QUARTERLY REPORT OF

AFFINITY BEVERAGE GROUP, INC.

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

A NEVADA CORPORATION

810 7th Street, NE, # 01244, Washington DC 20002

(888) 406-1138

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ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is Affinity Beverage Group, Inc.

The company was originally incorporated as E Investments, Inc., in the state of Nevada on February 25, 1999. On December 16, 1999, the Company changed its name to Arbor, Inc. On February 19, 2004, the Company changed its name to China Granite Corporation. On June 14, 2006, the Company changed its name to Affinity Beverage Group, Inc.

ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters

Our principal executive and administrative offices are located at 810 7th Street, NE, # 01244, Washington DC 20002

Email: info@affinitybeverage.com

Website: www.affinitybeverage.com

B. IR Contact

810 7th Street, NE, # 01244, Washington DC 20002

Phone: (888) 406-1138

Email: ir@affinitybeverage.com

Website: www.affinitybeverage.com

ITEM 3. SECURITY INFORMATION

Trading symbol: ABVG

CUSIP: 00831F101

Exact title and class of securities outstanding:

As of June 30, 2017, the capital stock of the company was as follows:

Class: Common stock, $ 0.001 par value;
Number of shares authorized: 4,970,000,000 shares;
Number of shares outstanding: 3,462,504,157 issued and outstanding;
Freely tradable shares: 3,251,866,693;
Total number of shareholders of record: 248

Class: Preferred stock
Number of shares authorized: 30,000,000 shares;
Number of shares outstanding:

Series A:	500,000
Series D	131,250

Transfer Agent: Madison Stock Transfer, Inc.
1688 East 16th Street
Brooklyn, NY 11229
Telephone: (718) 627-4453
FAX: (718) 627-6341

Is the transfer agent registered under the Exchange Act?
Yes.

List any restrictions on the transfer of security:
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:
None.

ITEM 4. ISSUANCE HISTORY

During the current year, the company has issued the following convertible debt:

a) On January 1, 2017 the Company issued a convertible promissory note in the principal amount of $5,000 for consulting services; the convertible note matures on February 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

b) On January 6, 2017 the Company issued a convertible promissory note in the principal amount of $5,000 for proceeds to be used for general corporate purposes; the convertible note matures on January 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

c) On February 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on February 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

d) February 6, 2017- the Company issued a note for services rendered for $120,000. The note relates to past consulting services from 2015. These services were not recorded on the books of the Company at that time. Thusly, the Company issued a note on this dated to properly reflect the liability owed. The Note matures on August 7, 2018, carries a 6%

interest rate, and is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

e) On March 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on April 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

f) On March 27, 2017 the Company issued a convertible promissory note in the principal amount of $30,500 for proceeds to be used for general corporate purposes; the convertible note matures on March 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

g) On April 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

h) On May 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

i) On May 5, 2017 the Company issued a convertible promissory note in the principal amount of $15,000 for proceeds to be used for general corporate purposes; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

j) On May 11, 2017 the Company issued a convertible promissory note in the principal amount of $10,000 for proceeds to be used for general corporate purposes; the convertible note matures on November 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

k) On June 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

l) On June 2, 2017 the Company issued a convertible promissory note in the principal amount of $5,500 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

m) On June 21, 2017 the Company issued a convertible promissory note in the principal amount of $2,465 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

ITEM 5. FINANCIAL STATEMENTS:

AFFINITY BEVERAGE GROUP, INC.

Condensed Consolidated Balance Sheet

June 30, 2017 & December 31, 2016

Unaudited

	June 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash on hand, in bank	$ 17,209	$ -
Accounts receivable	13,043	10,593
Inventory	146,725	140,202
Other current assets	3,683	-
Deferred financing costs, net of amortization of $20,877 and $6,985 at June 30, 2017 and December 31, 2016, respectively	14,123	28,015
Total current assets	194,783	178,810
Other Assets		
Goodwill	78,147	-
Other capitalized costs	49,130	49,130
Investment - Parker Technologies	-	13,000
Total other assets	127,277	62,130
Total assets	$ 322,060	$ 240,940

Condensed Consolidated Balance sheet-continued

	June 30, 2017	December 31, 2016
LIABILITIES		
Current Liabilities		
Accounts payable and Accrued Expenses	$ 285,853	$ 274,192
Other current liabilities	318,743	529,054
Non-convertible debt	226,305	220,500
Short term debt- convertible, net of discount of $121,708 and $37,316	149,205	8,684
Derivative liability- short term	540,930	92,000
Current portion - long-term debt	25,000	25,000
Total Current Liabilities	1,546,036	1,149,430
Long-term Liabilities		
Non-Convertible debt	299,874	339,274
Convertible long term debt, net of discount of $5,591 and $5,577	409	423
Derivative liability- long term	12,000	12,000
Total Long-term Liabilities	327,298	351,697
Total liabilities	1,858,320	1,501,127

