U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2001

[ ] 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 0-27239

EDUVERSE.COM

(Exact name of small business issuer as specified in its charter)

NEVADA	88-0277072
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

1135 Terminal Way, Suite 209
Reno, Nevada 89502
(Address of Principal Executive Offices)

(775) 332-3325
(Issuer's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 X No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Class	Outstanding as of May 11, 2001
Common Stock, $.001 par value	37,505,434

Transitional Small Business Disclosure Format (check one)

Yes No X

EDUVERSE.COM
(A Developmental Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

March 31, 2001

EDUVERSE.COM

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

(Unaudited)

EDUVERSE.COM

CONSOLIDATED BALANCE SHEETS

	31-MAR 2001 $ (UNAUDITED)	31-Dec 2000 $
	(Expressed in U.S. dollars)	
ASSETS		
CURRENT		
Cash	667	-
Accounts receivable	5,000	17,004
Taxes recoverable	1,283	12,381
Prepaid expenses and other	51,494	56,080
TOTAL CURRENT ASSETS	58,444	85,465
Fixed assets, net of depreciation	30,155	35,321
TOTAL ASSETS	88,599	120,786
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT		
Bank overdraft	-	1,011
Accounts payable and accrued liabilities	212,534	487,950
Loans payable	49,706	193,776
TOTAL CURRENT LIABILITIES	262,240	682,737
Contingencies [Note 1]		
STOCKHOLDERS' EQUITY		
Capital stock [Note 4]		
Common stock - $0.001 par value		
Authorized shares: 50,000,000		
Issued and outstanding: 37,505,434 shares at Mar. 31,2001 and 14,347,434 shares at December 31, 2000	37,505	14,347
Shares subscriptions	15,000	25,000
Additional paid in capital	2,957,402	2,201,675
Accumulated deficit	(3,242,355)	(2,835,874)
Accumulated other comprehensive income	58,807	32,901
TOTAL STOCKHOLDERS' DEFICIT	(173,641)	(561,951)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	88,599	120,786

See accompany notes to the interim consolidated financial statements

EDUVERSE.COM

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2001

Unaudited	(Expressed in U.S. dollars) 31-MAR 2001 $	31-Mar 2000 $
REVENUE		
Software sales and other income	3,476	6,790
EXPENSES		
Foreign currency gain	-	(14,266)
Depreciation	5,166	4,881
General and administrative	326,632	145,952
Selling and marketing	14,624	62,966
Research and development	63,535	91,555
	409,957	291,088
NET LOSS FOR THE PERIOD	(406,481)	(284,298)
BASIC LOSS PER COMMON SHARE:	(0.02)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:	19,049,034	13,485,903

See accompany notes to the interim consolidated financial statements

EDUVERSE.COM

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2001

Unaudited	(Expressed in U.S. dollars)	
	31-MAR 2001 $	31-Mar 2000 $
OPERATING ACTIVITIES		
Net loss for the period	(406,481)	(284,298)
Adjustment to reconcile net loss to net cash used in operating activities:		
Common shares issued for services rendered	262,202	8,600
Common shares issued in lieu of interest expense	-	7,000
Depreciation	5,166	4,881
Effect of foreign currency	-	(14,266)
Provision for doubtful accounts	-	4,933
Changes in non-cash working capital items	65,179	3,798
NET CASH USED IN OPERATING ACTIVITIES	(73,934)	(269,352)
FINANCING ACTIVITIES		
Loans payable	49,706	-
Bank overdraft repayment	(1,011)	-
Loan repayments	-	(5,000)
Issuance of common stock	-	209,500
Cash received on common stock to be issued	-	110,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	48,695	314,500
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,882)
NET CASH USED IN INVESTING ACTIVITIES	-	(1,882)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	25,906	(2,007)
NET INCREASE IN CASH AND CASH EQUIVALENTS	667	41,259
CASH AND CASH EQUIVALENTS (BANK OVERDRAFT) BEGINNING OF PERIOD	-	43,584
CASH AND CASH EQUIVALENTS END OF PERIOD	667	84,843

OTHER SIGNIFICANT NON-CASH TRANSACTIONS:
During the period ended March 31, 2001 the Company issued 14,686,813 common shares in settlement of debt of $506,683 and 8,371,187 common shares for payment of current services of $262,202.

