ANGIOSOMA, INC.

FORM 10-Q
(Quarterly Report)

Filed 09/13/16 for the Period Ending 06/30/16

Address	2500 WILCREST DRIVE, 3RD FLOOR HOUSTON, TX, 77042
Telephone	832-781-8521
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UNITED STATES
SECURITY 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 June 30, 2016

or

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number: **333-170315**

AngioSoma Inc.
(Exact name of registrant as specified in its charter)

Nevada	**27-3480481**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification Number)
14001 Walden Rd., Suite 600 **Montgomery, Texas**	**77356**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code **: 832-781-8521**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☑

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check is smaller reporting company)	☐	Smaller reporting company	☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of September 13, 2016, 31,520,667 shares of common stock are issued and outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this report contain or may contain forward-looking statements. These statements, identified by words such as "plan", "anticipate", "believe", "estimate", "should", "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward - looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, our ability to secure suitable financing to continue with our existing business or change our business and conclude a merger, acquisition or combination with a business prospect, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Readers should carefully review this report in its entirety, including but not limited to our financial statements and the notes thereto and the risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the "SEC"), particularly our quarterly reports on Form 10-Q and our current reports on Form 8-K. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

OTHER PERTINENT INFORMATION

When used in this report, the terms, "we," the "Company," "our," and "us" refers to AngioSoma Inc., a Nevada corporation.

ITEM 1. FINANCIAL STATEMENTS

ANGIOSOMA INC.
CONSOLIDATED BALANCE SHEET
JUNE 30, 2016
(UNAUDITED)

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	8,789
Accounts receivable and accrued revenue receivable		4,440
Prepaid expenses		1,250
Total current assets		14,479
Intellectual property		2,990,535
Available for sale securities, full cost method of accounting:		13,002
Oil and gas properties		
Evaluated property, net of accumulated depletion of $116,673 and net of accumulated impairment of $128,358		33,742
Unevaluated property		200,575
Total oil and gas properties		234,317
TOTAL ASSETS	**$**	**3,252,333**
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	143,188
Accounts payable to related party		15,577
Advances payable		21,650
Advances payable to related party		11,000
Current portion of convertible notes payable, net of discount of $143,438		369,055
Short term notes payable		35,000
Current portion of accrued interest payable		52,137
Current portion of asset retirement obligation		15,000
Total current liabilities		662,607
Convertible notes payable, net of discount of $376,773		20,441
Accrued interest payable		23,946
Asset retirement obligation		6,116
TOTAL LIABILITIES		713,110
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, $0.0010 par value; 480,000,000 shares authorized; 31,520,667 shares issued and outstanding at June 30, 2016		31,521
Preferred stock; $0.001 par value; 20,000,000 shares authorized		
Series A Preferred stock; 5,000,000 shares issued and outstanding		2,990,535
Series E Preferred stock; 1,000,000 shares issued and outstanding		1,000
Additional paid-in capital		(395,451)
Accumulated other comprehensive income		(4,464)
Accumulated deficit		(83,918)
Total stockholders' equity (deficit)		2,539,223
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	**$**	**3,252,333**

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

ANGIOSOMA INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD FROM INCEPTION (APRIL 29, 2016) THROUGH JUNE 30, 2016
(UNAUDITED)

OIL AND GAS SALES, net	$	1,665
OPERATING EXPENSES		
Lease operating expense		108
Depletion, depreciation and amortization		386
Accretion expense		121
General and administrative expenses		25,292
Total operating expenses		25,907
LOSS FROM OPERATIONS	$	(24,242)
OTHER INCOME (EXPENSE)		
Interest expense		(59,676)
NET LOSS	$	(83,918)
NET LOSS PER COMMON SHARE – Basic and diluted	$	(0.00)
COMMON SHARES OUTSTANDING – Basic and diluted		18,780,547

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

ANGIOSOMA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM INCEPTION (APRIL 29, 2016) THROUGH JUNE 30, 2016
(UNAUDITED)

NET LOSS	$	(83,918)
Change in fair value of available-for-sale securities		(4,464)
Comprehensive loss	$	(88,382)

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

ANGIOSOMA INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (APRIL 29, 2016) THROUGH JUNE 30, 2016
(UNAUDITED)