Condensed Consolidated Balance sheet-continued

	June 30 2017	December 31 2016
Preferred stock	13	13
STOCKHOLDERS' EQUITY		
Common stock, 5,000,000,000 shares authorized, par value $.001 3,462,504,157 and 1,837,663,132 issued and outstanding at 6/30/17 and 12/31/16	3,462,504	1,867,663
Additional paid in capital	(2,339,676)	(1,391,166)
Accumulated (Deficit)	(2,659,361)	(1,731,084)
Total Stockholders' equity	(1,523,533)	(1,260,199)
Non-controlling interest	259	-
Total Liabilities and Stockholders' Equity	$ 335,060	$ 240,940

See Accompanying notes to Financial Statements

AFFINITY BEVERAGE GROUP, INC.
Condensed Consolidated Statements of Operations

For the Three Months Ended

June 30, 2017 & June 30, 2016

(Unaudited)

	June 30, 2017	June 30, 2016
Revenue	$ 4,302	$ 597
Total Revenue	4,302	597
Cost of Goods Sold		
Total Cost of Goods Sold	2,580	358
Gross Income	1,721	239
Expenses		
Derivative Expense	50,965	-
Loss on Conversion of debt	16,308	-
Loss on Liabilities Purchase Agreement	60,632	-
Write-off on investment in Parker Technologies	13,000	-
Consulting fees	18,000	45,000
General & Administrative	70,909	7,150
Amortization of Deferred Financing expenses	6,908	-
Interest Expense	94,971	2,980
Insurance Expense	-	42,000
Professional fees	-	14,425
Total Expenses	331,693	111,555
Net (Loss)	(329,971)	(111,555)
Non-controlling interest	(259)	(-)
Net loss attributable to Common shareholders	$ (330,231)	$ (111,555)

See Accompanying notes to Financials

AFFINITY BEVERAGE GROUP, INC.
Condensed Consolidated Statements of Operations

For the Six Months Ended

June 30, 2017 & June 30, 2016

(Unaudited)

	June 30, 2017	June 30, 2016
Revenue	$ 4,302	$ 3,439
Total Revenue	4,302	3,439
Cost of Goods Sold		
Total Cost of Goods Sold	2,580	2,063
Gross Income	1,721	1,376
Expenses		
Derivative Expense	224,465	-
Loss on Conversion of debt	172,506	13,000
Loss on Liabilities Purchase Agreement	75,527	-
Write-off on Investment in Parker Technologies	13,000	-
Consulting fees	154,000	45,000
General & Administrative	130,187	25,872
Amortization of Deferred Financing expenses	13,816	-
Interest Expense	146,238	5,960
Insurance Expense	-	42,000
Professional fees	-	14,425
Total Expenses	929,739	146,257
Net (Loss)	(928,018)	(144,881)
Non-controlling interest	(259)	(-)
Net loss attributable to Common shareholders	$ (928,277)	$ (144,881)

See Accompanying notes to Financials

Affinity Beverage Group
Condensed Consolidated Statement of Cash Flows
For the Six Months Ended
June 30, 2017 and June 30, 2016

		Six months ended June 30, 2017	Six months ended June 30, 2016
Cash flows from Operating Activities			
Net income	$	(928,277)	$(144,881)
Add:			
Amortization of Deferred Financing Expense		13,816	-
Loss on 3a10 program		75,527	-
Loss on Conversion of Debt		172,506	13,000
Derivative Liability Expense		224,465	-
Write-off on investment in Parker Technologies		13,000	-
Legal expense and accrued interest on debt conversions		13,788	4,198
Amortization of discount on convertible debt		140,059	-
Cash on hand at Village Tea not transferred with merger			(190)
Accrual of Original issue discount on convertible debt		449	-
Retirement of liabilities through Liabilities purchase agreement		350,722	
Net cash from Undone Chocolate Acquisition		12,321	
Net working capital from Undone Chocolate Acquisition		(7,631)	