See accompany notes to the interim consolidated financial statements

EDUVERSE.COM

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

(Unaudited)

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Company's financial statements have been prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business for the foreseeable future. The company incurred a loss of $406,481 for the period ended March 31, 2001, and as of March 31, 2001 had a working capital deficiency of $203,796. Management recognizes that the Company must obtain additional financial resources by raising capital to enable it to continue normal operations . However, no assurances can be given that the Company will be successful in raising additional capital. Further, there can be no assurance, assuming the Company successfully raises additional funds, that the Company will achieve positive cash flow. Management has been unable to raise additional equity capital to implement its marketing and development initiatives for its current operations and is therefore looking at other business opportunities for the company. On March 2, 2001, the Company entered into an agreement to sell its subsidiary eduverse dot com inc. Refer to Note 5. These factors raise substantial doubt regarding the company's continuation as a going concern.

These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities which may be necessary if the company is unable to continue as a going concern.

UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material changes in the information disclosed in the notes to the financial statements for the year ended December 31, 2000 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The interim unaudited consolidated financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the three months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: eduverse dot com inc. (incorporated in British Columbia, Canada), and M&M Information and Marketing Services Inc. (incorporated in Nevada, USA). All significant intercompany accounts and transactions have been eliminated.

USE OF ESTIMATES AND ASSUMPTIONS

Preparation of the Company's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all liquid investments, with an original maturity of three months or less when purchased, to be cash equivalents.

FIXED ASSETS

Fixed assets are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computer equipment	3 years
Furniture and office equipment	5 years

(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

RESEARCH DEVELOPMENT COSTS
Research and development costs, including web-site development costs, have been expensed as incurred.

FINANCIAL INSTRUMENTS
At March 31, 2001, the Company has the following financial instruments: accounts receivable, taxes recoverable, accounts payable and accrued liabilities, and loans payable. The carrying value of these instruments is considered to approximate fair value based on their short term nature.

FOREIGN CURRENCY TRANSLATION
The financial statements are presented in United States dollars. In accordance with Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation", foreign denominated monetary assets and liabilities are translated to their United States dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations.

NET LOSS PER COMMON SHARE
Basic earnings per share include no dilution and are computed by dividing net loss by the weighted average number of common shares outstanding for the period. There are no dilutive securities outstanding.

INCOME TAXES
The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis (temporary differences). The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

STOCK-BASED COMPENSATION
The Company accounts for stock-based compensation in respect to stock options granted to employees and officers using the intrinsic value based method in accordance with APB 25. Stock options granted to non-employees are accounted for using the fair value method in accordance with SFAS No. 123. In addition, with respect to stock options granted to employees, the Company provides pro-forma information as required by SFAS No. 123 showing the results of applying the fair value method using the Black-Scholes option pricing model.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

REVENUE RECOGNITION
Revenue from the sale of software products is recognized at the time products are shipped to customers. Distribution royalty revenue is recognized when the terms of the distribution agreement have been met and collectability is reasonably assured.

COMPREHENSIVE INCOME
Comprehensive income is defined as the change in equity from transactions, events and circumstances, other than those resulting from investments by owners and distributions to owners. Comprehensive income to date consists only of the net gain resulting from translation of the foreign currency financial statements of eduverse dot com inc.

(Unaudited)

NOTE 3 - RELATED PARTY TRANSACTIONS

General and administrative expenses include salaries of $12,000 and consulting fees of $3,500 paid to a director of the subsidiary during the period ended March 31, 2001.

On October 9, 2000 the Company entered into a management services agreement with Investor Communications, Inc. ("ICI"), a significant shareholder, to provide management and investor relations services for the Company. The agreement requires monthly payments of $75,000 for services rendered. During the period ended March 31, 2001, the Company incurred $225,000 to ICI which together with other unpaid amounts totalled $456,896 which was settled by the issuance of 15,230,000 common shares.

A director of the Company has been contracted by Investor Communications and is part of the management team provided to the Company and its subsidiary.