	Common Stock		Series A Preferred Stock		Series E Preferred Stock		Additional Paid In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount				
BALANCE, April 29, 2016	10,022,543	$ 10,023	—	$ —	1,000,000	$ 1,000	$ —	$ —	$ —	$ 11,023
Net loss	—	—	—	—	—	—	—	—	(83,918)	(83,918)
Other comprehensive loss	—	—	—	—	—	—	—	(4,464)	—	(4,464)
Common stock issued for conversion of convertible note payable	1,498,124	1,498	—	—	—	—	5,993	—	—	7,491
Common stock issued for acquisition	20,000,000	20,000	—	—	—	—	(401,444)	—	—	(381,444)
Preferred stock issued for intellectual property	—	—	5,000,000	2,990,535	—	—	—	—	—	2,990,535
BALANCE, June 30, 2016	**31,520,667**	**$ 31,521**	**5,000,000**	**$ 2,990,535**	**1,000,000**	**$ 1,000**	**$ (395,451)**	**$ (4,464)**	**$ (83,918)**	**$ 2,539,223**

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

ANGIOSOMA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(FOR THE PERIOD FROM INCEPTION (APRIL 29, 2016) THROUGH JUNE 30, 2016
UNAUDITED)

CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	$	(83,918)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion and accretion		507
Amortization of discount on convertible note payable		52,034
Changes in operating assets and liabilities:		
Accounts receivable and accrued revenue		(404)
Accounts payable and accrued liabilities		12,138
Accrued interest payable		7,642
NET CASH USED IN OPERATING ACTIVITIES		(12,001)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received on acquisition of First Titan Corp.		5,690
NET CASH USED IN INVESTING ACTIVITIES		5,690
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from advances		15,100
NET CASH PROVIDED BY FINANCING ACTIVITIES		15,100
NET INCREASE (DECREASE) IN CASH		8,789
CASH, at the beginning of the period		—
CASH, at the end of the period	**$**	**8,789**
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$	—
Taxes	$	—
Noncash investing and financing transaction:		
Change in asset retirement obligation	$	75
Conversion of accrued interest into common stock	$	7,491
Intellectual property acquired with Series A Preferred Stock	$	2,990,535
Common stock and preferred stock issued for reverse acquisition	$	480,921
Change in fair value of available-for-sale securities	$	(4,464)

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

Note 1. General Organization and Business

AngioSoma Inc., a Nevada corporation, is a clinical stage biotechnology company focused on improving the effectiveness of current standard-of-care treatments, especially related to endovascular interventions in the treatment of peripheral artery disease (PAD).

AngioSoma Nevada is developing its lead product, a drug candidate called Liprostin ™ for the treatment of peripheral artery disease, or PAD, which has completed FDA Phase I and three Phase II clinical trials. We are in discussions with several contract research organizations for completion of our FDA protocol for Phase III and submission of our new drug application for marketing in the US and its territories.

The Company incorporated on April 29, 2016. The Company's year-end is September 30.

On June 3, 2016, we entered into a business combination whereby a wholly-owned subsidiary of the Company, AngioSoma Research, Inc., a Texas corporation, ("AngioSoma Texas") merged with AngioSoma Research, Inc., a Nevada corporation, ("AngioSoma Nevada") with AngioSoma Research Texas surviving as our wholly-owned subsidiary (the "Merger") . In connection with the Merger, the Company issued to the holders of outstanding common stock of AngioSoma Nevada 20 million shares of the Company's common stock ("Common Stock") and, as a result, immediately following the completion of the Merger, the former equity holders of AngioSoma Nevada owned approximately 66% of the Common Stock and the stockholders of First Titan Corp. immediately prior to the Merger owned approximately 34% of the Common Stock, in each case, on a fully-diluted basis (subject to certain exceptions and adjustments). Also in connection with the Merger, the pre-Merger director and officer of the Company tendered his resignation and the pre-Merger director and officer of AngioSoma Nevada was appointed as the new director and officer of the Company, and our corporate headquarters was moved from Las Vegas, Nevada to Montgomery, Texas. In connection with completion of the Merger, the Company changed its corporate name from First Titan Corp. to AngioSoma, Inc. and its common stock continues to trade on the OTC Markets Group, OTCQB tier under the new trading symbol "SOAN".

First Titan Energy's oil and gas development activities include the following:

Alabama – On May 2, 2012, we acquired a one percent working interest in one well in Little Cedar Creek Field in Alabama. This well was drilled during the fiscal year ended September 30, 2012 and we began receiving revenue during the fiscal year ended September 30, 2013. This well is located in the Little Cedar Field, Alabama's largest producing oil field. This well is currently producing oil and natural gas from one well.