Condensed Consolidated
Statement of Cash flows-continued

	Six months ended June 30, 2017	Six months ended June 30, 2016
Changes in components of working capital:		
Changes in Other Assets	171	
Accounts Receivable		(6,210)
Inventory	2,151	2,063
Accounts payable and Accrued Expenses	(4,898)	7,696
Other current liabilities	(210,311)	17,829
Non-convertible short term debt and current portion of long term debt	(63,500)	-
Cash flow from Operating Activities	(195,643)	(106,495)
Cash flows from Investing Activities:		
Purchase of Undone Chocolate, Inc.	(20,000)	-
Cash flows from Investing Activities	(20,000)	-

Condensed Consolidated Statement of Cash flows-continued

	Six months ended June 30, 2017	Six months ended June 30, 2016
Cash flows from Financing Activities		
Common stock issued for services		101,425
Cash notes issued	60,500	
Common stock proceeds, net of retirement of debt		4,930
Consulting notes issued	156,000	
Cash flow from Financing Activities	216,500	106,355
Net change in cash	857	(140)
Cash on hand at beginning of period	16,353	2,294
Cash on hand at end of period	$17,210	$2,154

See accompanying notes to financial statements

AFFINITY BEVERAGE GROUP, INC.
JUNE 30, 2017
NOTES TO FINANCIAL STATEMENTS

NOTE 1- NATURE OF OPERATIONS

Nature of Operations
The Company was incorporated in the state of Nevada February, 1999. The Company is a holding company organized with a goal of acquiring and managing a diversified portfolio of profitable, growth-oriented companies.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

NOTE 3- ACQUISITION OF VILLAGE TEA DISTRIBUTORS, INC.

On October 30, 2015, Affinity Beverage Inc. (the "Company" or "Affinity") entered into an agreement with Accel Brands, Inc. whereby the company issued 131,250 shares of its newly issued Series B Preferred Stock for ownership of the net assets of Village Tea Distributors, Inc. ("Village Tea") at the time, the net assets acquired were as follows:

Cash	$	190
Accounts Receivable		4,384
Inventory		142,549
Other capitalized costs		49,130
Total tangible assets acquired	$	196,252
Accounts payable and Accrued expenses		263,946
Non-convertible debt		220,500
Other short-term debt		25,000
Other current liabilities		361,428
Total liabilities acquired	$	870,874
Net assets acquired	$	(674,621)

The Company viewed Village Tea to be the legal acquirer and all liabilities were acquired at fair value and no goodwill was recorded

NOTE 4 – ACQUISITION OF UNDONE CHOCOLATE INC. AND RECORDING OF GOODWILL

On May 15, 2017, Affinity Beverage Inc. (the "Company" or "Affinity") entered into an agreement with the ownership of Undone Chocolate, Inc. ("Undone") whereby the company purchased a 75% ownership interest of Undone for $20,000. The Company recorded Goodwill for the acquisition of 38,701 as follows:

Purchase Price	$20,000
Percentage ownership	75%
Total value	26,666
Net equity at time of acquistion	(51,481)
Goodwill recorded	$ 78,147

NOTE 5- INVENTORIES

Inventories, as estimated by management, currently consist of inventory at our Village Tea and Undone subsidiaries Inventories are stated at the lower of cost on the first in, first-out method or market. The inventory is comprised as follows:

	June 30, 2017	June 30, 2016
Village Tea	$140,202	$140,202
Undone	6,523	-
Total	$146,725	$140,202

Inventories at Village Tea are principally packaging and teas.
Inventories at Undone are raw materials for the manufacture of chocolate

NOTE 6 – OTHER ASSETS

Other assets are comprised of the following:

	June 30, 2017	June 30, 2016
Goodwill	$ 78,147	$ -
Capitalized costs	49,130	49,130
Investment in Parker Technologies	-	13,000
Total	$127,277	$ 62,130

Goodwill represents the value of consideration paid over the fair value of assets purchased in the Undone Chocolate purchase. Please see NOTE 4. above for details on the calculation.

Capitalized costs are costs related to Village Tea which were not expensed.

Investment in Parker Technologies was written off in the quarter ended June 30, 2017 as the Company no longer believes this investment will be realized.

NOTE 7 – SHORT TERM DEBT- NON-CONVERTIBLE

Short-term debt non-convertible is composed of the following at June 30, 2017 and December 31, 2016 respectively:

Creditor	June 30, 2017	June 30, 2016
Trillium Partners (a)	$ -	$ 63,500
Dana Pope (b)	157,000	157,000
Morton Kavalier (c)	11,238	-
Milton Sender (d)	50,067	
Kiva Zip Loans(e)	8,000	-
Total	$ 226,305	$ 220,500

(a)- The above liabilities are included in the Liabilities Purchase Agreement detailed in *NOTE 11- STOCKHOLDERS' EQUITY.*

(b)- Dana Pope received a judgment on her liability for the full amount

(c)- Morton Kavalier lent the Company $10,000 on October 28, 2015. The note accrues interest at 10%.