NOTE 4 - CAPITAL STOCK

AUTHORIZED

The authorized capital of the Company consists of 50,000,000 voting common shares with $0.001 par value and 5,000,000 non-voting preferred shares with $.001 par value.

On March 14, 2001, the Company entered into settlement agreements with certain creditors including stockholders, a former director and officers to settle debts totalling $768,886 by the issuance of 23,058,000 common shares at prices ranging from $.03 to $.04271 per share.

NOTE 5 - REORGANIZATION

On March 2, 2001, the Company entered into an agreement with Syncro-Data Systems, Ltd. ("Syncro"), a private British Columbia company, to sell its subsidiary, eduverse dot com inc. ("eduverse") in consideration for advances of $50,000 to eduverse for operating expenses. The agreement is subject to shareholder approval at a special meeting of shareholders to be held June 1, 2001.

The Company is also seeking shareholder approval for a reverse stock split of 50:1 and the election of two new directors.

Statements made in this Form 10-QSB that are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 (the "Act") and Section 21E of the Securities Exchange Act of 1934. These statements often can be identified by the use of terms such as "may," "will," "expect," "believe," "anticipate," "estimate," "approximate" or "continue," or the negative thereof. The Company intends that such forward-looking statements be subject to the safe harbors for such statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond the control of the Company that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. The Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

GENERAL

Eduverse.Com (the "Company"), through its wholly-owned subsidiary Eduverse Dot Com Inc. ("Eduverse"), has primarily been a technology-based company engaged in the business of developing and marketing interactive multimedia educational software programs. The Company's principal markets included Canada and the United States. During prior fiscal years, the Company generally derived its revenues from (i) the retail sales of its software products, primarily the English language tutorial software product called the "English Pro", and (ii) royalties received from distributors of its software programs.

Fiscal Year 1999

During fiscal year 1999, the Company continued to market the English Pro to retail computer stores and bookstore, but focused primarily on the research, development and design of a new e-commerce educational delivery model that provided users with free access to online education. With the development of these products, the Company's core software products featured phonetic-based English language tutorial systems, which used multimedia presentations to assist non-English speaking students learn the English language. An Internet-enabled version of the software, called "English Pro Web Edition", was available free from the Company's website and a network-enabled version of the software, called "English Pro Network Edition" was available free for installation on private computer networks. During fiscal year 1999, therefore, the Company began exiting the traditional method of selling its software through retail channels and focused primarily on partnering with various governments to combine education, the Internet and corporate advertising in marketing its new products. The Company expected to generate a majority of its revenues from these software products by charging fees for advertising that was to be placed within the software. During 1999, the Company concentrated its marketing efforts primarily on the English Pro Web Edition and the English Pro Network Edition.

On approximately May 20, 1999, the Company entered into a free English Non-Exclusive Linking Agreement with the Ministry of University Affairs in

Thailand (the "Thailand Agreement") to offer its software products to university students via a proprietary university computer network operated by the Ministry (the "UniNet"). The UniNet supported approximately 70,000 workstations nationwide, which management believed provided the Company with a potential one million users. Pursuant to the terms of the Thailand Agreement, the Company agreed to (i) provide its English Pro Network Edition to students using the UniNet by installing approximately six English Pro Network Edition servers on the UniNet, and (ii) provide support services comprised of a Web-based installation and management system, which controlled the installation of the English Pro Network Edition on the workstations and managed the connection to the English Pro Network Edition servers. In addition, under the terms of the Thailand Agreement, the Ministry was to receive a 15% commission on gross revenues generated from advertising displayed on the Company's software.

During fiscal year 1999, the Company also entered into a similar agreement with SJK Smart School Project in Malaysia (the "Smart School Project"). The Smart School Project was being offered to approximately 1,290 National Type Chinese Schools, which management believed provided the Company with a potential 500,000 users. The Company also intended to offer its English Pro Network Edition software free to educational and other institutions within approximately thirty other countries that operated private computer networks and that allowed advertisements to be displayed to their students, and to collect advertising fees for advertisements placed within the software.

