.10 (ten) cents or 25% discount to up-listing price or offering/underwriting price concurrent with the Company listing on Nasdaq or NYSE American., subject to adjustment as provided in this Note.

(b) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into shares of Common Stock on any date (a "Conversion Date"), the Holder shall (A) transmit by email, facsimile (or otherwise deliver), for receipt on or prior to 11:59 p.m., New York, NY Time, on such date, a copy of an executed notice of conversion in the form attached hereto as Exhibit A (the "Conversion Notice") to the Company. On or before the third Business Day following the date of receipt of a Conversion Notice

(the "Share Delivery Date"), the Company shall (A) if legends are not required to be placed on certificates of Common Stock pursuant to the then existing provisions of Rule 144 of the Securities Act of 1933 ("Rule 144") and provided that the Transfer Agent is participating in the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system or (B) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled which certificates shall not bear any restrictive legends unless required pursuant the Rule 144. If this Note is physically surrendered for conversion and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall, upon request of the Holder, as soon as practicable and in no event later than three (3) Business Days after receipt of this Note and at its own expense, issue and deliver to the holder a new Note representing the outstanding Principal not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock upon the transmission of a Conversion Notice.

(ii) Company's Failure to Timely Convert. If within two (2) Trading Days after the Company's receipt of the facsimile or email copy of a Conversion Notice the Company shall fail to issue and deliver to Holder via "DWAC/FAST" electronic transfer the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (a "Conversion Failure"), the Original Principal Amount of the Note shall increase by $500 per day until the Company issues and delivers a certificate to the Holder or credit the Holder's balance account with DTC for the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (under Holder's and Company's expectation that any damages will tack back to the Issuance Date). *Company will not be subject to any penalties once its transfer agent processes the shares to the DWAC system.* If the Company fails to deliver shares in accordance with the timeframe stated in this Section, resulting in a Conversion Failure, the Holder, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Outstanding Balance with the rescinded conversion shares returned to the Company (under Holder's and Company's expectations that any returned conversion amounts will tack back to the original date of the Note).

(iii) Book-Entry. Notwithstanding anything to the contrary set forth herein, upon conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal and Interest converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion.

(c) Limitations on Conversions or Trading.

(i) Beneficial Ownership. The Company shall not effect any conversions of this Note and the Holder shall not have the right to convert any portion of this Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion or receipt of shares as payment of interest. Since the

Holder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of a conversion hereunder, unless the conversion at issue would result in the issuance of shares of Common Stock in excess of 4.99% of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof, the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Note is convertible shall be the responsibility and obligation of the Holder. If the Holder has delivered a Conversion Notice for a principal amount of this Note that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the conversion for the maximum principal amount permitted to be converted on such Conversion Date in accordance with Section 3(a) and, any principal amount tendered for conversion in excess of the permitted amount hereunder shall remain outstanding under this Note.

(ii) Capitalization. So long as this as this Note is outstanding, upon written request of the Holder, the Company shall furnish to the Holder the then-current number of common shares issued and outstanding, the then-current number of common shares authorized, and the then-current number of shares reserved for third parties.

(d) Other Provisions.

(i) Share Reservation. The Company shall at all times reserve and keep available out of its authorized Common Stock a number of shares equal to at least the full number of shares of Common Stock issuable upon conversion of all outstanding amounts under this Note; and within 3 (three) Business Days following the receipt by the Company of a Holder's notice that such minimum number of shares of Common Stock is not so reserved, the Company shall promptly reserve a sufficient number of shares of Common Stock to comply with such requirement. The Company will at all times reserve at least 1,000,000 shares of Common Stock for conversion.

(ii) Prepayment. In the event that the Company shall pay any amounts due under the Note prior to the Maturity Date defined herein, the Company shall remit to Holder the product of the amount tendered multiplied by one hundred twenty percent (120%). All calculations under this Section 3 shall be rounded up to the nearest $0.00001 or whole share.