Louisiana – On January 3, 2012, we entered into a participation agreement in an oil and gas drilling project in Calcasieu Parish, Louisiana (the "Participation Agreement"). The South Lake Charles Prospect is located seven miles south of the city of Lake Charles, Louisiana. It is a middle Oligocene age geo-pressured prospect located in the middle and lower hackberry sands. Under the terms of the Participation Agreement, we will participate in the drilling of one well and may participate in the drilling of future wells if it chooses. We will pay 25% of the drilling cost of the first well and will receive 13.59% of the net revenue from the well. We anticipate that our share of the total drilling and completion cost of the initial well, projected to be drilled to approximately 15,500 feet, will be $3.4 million. On August 12, 2013, the Participation Agreement was amended to reduce our working interest to 1.8%. As a result, our share of the drilling cost is expected to be approximately $181,000. The Company has paid $143,264 of its share of the costs of the well to date. We will receive 1.4% of the revenue from this well. The well began being drilled during the year ended September 30, 2014. During the year ended September 30, 2015, before the completion of the well, the well was damaged by a subcontractor working on the well. The operator of the well is in arbitration with the relevant subcontractors for compensation on the damage to the well.

Texas – On July 7, 2013, the Company acquired a 30% working interest in the Minns Project located in Waller County, Texas. The project included three producing wells and a salt water disposal well within the Brookshire Field. This well was reworked and deepened during the year ended September 30, 2014. It is currently producing oil from one well.

Note 2. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the period from inception (April 29, 2016) through June 30, 2016, the Company had a net loss of $83,918 and negative cash flow from operating activities of $12,001. As of June 30, 2016, the Company had negative working capital of $648,128. Management does not anticipate having positive cash flow from operations in the near future.

These factors raise a substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

The Company does not have the resources at this time to repay its credit and debt obligations, make any payments in the form of dividends to its shareholders or fully implement its business plan. Without additional capital, the Company will not be able to remain in business.

Management has plans to address the Company's financial situation as follows:

In the near term, management plans to continue to focus on raising the funds necessary to implement the Company's business plan. Management will continue to seek out debt financing to obtain the capital required to meet the Company's financial obligations. There is no assurance, however, that lenders will continue to advance capital to the Company or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raise doubts about the Company's ability to continue as a going concern.

In the long term, management believes that the Company's projects and initiatives will be successful and will provide cash flow to the Company, which will be used to finance the Company's future growth. However, there can be no assurances that the Company's planned activities will be successful, or that the Company will ultimately attain profitability. The Company's long-term viability depends on its ability to obtain adequate sources of debt or equity funding to meet current commitments and fund the continuation of its business operations, and the ability of the Company to achieve adequate profitability and cash flows from operations to sustain its operations.

Note 3. Summary of Significant Accounting Policies

Interim Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Regulation S-X. The results of operations for the period from inception (April 29, 2016) through June 30, 2016 are not necessarily indicative of the results to be expected for the full fiscal year ending September 30, 2016.

Consolidated Financial Statements

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, AngioSoma Research, LLC, First Titan Energy, LLC and First Titan Technical, LLC from the date of their formations or acquisition. Significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk due to Certain Concentrations

We extend credit, primarily in the form of uncollateralized oil and gas sales through the operators of our working interests, to various companies in the oil and gas industry, which results in a concentration of credit risk. The concentration of credit risk may be affected by changes in economic or other conditions within our industry and may accordingly affect our overall credit risk. However, we believe that the risk of these unsecured receivables is mitigated by the nature of the companies to which we extend credit. For the period from inception (April 29, 2016) through June 30, 2016, two operators accounted for 54% and 46% of our oil and gas sales. Those operators account for 35% and 65% of accounts receivable as of June 30, 2016. We did not recognize any credit losses during the period from inception (April 29, 2016) through June 30, 2016. We have not recognized an allowance for doubtful accounts as of June 30, 2016.

Oil and Gas Properties

The Company follows the full cost method of accounting for its oil and gas properties, whereby all costs incurred in connection with the acquisition, exploration for and development of petroleum and natural gas reserves are capitalized. Such costs include lease acquisition, geological and geophysical activities, rentals on non-producing leases, drilling, completing, and equipping of oil and gas wells and administrative costs directly attributable to those activities and asset retirement costs. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capital costs and proved reserves of oil, in which case the gain or loss is recognized in the statement of operations.