During fiscal year 1999, revenues were derived from three sources: (i) the retail sale of its software packages, (ii) distribution royalty fees, and (iii) income derived from the sale of two website names. Fifty-seven percent (57%) of the Company's retail software sale revenue was derived from one customer. During fiscal year 1999, the Company recognized no advertising revenues from its English Pro Network Edition software. As a result, quarterly revenues began to decline during late fiscal year 1999 resulting in a substantial net loss.

Fiscal Year 2000

During fiscal year 2000, quarterly revenues continued to decline. In October 2000, the Company announced a change in its strategic business model focusing on five market areas: (i) subscription-based Internet education, (ii) corporate workplace initiatives, (iii) Ministry of Education initiatives, (iv) third party licensing of the e-education delivery platform, and (v) retail distribution.

During fiscal year 2000, quarterly revenues continued to decline as compared to quarterly revenues earned in the same periods during 1999. Any revenues earned were derived principally from the marketing and sale of the Company's software packages. Seventy-seven percent (77%) of the Company's retail software sale revenue was derived from two customers. Management of the Company primarily attributed the decrease in revenues to the Company's decision to discontinue retail software sales of the English Pro and its other software programs. Management of the Company expected to generate the majority of its future revenues commencing third quarter of 2000 from advertising revenues earned from fees charged for inclusion of the advertiser's message on the Company's English Pro Network Edition software. During fiscal year 2000, the Company recognized no advertising revenues from its English Pro Network Edition software. In August 2000, the Company sold its entire equity interest in ESL to Savoy Capital Limited.

Fiscal Year 2001

At a special meeting held on March 2, 2001, the board of directors unanimously approved a share purchase agreement dated March 2, 2001 (the "Share Purchase Agreement") between the Company and Syncro-Data Systems, Ltd. ("Syncro-Data"), a corporation organized under the laws of British Columbia (the "Proposed Transaction"), and directed that the Share Purchase Agreement be submitted to shareholders of the Company for their approval. The Proposed Transaction will be consummated pursuant to the terms of the Share Purchase Agreement subject to fulfillment of certain conditions, including the requisite shareholder approval. The Share Purchase Agreement provides for the sale by the Company to Syncro-Data of all of the issued and outstanding shares of common stock of Eduverse, the Company's wholly-owned subsidiary, held by the Company. The Share Purchase Agreement further provides that (i) Syncro-Data has paid the ongoing expenses of Eduverse to date in the approximate amount of $50,000; (ii) Syncro-Data has agreed to recognize certain liabilities of Eduverse; and (iii) Eduverse will retain all of its right, title and interest in and to certain intellectual property rights and other property, including accounts receivable, contract revenue and outstanding cash in the approximate amount of $900.00. The Company and Syncro-Data have agreed to close the Proposed Transaction at the earlier of June 30, 2001 or after the special meeting of shareholders to be held June 1, 2001 where such approval is required to authorize and complete the Proposed Transaction. Based upon review of a wide variety of factors considered in connection with its evaluation of the sale of assets, the board of directors of the Company believe that the sale of substantially all of the assets of the Company, through consummation of the Share Purchase Agreement, would be fair to and in the best interests of the Company and its shareholders.

During March 2001, management of the Company determined that its duties and obligations concerning the project under the Thailand Agreement had not been fully nor successfully implemented due to inadequate funding. Therefore, the Company removed its English Pro Network Edition servers from the Ministry of University Affairs in Thailand. As of the date of this Quarterly Report, management of the Company believes that no material breaches of the Thailand Agreement occurred nor are there any possible monetary damages since any and all expenses associated with implementation of the program under the Thailand Agreement were the responsibility of the Company.

Moreover, the Company never commenced implementation of its program under the Smart School Project due to inadequate financing. As of the date of this Quarterly Report, management of the Company believes that no material breaches of the agreement related to the Smart School Project occurred nor are there are any possible monetary damages.

As of the date of this Quarterly Report, the Company has begun the process of terminating development of new software programs and upgrades to existing products, withdrawing its software products and services from the marketplace, and ceasing to actively market itself as a technology-based company. Current management of the Company anticipates that during fiscal year 2001, the Company will undertake research relating to prospective new business endeavors. This research may result in the Company entering into business operations that are not in the educational software industry.