(iii) Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 2 herein for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(4) Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at Holder's option, shall become a part of the transaction documents with the Holder. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

Financings in which the Company receives proceeds of one million dollars or greater or excluded from the Terms of Future Financings.

(5) REISSUANCE OF THIS NOTE.

(a) Assignability. The Company may not assign this Note. This Note will be binding upon the Company and its successors and will inure to the benefit of the Holder and its successors and assigns and may be assigned by the Holder to anyone of its choosing without Company's approval.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note representing the outstanding Principal.

(6) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) (iii) upon receipt, when sent by email; or (iv) one (1) Trading Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be those set forth in the communications and documents that each party has provided the other immediately preceding the issuance of this Note or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

The addresses for such communications shall be:

If to the Company, to:

Digerati Technologies, Inc.
ATT: Arthur Smith, CEO
8023 Vantage Dr.
Suite 660
San Antonio, TX 78230
Email: a.smith@t3com.net

If to the Holder:

Lucas Hoppel
Phone: 858-232-5110

Email: Luke@LGHInvestments.com

(7) APPLICABLE LAW AND VENUE. This Note shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflicts of laws thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of California or in the federal courts located in the city of San Diego, in the State of California. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

(8) WAIVER. Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

(9) LIQUIDATED DAMAGES. Holder and Company agree that in the event Company fails to comply with any of the terms or provisions of this Note, Holder's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Holder and Company agree that any fees, balance adjustments, default interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Holder's and Company's expectations that any such liquidated damages will tack back to the Closing Date for purposes of determining the holding period under Rule 144).

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Convertible Note to be duly executed by a duly authorized officer as of the date set forth above.

COMPANY:

Digerati Technologies, Inc.

By: Arthur L. Smith
Arthur L. Smith (Nov 1, 2022 11:12 CDT)

Name: Arthur Smith

Title: Chief Executive Officer

HOLDER:

Lucas Ventures, LLC

By:______________________________

Name: Lucas Hoppel

Title: Managing Member

[Signature Page to Note No. DTGI-8-LV]

EXHIBIT A

CONVERSION NOTICE

[Company Contact, Position]
[Company Name]
[Company Address]
[Contact Email Address}

The undersigned hereby elects to convert a portion of the $_______ Convertible Note ______ issued to Lucas Hoppel on ___________ into Shares of Common Stock of ___________ according to the conditions set forth in such Note as of the date written below.

By accepting this notice of conversion, you are acknowledging that the number of shares to be delivered represents less than 5% (ten percent) of the common stock outstanding. If the number of shares to be delivered represents more than 4.99% of the common stock outstanding, this conversion notice shall immediately automatically extinguish and debenture Holder must be immediately notified.

Date of Conversion: ____________________

Conversion Amount: ____________________

Conversion Price: ____________________

Shares to be Delivered: ____________________

Shares delivered in name of:

Lucas Ventures, LLC

Signature: ______________________

2. DTGI-8-LV Note

Final Audit Report 2022-11-01

Created:	2022-11-01
By:	Kathleen Keller (katie.keller@shift8networks.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1AflF4Un0IMLdp3Kz4vd2hM4-VW-CEkO

"2. DTGI-8-LV Note" History

Document created by Kathleen Keller (katie.keller@shift8networks.net)
2022-11-01 - 4:09:36 PM GMT- IP address: 63.247.148.10

Document emailed to Katie Keller (k.keller@t3com.net) for signature
2022-11-01 - 4:10:14 PM GMT

Email viewed by Katie Keller (k.keller@t3com.net)
2022-11-01 - 4:11:53 PM GMT- IP address: 63.247.148.10

Signer Katie Keller (k.keller@t3com.net) entered name at signing as Arthur L. Smith
2022-11-01 - 4:12:11 PM GMT- IP address: 63.247.148.10

Document e-signed by Arthur L. Smith (k.keller@t3com.net)
Signature Date: 2022-11-01 - 4:12:13 PM GMT - Time Source: server- IP address: 63.247.148.10

Agreement completed.
2022-11-01 - 4:12:13 PM GMT

AMENDMENT 1
TO
CONVERTIBLE PROMISSORY NOTE

This AMENDMENT (this "**Amendment**") is entered into by and between Company and Holder (each as defined below), effective as of September 14, 2022 (the "**Effective Date**"), binding on the undersigned parties as of that date.