Depletion of capitalized oil and gas properties and estimated future development costs, excluding unproved properties, are based on the units-of-production method based on proved reserves. The company recognized $386 of depletion during the period from inception (April 29, 2016) through June 30, 2016. Net capitalized costs of oil and gas properties, less related deferred taxes, are limited to the lower of unamortized cost or the cost ceiling, defined as the sum of the present value of estimated future net revenues from proved reserves based on unescalated prices discounted at ten percent, plus the cost of properties not being amortized, if any, plus the lower of cost or estimated fair value of unproved properties included in the costs being amortized, if any, less related income taxes. As of June 30, 2016, the Company has oil and gas properties in the amount of $200,575, which are being excluded from amortization because they have not been evaluated to determine whether proved reserves are associated with those properties. Costs in excess of the present value of estimated future net revenues as discussed above are charged to impairment expense. The Company applies the full cost-ceiling test on a quarterly basis on the date of the latest balance sheet presented.

Based on management's review, 100% of the unproved oil and gas properties balance as of June 30, 2016 are expected to be added to amortization during the year ending September 30, 2016. The table below sets forth the cost of unproved properties excluded from the amortization base as of June 30, 2016 and notes the year in which the associated costs were incurred:

	Year of Acquisition				
	2012	**2013**	**2014**	**2015**	**Total**
Acquisition costs	$ 153,264	$ 47,311	$ —	$ —	$ 200,575
Development costs	—	—	—	—	—
Exploration costs	—	—	—	—	—
Total	$ 153,264	$ 47,311	$ —	$ —	$ 200,575

Asset retirement costs are recognized when the asset is placed in service, and are included in the amortization base and amortized over proved reserves using the units of production method. Asset retirement costs are estimated by management using existing regulatory requirements and anticipated future inflation rates.

Financial Instruments

The Company's balance sheet includes certain financial instruments. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period between the origination of these instruments and their expected realization.

FASB Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* (ASC 820) defines fair value 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. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2016. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, other current assets, accounts payable, and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms that is not significantly different from its stated value.

The following table presents assets that were measured and recognized at fair value as of June 30, 2016 and the period then ended on a recurring and nonrecurring basis:

June 30, 2016 Description	Level 1	Level 2	Level 3	Total Realized Loss
Asset retirement obligation	$ —	$ —	$ 21,116	$ —
Available for sale securities	13,002	—	—	—
Totals	$ 13,002	$ —	$ **21,116**	$ —

Revenue Recognition

Sales of crude oil are recognized when the delivery to the purchaser has occurred and title has been transferred. This occurs when oil has been delivered to a pipeline or a tank lifting has occurred. Crude oil is priced on the delivery date based upon prevailing prices published by purchasers with certain adjustments related to oil quality and physical location.

Common Stock

The Company records common stock issuances when all of the legal requirements for the issuance of such common stock have been satisfied.

Income Taxes

The Company accounts for income taxes under ASC 740 *Income Taxes* . Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. No deferred tax assets or liabilities were recognized as of June 30, 2016.

Earnings (Loss) per Common Share

The Company computes basic and diluted earnings per common share amounts in accordance with ASC Topic 260, *Earnings per Share* . The basic earnings (loss) per common share are calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares outstanding during the year. The diluted earnings (loss) per common share are calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity. There are no dilutive shares outstanding for any periods reported.

In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation. The Company's convertible debt is considered anti-dilutive due to the Company's net loss for the period from inception (April 29, 2016) through June30, 2016. As a result, the Company did not have any potentially dilutive common shares for that period. At June 30, 2016, the Company had 32,762,153 potentially issuable shares upon the conversion of convertible notes payable and interest.

Beneficial Conversion Feature

Beneficial conversion feature is a non-detachable conversion feature that is in the money at the commitment date. The Company follows the guidance of ASC Subtopic 470-20 *Debt with Conversion and Other Options* to evaluate as to whether beneficial conversion feature exists. Pursuant to Section 470-20-30 an embedded beneficial conversion feature recognized separately under paragraph 470-20-25-5 shall be measured initially at its intrinsic value at the commitment date (see paragraphs 470-20-30-9 through 30-12) as the difference between the conversion price (see paragraph 470-20-30-5) and the fair value of the common stock or other securities into which the security is convertible, multiplied by the number of shares into which the security is convertible. When the Company issues a debt or equity security that is convertible into common stock at a discount from the fair value of the common stock at the date the debt or equity security counterparty is legally committed to purchase such a security (Commitment Date), a beneficial conversion charge is measured and recorded on the Commitment Date for the difference between the fair value of the Company's common stock and the effective conversion price of the debt or equity security. If the intrinsic value of the beneficial conversion feature is greater than the proceeds allocated to the debt or equity security, the amount of the discount assigned to the beneficial conversion feature is limited to the amount of the proceeds allocated to the debt or equity security.

Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. There are no known commitments or contingencies as of June 30, 2016.

Recently Issued Accounting Pronouncements

We have reviewed the FASB issued Accounting Standards Update ("ASU") accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation's reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Note 4. Acquisition

On June 3, 2016, we entered into a business combination whereby a wholly-owned subsidiary of the Company, AngioSoma Research, Inc., a Texas corporation, ("AngioSoma Texas") merged with AngioSoma Research, Inc., a Nevada corporation, ("AngioSoma Nevada") with AngioSoma Research Texas surviving as our wholly-owned subsidiary (the "Merger") . In connection with the Merger, the Company issued to the holders of outstanding common stock of AngioSoma Nevada 20 million shares of the Company's common stock ("Common Stock") and, as a result, immediately following the completion of the Merger, the former equity holders of AngioSoma Nevada owned approximately 66% of the Common Stock and the stockholders of First Titan Corp. immediately prior to the Merger owned approximately 34% of the Common Stock, in each case, on a fully-diluted basis (subject to certain exceptions and adjustments). Also in connection with the Merger, the pre-Merger director and officer of the Company tendered his resignation and the pre-Merger director and officer of AngioSoma Nevada was appointed as the new director and officer of the Company, and our corporate headquarters was moved from Las Vegas, Nevada to Montgomery, Texas. In connection with completion of the Merger, the Company changed its corporate name from First Titan Corp. to AngioSoma, Inc. and its common stock continues to trade on the OTC Markets Group, OTCQB tier under the new trading symbol "SOAN".

For accounting purposes, the Merger is treated as a "reverse acquisition" under generally acceptable accounting principles in the United States ("U.S. GAAP") and AngioSoma Nevada is considered the accounting acquirer. Accordingly, AngioSoma's historical results of operations will replace the Company's historical results of operations for all periods prior to the Merger and, for all periods following the Merger, the results of operations of the combined company will be included in the Company's financial statements.

Note 5. Intellectual Property

On April 29, 2016, an individual contributed certain medical intellectual property to the Company in exchange for 5,000,000 shares of Series A Preferred Stock. The transaction was valued at $2,990,535 based upon the value of the Series A Preferred Stock as determined by a valuation expert.

Note 6. Advances Payable to Related Party

During the period from inception (April 29, 2016) through June 30, 2016, the Company received non-interest bearing advances from a shareholder of the Company in the amount of $11,000. The advances remained outstanding as of June 30, 2016.

Note 7. Advances

As of June 30, 2016, the Company had non-interest bearing advances payable to a third party of $21,650. These advances are payable on demand.

Note 8. Convertible Notes Payable

Convertible notes payable consisted of the following at June 30, 2016:

Convertible note dated September 30, 2013 in the original principal amount of $528,434, maturing September 30, 2015, bearing interest at 10% per year, convertible into common stock at a rate of $0.04 per share, in default.	$	2,324
Convertible note dated June 30, 2014 payable in the original principal amount of $276,825, maturing June 30, 2016, bearing interest at 10% per year, convertible into common stock at a rate of $0.03 per share.		276,285
Convertible note dated December 31, 2014 in the original principal amount of $118,620, maturing December 31, 2016, bearing interest at 10% per year, convertible into common stock at a rate of $0.01 per share.		118,620
Convertible note dated March 31, 2015 in the original principal amount of $49,190, maturing March 31, 2017, bearing interest at 10% per year, convertible into common stock at a rate of $0.005 per share		49,190
Convertible note dated June 30, 2015 in the original principal amount of $66,074, maturing June 30, 2017, bearing interest at 10% per year, convertible into common stock at a rate of $0.53 per share		66,074
Convertible note dated September 30, 2015 in the original principal amount of $235,313, maturing September 30, 2018, bearing interest at 10% per year, convertible into common stock a rate of $0.75 per share		235,313
Convertible note dated December 31, 2015 in the original principal amount of $90,040, maturing December 31, 2018, bearing interest at 10% per year, convertible into common stock at a rate of $0.08 per share		90,040
Convertible note dated March 31, 2016 in the original principal amount of $71,861, maturing March 31, 2019, bearing interest at 10% per year, convertible into common stock at a rate of a 60% discount to the market price on the date of conversion		71,861
Total convertible notes payable	$	909,707
Less: current portion of convertible notes payable		(512,493)
Less: discount on noncurrent convertible notes payable		(376,773)
Long-term convertible notes payable, net of discount	$	20,441
Current portion of convertible notes payable		512,493
Discount on current convertible notes payable		(143,438)
Long-term convertible notes payable, net of discount	$	369,055