RESULTS OF OPERATION

Three-Month Period Ended March 31, 2001 Compared to Three-Month Period Ended March 31, 2000

The Company's net losses during the three-month period ended March 31, 2001 were approximately $406,481 compared to a net loss of approximately $284,298 (an increase of 43%) during the three-month period ended March 31, 2001.

Gross revenues during the three-month periods ended March 31, 2001 and 2000 were $3,476 and $6,790, respectively. Gross revenues decreased by approximately $3,314 during the three-month period ended March 31, 2001 as compared to the three-month period ended March 31, 2000. The decrease in gross revenues during the three-month period ended March 31, 2001 was primarily due to the Company's decision to discontinue retail sales of its English Pro 6.2 product.

During the three-month period ended March 31, 2001, the Company recorded operating expenses of $409,957 compared to $291,088 of operating expenses recorded in the same period for 2000 (an increase of $118,869 or 41%). General and administrative expenses increased by $180,680 (or 124%) during the three-month period ended March 31, 2001 from $145,952 incurred during the three-month period ended March 31, 2000 compared to $326,632 incurred during the three-month period ended March 31, 2001. This increase in general and administrative expenses during the three-month period ended March 31, 2001 was primarily due to an increase in expenses related to the negotiation, consummation and required shareholder approval of the share purchase agreement dated March 2, 2001 (the "Share Purchase Agreement") between the Company and Syncro-Data Systems, Ltd., a corporation organized under the laws of British Columbia ("Syncro-Data"), as well as corporate re-organization initiatives, attempts to seek revenue generation initiatives from the existing business model, and seek financing for its business operations.. See "Item 4. Submission of Matters to a Vote of Security Holders."

General and administrative expenses generally include corporate overhead, administrative salaries, selling expenses, consulting costs and professional fees. Of the $326,632 incurred as general and administrative expenses during the three-month period ended March 31, 2001, $225,000 was incurred payable to Investor Communications International, Inc. ("ICI") for services rendered by ICI including, but not limited to, financial, administrative and investor relations management. During the three-month period ended March 31, 2001, the Company paid $-0- to ICI towards an aggregate amount of $456,896 due and owing ICI, but issued shares of common stock as settlement of the aggregate debt. A director of the Company is contracted by ICI and is part of the management team provided by ICI to the Company. See "Item 2. Changes in Securities and Use of Proceeds".

Selling and marketing expenses decreased by approximately $48,342 (or 77%) during the three-month period ended March 31, 2001 from $62,966 incurred during the three-month period ended March 31, 2000 compared to $14,624 incurred during the three-month period ended March 31, 2001. The decrease in selling and marketing expenses during the three-month period ended March 31, 2001 was primarily due to the Company's termination of the development of its software programs and upgrades, the withdrawal of its software products and services from the marketplace, and the discontinuation of marketing itself as a technology-based company.

Research and development expenses decreased by approximately $28,020 (or 44%) during the three-month period ended March 31, 2001 from $91,555 incurred during the three-month period ended March 31, 2000 compared to $63,535 incurred during the three-month period ended March 31, 2001. The decrease in research and development expenses during the three-month period ended March 31, 2001 was primarily due to the termination of the development of the Company's software products and upgrades to existing products.

As discussed above, the increase in net loss during the three-month period ended March 31, 2001 as compared to the three-month period ended March 31, 2000 is attributable primarily to a substantial increase in general and administrative expenses. The Company's net earnings (losses) during the three-month period ended March 31, 2001 were approximately ($406,481) or ($0.02) per common share compared to a net loss of approximately ($284,298) or ($0.02) per common share (an increase of 43%) during the three-month period ended March 31, 2001. The weighted average of common shares outstanding were 19,049,034 for the three-month period ended March 31, 2001 compared to 13,485,903 for the three-month period ended March 31, 2000.