RECITALS

Digerati Technologies, Inc. ("**Company**") and Tysadco Partners, LLC ("**Holder**") entered into that certain Convertible Promissory Note (the "**Note**") dated August 31, 2021 in the amount of $75,000.00 (the "**Loan Amount**"). Capitalized terms not otherwise defined have the meaning set forth in the Note.

WHEREAS, the parties have agreed to extend the maturity date of the Note subject to the conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Extension of Maturity Date**. The Maturity Date of the Note is amended and extended to February 28, 2023.

2. **Compensation for Extension**. In exchange for the extension of the Maturity Date, $15,000.00 shall be added to the principal amount outstanding on the Note between the Company and Holder as of the Effective Date hereof. Issuance of 90,000 restricted common shares, with no registration rights.

3. **Conversion Moratorium.** Unless an Event of Default (as defined in the Note or under this Amendment) exists between the Effective Date hereof and the Maturity Date, Holder shall not convert any of the amounts due under the Note. However, upon occurrence of any Event of Default under the Note, this section shall be null, void, and of no effect.

4. **Effectiveness; Conflict**. Except as modified hereby, the Note and terms thereof shall remain in full force and effect. On and after the effectiveness of this Amendment, each reference in the Notes to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Note, as amended by this Amendment. To the extent the terms of this Amendment conflict with any provision of the Note or any of the documents referenced therein, then the provisions of this Amendment shall control.

4. **Counterparts.** This Amendment may be executed by facsimile transmission and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

COMPANY

DIGERATI TECHNOLOGIES, INC.

BY: Antonio Estrada

Chief Financial Officer

HOLDER

Tysadco Partners, LLC

BY:

Managing Member

[SIGNATURE PAGE TO AMENDMENT NO 1. TO THE CONVERTIBLE PROMISSORY NOTE]

Exhibit 4.9

AMENDMENT 1
TO
CONVERTIBLE PROMISSORY NOTE

This AMENDMENT (this **"Amendment")** is entered into by and between Company and Holder (each as defined below), effective as of September 16, 2022 (the **"Effective Date"),** binding on the undersigned parties as of that date.

RECITALS

Digerati Technologies, Inc. **("Company")** and Tysadco Partners, LLC **("Holder")** entered into that certain Convertible Promissory Note (the **"Note")** dated September 29, 2021 in the amount of $75,000.00 (the **"Loan Amount").** Capitalized terms not otherwise defined have the meaning set forth in the Note.

WHEREAS, the parties have agreed to extend the maturity date of the Note subject to the conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Extension of Maturity Date. The Maturity Date of the Note is amended and extended to March 29, 2023.

2. Compensation for Extension. In exchange for the extension of the Maturity Date, $15,000.00 shall be added to the principal amount outstanding on the Note, making it $90,000.00, between the Company and Holder as of the Effective Date hereof. Issuance of 90,000 restricted common shares, with no registration rights.

3. Conversion Moratorium. Unless an Event of Default (as defined in the Note or under this Amendment) exists between the Effective Date hereof and the Maturity Date, Holder shall not convert any of the amounts due under the Note. However, upon occurrence of any Event of Default under the Note, this section shall be null, void, and of no effect.

4. Effectiveness; Conflict. Except as modified hereby, the Note and terms thereof shall remain in full force and effect. On and after the effectiveness of this Amendment, each reference in the Notes to "this Agreement," "hereunder," "hereof," "herein" or words oflike import shall mean and be a reference to the Note, as amended by this Amendment. To the extent the terms of this Amendment conflict with any provision of the Note or any of the documents referenced therein, then the provisions of this Amendment shall control.

4. Counterparts. This Amendment may be executed by facsimile transmission and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

COMPANY

DIGERATI TECHNOLOGIES, INC.