All principal along with accrued interest is payable on the maturity date. The notes are convertible into common stock at the option of the holder. The holder of the notes cannot convert the notes into shares of common stock if that conversion would result in the holder owning more than 4.9% of the outstanding stock of the Company.

Conversions to Common Stock

During period from inception (April 29, 2016) through June 30, 2016, the holders of the Convertible Note Payable dated December 31, 2014 elected to convert accrued interest of $7,491 into 1,498,124 shares of common stock. No gain or loss was recognized on the conversions as they occurred within the terms of the agreement that provided for conversion.

Note 9. Stockholders' Equity

Common stock issued for reverse acquisition

On June 3, 2016, the Company issued 20,000,000 shares for the reverse acquisition of AngioSoma Nevada. See Note 4.

Common stock issued for conversion of convertible note payable

On June 28, 2016, the Company issued 1,498,124 shares of common stock upon the conversion of accrued interest of $7,491. No gain or loss was recognized on the transaction because it was transacted within the terms of the convertible note payable.

Series A Preferred Stock

On April 29, 2016, an individual contributed certain medical intellectual property to the Company in exchange for 5,000,000 shares of Series A Preferred Stock. The transaction was valued at $2,990,535 based upon the value of the Series A Preferred Stock as determined by a valuation expert.

Note 10. Subsequent Events

The Company has reviewed subsequent events through the filing of this report and has noted none that require disclosure.

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

Overview

AngioSoma is a clinical stage biotechnology company focused on improving the effectiveness of current standard-of-care treatments, especially related to endovascular interventions in the treatment of peripheral artery disease (PAD).

AngioSoma is developing its lead product, a drug candidate called Liprostin ^{TM} for the treatment of peripheral artery disease, or PAD, which has completed FDA Phase I and three Phase II clinical trials. We are in discussions with several contract research organizations for completion of our FDA protocol for Phase III and submission of our new drug application for marketing in the US and its territories.

First Titan Energy's oil and gas development activities include the following:

Alabama – On May 2, 2012, we acquired a one percent working interest in one well in Little Cedar Creek Field in Alabama. This well was drilled during the fiscal year ended September 30, 2012 and we began receiving revenue during the fiscal year ended September 30, 2013. This well is located in the Little Cedar Field, Alabama's largest producing oil field. This well is currently producing oil and natural gas from one well.

Louisiana – On January 3, 2012, we entered into a participation agreement in an oil and gas drilling project in Calcasieu Parish, Louisiana (the "Participation Agreement"). The South Lake Charles Prospect is located seven miles south of the city of Lake Charles, Louisiana. It is a middle Oligocene age geo-pressured prospect located in the middle and lower hackberry sands. Under the terms of the Participation Agreement, we will participate in the drilling of one well and may participate in the drilling of future wells if it chooses. We will pay 25% of the drilling cost of the first well and will receive 13.59% of the net revenue from the well. We anticipate that our share of the total drilling and completion cost of the initial well, projected to be drilled to approximately 15,500 feet, will be $3.4 million. On August 12, 2013, the Participation Agreement was amended to reduce our working interest to 1.8%. As a result, our share of the drilling cost is expected to be approximately $181,000. The Company has paid $143,264 of its share of the costs of the well to date. We will receive 1.4% of the revenue from this well. The well began being drilled during the year ended September 30, 2014. During the year ended September 30, 2015, before the completion of the well, the well was damaged by a subcontractor working on the well. The operator of the well is in arbitration with the relevant subcontractors for compensation on the damage to the well.