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently experiencing a liquidity crisis and must raise additional capital. Further, the Company has not generated sufficient cash flow to fund its operations and activities. Historically, the Company has relied upon internally generated funds, funds from the sale of shares of stock and loans from its shareholders and private investors to finance its operations and growth. The Company's future success and viability are entirely dependent upon the Company's current management to successfully research and identify new business endeavors, and to raise additional capital through further private offerings of its stock or loans from private investors. There can be no assurance, however, that the Company will be able to successfully research and identify new business endeavors and to raise additional capital. The Company's failure to successfully identify new business endeavors and to raise additional capital will have a material and adverse affect upon the Company and its shareholders. The Company's financial statements have been prepared assuming that it will continue as a going concern, and accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should the Company be unable to continue in operations.

As of March 31, 2001, the Company's current assets were $58,444 and its current liabilities were $262,240, which resulted in a working capital deficit of $203,796. The Company's current assets consist primarily of prepaid expenses in the amount of $51,494 and accounts receivable of $5,000. As of the three-month period ended March 31, 2001, the Company's total assets were $88,599 compared to total assets of $120,786 for fiscal year ended December 31, 2000. This decrease in total assets from fiscal year ended December 31, 2000 was due primarily to a decrease in accounts receivable and prepaid expenses.

As of March 31, 2001, the Company's current liabilities were $262,240 and consist primarily of accounts payable and accrued liabilities in the amount of $212,534 and loans payable in the amount of $49,706. As of the three-month period ended March 31, 2001, the Company's total liabilities were $262,240 compared to total liabilities of $682,737 for fiscal year ended December 31, 2000. This decrease in total liabilities from fiscal year ended December 31, 2000 was due primarily to a substantial decrease in accounts payable and accrued liabilities resulting from settlement by the issuance of restricted shares of Common Stock. During the three-month period ended March 31, 2001, loans payable in the amount of $193,776 were settled by execution of settlement agreements with the respective creditors and issuance by the Company of restricted shares of Common Stock. See "Item 2. Changes in Securities and Use of Proceeds."

Stockholders' deficit decreased from ($561,951) for fiscal year ended December 31, 2000 to ($173,641) for the three-month period ended March 31, 2001.

The Company has not generated positive cash flows from operating activities. For the three-month period ended March 31, 2001, net cash used in operating activities was $73,934 compared to $269,352 for the three-month period ended March 31, 2000 (a decrease of $195,418 or 264%). As noted above, although net loss of $406,481 increased during the three-month period ended March 31, 2001 from a net loss of $284,298 during the three-month period ended March 31, 2000, the decrease in net cash used for operating activities was comprised primarily of $262,202 as stock issued in lieu of interest payments compared to $8,600 for the three-month period ended March 31, 2000.

The Company's investing activities consisted of $-0- during the three-month period ended March 31, 2001 compared to the purchase of fixed assets totaling $1,882 during the three-month period ended March 31, 2000. The purchase of fixed assets related primarily to the acquisition of computer hardware used to support the Company's growing employee base.

During the three-month period ended March 31, 2001, net cash provided by financing activities was $48,695 compared to $314,500 during the three-month period ended March 31, 2000. Net cash provided by financing activities during the three-month period ended March 31, 2001 resulted primarily from loans in the amount of $49,706 compared to net cash provided by financing activities during the three-month period ended March 31, 2000 from issuance of common stock in the amount of $209,500 and cash received in the amount of $110,000 on common stock to be issued.

Current management of the Company anticipates a possible increase in operating expenses in order to successfully research and identify new business endeavors. The Company may finance these expenses with further issuance of common stock of the Company. The Company believes that any anticipated private placements of equity capital and debt financing, if successful, may be adequate to fund the Company's operations over the next four months. Thereafter, the Company expects it will need to raise additional capital to meet long-term operating requirements. The Company may encounter business endeavors that require significant cash commitments or unanticipated problems or expenses that could result in a requirement for additional cash before that time. If the Company raises additional funds through the issuance of equity or convertible debt securities other than to current shareholders, the percentage ownership of its current shareholders would be reduced, and such securities might have rights, preferences or privileges senior to its common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict the Company's business operations.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On approximately April 4, 2001, the Company received a letter from a law firm, which threatened potential legal proceedings in the event the Company does not comply with certain terms and conditions. The potential legal proceedings involve an investor who had subscribed for shares of restricted

Common Stock during October 2000 and who subsequently attempted to rescind the transaction. Management of the Company believes that any potential damages sought by the investor would be based on groundless causes of action. As of the date of this Quarterly Report, management intends to continue its discussions, and to review any such potential legal actions and legal remedies.