By: /s/ Antonio estrada
Chief Financial Officer

HOLDER

Tysadco Partners, LLC

By: ______________________
Managing Member

[SIGNATURE PAGE TO AMENDMENT NO 1. TO THE CONVERTIBLE PROMISSORY NOTE]

AMENDMENT 1
TO
CONVERTIBLE PROMISSORY NOTE

This AMENDMENT (this **"Amendment")** is entered into by and between Company and Holder (each as defined below), effective as of September 16, 2022 (the **"Effective Date"),** binding on the undersigned parties as of that date.

RECITALS

Digerati Technologies, Inc. **("Company")** and Tysadco Partners, LLC **("Holder")** entered into that certain Convertible Promissory Note (the **"Note")** dated October 22, 2021 in the amount of $150,000.00 (the **"Loan Amount").** Capitalized terms not otherwise defined have the meaning set forth in the Note.

WHEREAS, the parties have agreed to extend the maturity date of the Note subject to the conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Extension of Maturity Date. The Maturity Date of the Note is amended and extended to April 29, 2023.

2. Compensation for Extension. In exchange for the extension of the Maturity Date, $30,000.00 shall be added to the principal amount outstanding on the Note, making it $180,000.00, between the Company and Holder as of the Effective Date hereof. Issuance of 180,000 restricted common shares, with no registration rights.

3. Conversion Moratorium. Unless an Event of Default (as defined in the Note or under this Amendment) exists between the Effective Date hereof and the Maturity Date, Holder shall not convert any of the amounts due under the Note. However, upon occurrence of any Event of Default under the Note, this section shall be null, void, and of no effect.

4. Effectiveness; Conflict. Except as modified hereby, the Note and terms thereof shall remain in full force and effect. On and after the effectiveness of this Amendment, each reference in the Notes to "this Agreement," "hereunder," "hereof," "herein" or words oflike import shall mean and be a reference to the Note, as amended by this Amendment. To the extent the terms of this Amendment conflict with any provision of the Note or any of the documents referenced therein, then the provisions of this Amendment shall control.

4. Counterparts. This Amendment may be executed by facsimile transmission and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

COMPANY

DIGERATI TECHNOLOGIES, INC.

By: /s/ Antonio Estrada
Chief Financial Officer

HOLDER

Tysadco Partners, LLC

By: ______________________
Managing Member

[SIGNATURE PAGE TO AMENDMENT NO 1. TO THE CONVERTIBLE PROMISSORY NOTE]

AMENDMENT No. 1
TO
CONVERTIBLE PROMISSORY NOTE

This AMENDMENT No. 1 (this **"Amendment")** is entered into by and between Company and Holder (each as defined below), effective as of October 21, 2022 (the **"Effective Date"),** binding on the undersigned parties as of that date.

RECITALS

Digerati Technologies, Inc. **("Company")** and LGH Investments, LLC **("Holder")** entered into that certain Convertible Promissory Note (the **"Note")** dated January 21, 2022 in the amount of $230,000.00 (the **"Loan Amount").** Capitalized terms not otherwise defined have the meaning set forth in the Note.

WHEREAS, the parties have agreed to extend the maturity date of the Note subject to the conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. <u>Extension of Maturity Date.</u> The Maturity Date of the Note is amended and extended to January 31, 2023.

2. <u>Compensation for Extension.</u> In exchange for the extension of the Maturity Date, $30,000.00 shall be added to the principal amount outstanding on the Note between the Company and Holder as of the Effective Date hereof and the Company shall issue Holder 300,000 (three hundred thousand) shares of Common Stock.

3. <u>Prepayment.</u> In the event that the Company shall pay any amounts due under the Note prior to the Maturity Date defined herein, the Company shall remit to Holder the product of the amount tendered multiplied by one hundred twenty percent (120%).