Texas – On July 7, 2013, the Company acquired a 30% working interest in the Minns Project located in Waller County, Texas. The project included three producing wells and a salt water disposal well within the Brookshire Field. This well was reworked and deepened during the year ended September 30, 2014. It is currently producing oil from one well.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with GAAP, which requires management to make certain estimates and apply judgments. We base our estimates and judgments on historical experience, current trends, and other factors that management believes to be important at the time the condensed consolidated financial statements are prepared. We regularly review our accounting policies, and how they are applied and disclosed in our condensed consolidated financial statements.

While we believe that the historical experience, current trends and other factors considered support the preparation of our condensed consolidated financial statements in conformity with GAAP, actual results could differ from our estimates and such differences could be material.

Results of Operations

General and administrative expense. We recognized general and administrative expense of $25,292 for the period from inception (April 29, 2016) through June 30, 2016 primarily related to accrued compensation.

Interest expense. We recognized interest expense of $59,676 for the period from inception (April 29, 2016) through June 30, 2016 primarily related to amortization of discounts on convertible notes payable.

Net loss. We recognized a net loss of $83,918 for the period from inception (April 29, 2016) through June 30, 2016 as a result of general and administrative expense and interest expense discussed above.

Liquidity and Capital Resources

At June 30, 2016, we had cash on hand of $8,789. The Company has negative working capital of $648,128. Net cash used in operating activities for the period from inception (April 29, 2016) through June 30, 2016 was $12,001. Cash on hand is adequate to fund our operations for less than one month. We do not expect to achieve positive cash flow from operating activities in the near future. We will require additional cash in order to implement our business plan. There is no guarantee that we will be able to attain fund when we need them or that funds will be available on terms that are acceptable to the Company. We have no material commitments for capital expenditures as of June 30, 2016.

Additional Financing

Additional financing is required to continue operations. Although actively searching for available capital, the Company does not have any current arrangements for additional outside sources of financing and cannot provide any assurance that such financing will be available.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2016. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of June 30, 2016, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

1. As of June 30, 2016, we did not maintain effective controls over the control environment. Specifically, we have not developed and effectively communicated to our employees our accounting policies and procedures. This has resulted in inconsistent practices. Further, the Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

2. As of June 30, 2016, we did not maintain effective controls over financial statement disclosure. Specifically, controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Accordingly, management has determined that this control deficiency constitutes a material weakness.

Our management, including our principal executive officer and principal financial officer, who is the same person, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Change in Internal Controls Over Financial Reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

ITEM 1A. RISK FACTORS

Not applicable to a smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company has not defaulted upon senior securities.

ITEM 4. MINE SAFETY DISCLOSURES

This item is not applicable to smaller reporting companies.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

3.1	Articles of Incorporation (1)
3.2	Bylaws (2)
14.1	Code of Ethics (3)
31.1	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer and principal financial and account officer. (4)
32.1	Section 1350 Certification of principal executive officer and principal financial accounting officer. (4)
101*	XBRL data files of Financial Statement and Notes contained in this Quarterly Report on Form 10-Q. (5)

____

(1) Incorporated by reference to our Definitive Proxy Statement on Schedule 14A filed on April 8, 2015.
(2) Incorporated by reference to our Form 10-K/A Amendment No. 1 for the year ended September 30, 2015 filed on January 22, 2016.
(3) Incorporated by reference to our Form S-1 filed with the Securities and Exchange Commission on November 3, 2010.
(4) Filed or furnished herewith.
(5) To be submitted by amendment.

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.

AngioSoma Inc.

Date: September 13, 2016

BY: /s/ Alex Blankenship
Alex Blankenship
Chief Executive Officer, President, Secretary, Treasurer, Principal Executive Officer, Principal Finance and Accounting Officer and Sole Director

Exhibit 31.1

RULE 13A-14(A)/15D-14(A) CERTIFICATION

I, Alex Blankenship, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2016 of AngioSoma Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am 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 15-d-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. 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.

Date: September 13, 2016

BY: /s/ Alex Blankenship
Alex Blankenship
Chief Executive Officer, President, Secretary, Treasurer, Principal Executive Officer, Principal Finance and Accounting Officer and Sole Director

Exhibit 32.1

SECTION 1350 CERTIFICATION

In connection with the quarterly report of AngioSoma Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Alex Blankenship, President 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 contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: September 13, 2016

BY: /s/ Alex Blankenship
Alex Blankenship
Chief Executive Officer, President, Secretary, Treasurer, Principal Executive Officer, Principal Finance and Accounting Officer and Sole Director

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.