Except as disclosed above, management is not aware of any other legal proceedings contemplated by any governmental authority or other party involving the Company or its properties. No director, officer or affiliate of the Company is (i) a party adverse to the Company in any legal proceedings, or (ii) has an adverse interest to the Company in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against the Company or its properties.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

During the three-month period ended March 31, 2001, to provide capital, the Company has sold stock in private placement offerings or issued stock in exchange for debts of the Company or pursuant to contractual agreements as follows:

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 2,989,000 shares of restricted Common Stock at $0.0427 per share under Rule 903(b)(3) of Regulation S of the Securities Act of 1933, as amended (the "Securities Act"). Under the terms of the settlement agreement, the creditor agreed to accept the 2,989,000 shares of Common Stock as payment for an aggregate debt in the amount of $127,630.30 owed to such creditor. Prior to the expiration of a one-year distribution period, the Company issued 2,989,000 shares in reliance upon the exemption from registration provided by Regulation S under the Securities Act. The creditor executed a subscription agreement in which he (i) certified that he was not a U.S. resident of the U.S. and was not acquiring the securities for the account of a U.S. resident; (ii) acknowledged that the securities to be issued had not been registered under the Securities Act and that any resale of such securities would be in accordance with the provisions of Regulation S or the Securities Act, or pursuant to an available exemption from registration; (iii) agreed not to engage in hedging transactions with regard to such securities; (iv) acknowledged that he understood the economic risk of an investment in the securities and that he had the opportunity to ask questions of and receive answers from the Company's management concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 1,663,000 shares of restricted Common Stock at $0.04271 per share under Rule 903(b)(3) of Regulation S of the Securities Act. Under the terms of the settlement agreement, the creditor agreed to accept the 1,663,000 shares of Common Stock as payment for an aggregate debt in the amount of $71,022.20 owed to such creditor. The Company issued 1,663,000 shares in reliance upon the exemption from registration provided by Regulation S. The creditor executed a subscription agreement in which he (i) certified that he was not a U.S. resident of the U.S. and was not acquiring the securities for the account of a U.S. resident; (ii) acknowledged that the securities to be issued had not been registered under the Securities Act and that any resale of such securities would be in accordance with the provisions of Regulation S or the Securities Act, or pursuant to an available exemption from registration; (iii) agreed not to engage in hedging transactions with regard to such securities; (iv) acknowledged that he understood the economic risk of an investment in the securities and that he had the opportunity to ask questions of and receive answers from the Company's management concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 260,000 shares of restricted Common Stock at $0.04264 per share under Rule 903(b)(3) of Regulation S of the Securities Act. Under the terms of the settlement agreement, the creditor agreed to accept the 260,000 shares of Common Stock as payment for an aggregate debt in the amount of $11,086.83 owed to such creditor. The Company issued 260,000 shares in reliance upon the exemption from registration provided by Regulation S. The creditor executed a subscription agreement in which he (i) certified that he was not a U.S. resident of the U.S. and was not acquiring the securities for the account of a U.S. resident; (ii) acknowledged that the securities to be issued had not been registered under the Securities Act and that any resale of such securities would be in accordance with the provisions of Regulation S or the Securities Act, or pursuant to an available exemption from registration; (iii) agreed not to engage in hedging transactions with regard to such securities; (iv) acknowledged that he understood the economic risk of an investment in the securities and that he had the opportunity to ask questions of and receive answers from the Company's management concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 1,163,000 shares of restricted Common Stock at $0.0427 per share under Rule 903(b)(3) of Regulation S of the Securities Act. Under the terms of the settlement agreement, the creditor agreed to accept the 1,163,000 shares of Common Stock as payment for an aggregate debt in the amount of $49,657.27 owed to such creditor. The Company issued 1,163,000 shares in reliance upon the exemption from registration provided by Regulation S. The creditor executed a subscription agreement in which he (i) certified that he was not a U.S. resident of the U.S. and was not acquiring the securities for the account of a U.S. resident; (ii) acknowledged that the securities to be issued had not been registered under the Securities Act and that any resale of such securities would be in accordance with the provisions of Regulation S or the Securities Act, or pursuant to an available exemption from registration; (iii) agreed not to engage in hedging transactions with regard to such securities; (iv) acknowledged that he understood the economic risk of an investment in the securities and that he had the opportunity to ask questions of and receive answers from the Company's management concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 15,230,000 shares of restricted Common Stock at $0.03 per share pursuant to Section 4(2) of the Securities Act. Under the terms of the settlement agreement, the creditor agreed to accept the 15,230,000 shares of Common Stock as payment for an aggregate debt in the amount of $456,896.55 owed to such creditor. The Company issued 15,230,000 shares in reliance upon the exemption from registration provided by Section 4(2). The creditor represented to the Company that it acquired the shares for its own account and not with a view to distribution, and that the Company made available all material information concerning the Company. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

