

On November 20, 2014, the Company executed a debt settlement agreement for existing accrued debt (the "Debt") with IBC Funds LLC. Pursuant to the Agreement, the Company issued a convertible note due November 21, 2015 for a total of \$62,500. An additional charge of 2,500,000 common shares was added for fees. The Debt allows conversions of the balance due at 55% of the lowest bid price during the 15 days prior to conversion. IBC Funds LLC may not hold more than 4.99% of the outstanding common stock at any time.