4. Effectiveness; Conflict. Except as modified hereby, the Note and terms thereof shall remain in full force and effect. On and after the effectiveness of this Amendment, each reference in the Notes to "this Agreement," "hereunder," "hereof," "herein" or words oflike import shall mean and be a reference to the Note, as amended by this Amendment. To the extent the terms of this Amendment conflict with any provision of the Note or any of the documents referenced therein, then the provisions of this Amendment shall control.

5. Counterparts. This Amendment may be executed by facsimile transmission and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

COMPANY

DIGERATI TECHNOLOGIES, INC.

By: ______________________________
Chief Executive Officer

HOLDER

LGH INVESTMENTS, LLC

By: ______________________________
Managing Member

[SIGNATURE PAGE TO AMENDMENT NO **l.** TO THE CONVERTIBLE PROMISSORY NOTE]

Exhibit 4.12

AMENDMENT No. 1
TO
CONVERTIBLE PROMISSORY NOTE

This AMENDMENT No. 1 (this **"Amendment")** is entered into by and between Company and Holder (each as defined below), effective as of October 21, 2022 (the **"Effective Date"),** binding on the undersigned parties as of that date.

RECITALS

Digerati Technologies, Inc. **("Company")** and Lucas Ventures, LLC **("Holder")** entered into that certain Convertible Promissory Note (the **"Note")** dated January 21, 2022 in the amount of $230,000.00 (the **"Loan Amount").** Capitalized terms not otherwise defined have the meaning set forth in the Note.

WHEREAS, the parties have agreed to extend the maturity date of the Note subject to the conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. <u>Extension of Maturity Date.</u> The Maturity Date of the Note is amended and extended to January 31, 2023.

2. <u>Compensation for Extension.</u> In exchange for the extension of the Maturity Date, $30,000.00 shall be added to the principal amount outstanding on the Note between the Company and Holder as of the Effective Date hereof and the Company shall issue Holder 300,000 (three hundred thousand) shares of Common Stock.

3. <u>Prepayment.</u> In the event that the Company shall pay any amounts due under the Note prior to the Maturity Date defined herein, the Company shall remit to Holder the product of the amount tendered multiplied by one hundred twenty percent (120%).

4. Effectiveness; Conflict. Except as modified hereby, the Note and terms thereof shall remain in full force and effect. On and after the effectiveness of this Amendment, each reference in the Notes to "this Agreement," "hereunder," "hereof," "herein" or words oflike import shall mean and be a reference to the Note, as amended by this Amendment. To the extent the terms of this Amendment conflict with any provision of the Note or any of the documents referenced therein, then the provisions of this Amendment shall control.

5. Counterparts. This Amendment may be executed by facsimile transmission and in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

COMPANY

DIGERATI TECHNOLOGIES, INC.

By: ______________________________

Chief Executive Utt1cer

HOLDER

LUCAS VENTURES, LLC

By: ______________________________

Managing Member

[SIGNATURE PAGE TO AMENDMENT No l. TO THE CONVERTIBLE PROMISSORY NOTE]

Exhibit 31.1

CERTIFICATION

I, Arthur L. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Digerati Technologies, Inc., a Nevada Corporation;

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 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 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.

December 15, 2022

/s/ Arthur L. Smith

Arthur L. Smith
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Antonio Estrada, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Digerati Technologies, Inc., a Nevada Corporation;

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 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 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.

December 15, 2022

/s/ Antonio Estrada, Jr.
Antonio Estrada, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRESIDENT AND CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SS. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report (the "Report") of Digerati Technologies, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2022, as filed with the Securities and Exchange Commission on the date hereof, I, Arthur L. Smith, President, and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that,

1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By /s/ Arthur L. Smith

Arthur L. Smith
President and
Chief Executive Officer
December 15, 2022

Exhibit 32.2

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

In connection with the Quarterly Report (the “Report”) of Digerati Technologies, Inc. (the “Company”) on Form 10-Q for the period ending October 31, 2022, as filed with the Securities and Exchange Commission on the date hereof, I, Antonio Estrada Jr., the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002,

1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By /s/ Antonio Estrada Jr.

Antonio Estrada Jr.
Chief Financial Officer
December 15, 2022