- On March 14, 2001, the Company entered into a settlement agreement with a creditor whereby the Company agreed to issue 1,753,000 shares of restricted Common Stock at $0.03 per share under Rule 903(b)(3) of Regulation S of the Securities Act. Under the terms of the settlement agreement, the creditor agreed to accept the 1,753,000 shares of Common Stock as payment for an aggregate debt in the amount of $52,592.97 owed to such creditor. The Company issued 1,753,000 shares in reliance upon the exemption from registration provided by Regulation S. The creditor executed a subscription agreement in which he (i) certified that he was not a U.S. resident of the U.S. and was not acquiring the securities for the account of a U.S. resident; (ii) acknowledged that the securities to be issued had not been registered under the Securities Act and that any resale of such securities would be in accordance with the provisions of Regulation S or the Securities Act, or pursuant to an available exemption from registration; (iii) agreed not to engage in hedging transactions with regard to such securities; (iv) acknowledged that he understood the economic risk of an investment in the securities and that he had the opportunity to ask questions of and receive answers from the Company's management concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the issuance of the securities.

On approximately April 26, 2001, pursuant to a private transaction not involving a public sale, Vaughn Barbon, an individual and resident of Canada ("Barbon") sold 2,000,000 shares of restricted Common Stock to Syncro-Data at a price of $0.01 per share for an aggregate consideration of approximately $20,000. On April 26, 2001, Barbon held of record 3,018,953 shares of restricted Common Stock. The 2,000,000 shares of Common Stock acquired by Syncro-Data are restricted securities. Syncro-Data executed a document in which it acknowledged that the securities had not been registered under the Securities Act of 1933, as amended, that it understood the economic risk of an investment in the securities, and that it had the opportunity to ask questions of and receive answers from management of the Company concerning any and all matters related to the acquisition of securities. No underwriter was involved in the transaction, and no commissions or other remuneration were paid in connection with the sale and purchase of the securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No report required.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the three-month period ended March 31, 2001, no matters were submitted to a vote of the Company's shareholders through the solicitation of proxies or otherwise. As of the date of this Quarterly Report, the Company has prepared a definitive proxy statement in accordance with the rules and regulations of the Exchange Act of 1934, as amended, pertaining to the Share Purchase Agreement, and filed the proxy statement with the Securities and Exchange Commission for subsequent distribution to its shareholders. Fifty-two percent (52%) of the outstanding shares of common stock entitled to vote, represented in person or by proxy, is required for a quorum at the special meeting. The affirmative vote of shareholders holding at least a majority of the shares of common stock present, or represented, at the special meeting, to be held June 1, 2001, is required to approve the Share Purchase Agreement.

ITEM 5. OTHER INFORMATION

No report required.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Report on Form 8-K filed April 16, 2001.
(b) Report on Form 8-K filed March 21, 2001.
(c) Report on Form 8-K filed March 14, 2001.
(d) Report on Form 8-K filed March 14, 2001.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EDUVERSE.COM

Dated: May 14, 2001

By: /s/ GRANT ATKINS

Grant Atkins
President