(d)- Milton Sender lent the Company $45,000 on March 31, 2016 All debt accrues interest at 10%. The amount includes accrued interest of $5,067.

(e) Kiva Zip Loans lent the Company $8,000 at an interest rate of 8%. All interest has been paid to date.

All of the above notes are payable on demand.

NOTE 8- SHORT TERM DEBT- CONVERTIBLE

During the first six months of 2017, the Company issued the following notes:

January 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on February 28, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

January 6, 2017- The Company issued a note to an investor for cash proceeds of $5,000. The note matures on January 31, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion. The Note also has a $1,000 Original Issue discount ("OID") provision associated with it. The OID will be amortized into interest expense over the life of the Note.

February 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on June 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

February 6, 2017- the Company issued a note for services rendered for $120,000. The note relates to past consulting services from 2015. These services were not recorded on the books of the Company at that time. Thusly, the Company issued a note on this dated to properly reflect the liability owed. The Note matures on August 7, 2018, carries a 6% interest rate, and is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

March 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on April 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

March 27, 2017- The Company issued a note to an investor for cash proceeds of $30,500. The note matures on June 30, 2018 and carries an interest rate of 15%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

On April 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 5, 2017 the Company issued a convertible promissory note in the principal amount of $15,000 for proceeds to be used for general corporate purposes; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 11, 2017 the Company issued a convertible promissory note in the principal amount of $10,000 for proceeds to be used for general corporate purposes; the convertible note matures on November 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 1, 2017 the Company issued a convertible promissory note in the principal amount of $6,000 for past consulting services; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 2, 2017 the Company issued a convertible promissory note in the principal amount of $5,500 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 21, 2017 the Company issued a convertible promissory note in the principal amount of $2,465 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

Balances at June 30, 2017 are as follows:

Issuance Date	Outstanding Balance	Unamortized Discount	OID	Net value
October 1, 2016	$ 35,000	$ 14,123		$ 20,877
October 17, 2016	5,000	2,091		2,909
November 1, 2016	6,000	2,598		3,402
December 1, 2016	6,000	3,028		2,972
January 1, 2017	6,000	3,447		2,553
January 6, 2017	5,000	2,756	449	2,693
February 1, 2017	6,000	3,867		2,113
February 6, 2017	120,000	25,055		94,945
March 1, 2017	6,000	4,292		1,708
March 27, 2017	30,500	22,648		7,852
April 1, 2017	6,000	4,729		1,271
May 1, 2017	6,000	5,153		847
May 11, 2017	15,000	12,852		2,148
June 1, 2017	6,000	5,591		409
June 2, 2017	5,500	5,108		392
June 21, 2017	2,465	2,406		59
Total	$ 276,465	$127,299	449	$ 149,614
Long term	(6,000)	(5,591)	-	(409)
Short-term	$ 270,465	$121,708	$ 449	$ 149,205

Balances at December 31, 2016 are as follows:

Issuance Date	Outstanding Balance	Discount	Net value
October 1, 2016	$ 35,000	$28,015	$ 6,985
October 17, 2016	5,000	4,148	852
November 1, 2016	6,000	5,153	847
December 1, 2016	6,000	5,577	423
Total	$ 52,000	$ 42,893	$ 9,107
Long term	(6,000)	(5,577)	(423)
Short-term	$ 46,000	$ 37,316	$ 8,684

NOTE 9 – NON- CONVERTIBLE LONG-TERM DEBT

Non-convertible debt related to outstanding debt on the books of Affinity Beverage Group, Inc. prior to the acquisition of Village Tea, Inc. (See note 3, above). At December 31, 2016, the balance owed on such debt was $339,274. During the six months ended June 30, 2017, $39,400 of previously not-convertible debt was sold to a related party who renegotiated the debt into a convertible instrument.

NOTE 10 – PREFERRED STOCK

Series A

On August 17, 2015, Janon Costley, CEO of the Company was issued 500,000 shares of Series A Preferred stock. The 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.

Series B

In order to acquire Village Tea, the Company issued 131,250 shares of Series B Preferred Stock to the former founders and investors of Village Tea. The par value per share is $.0001 and the stated value is $4 per share:

In February 2017, the Company cancelled the Series B Preferred stock and issued a similar amount of Series D Preferred stock to the holders of the Series B Preferred stock there is currently no Series B Preferred stock outstanding.

Balances are as follows:

Book Value	2017 June 30	2016 December 31
Shares outstanding	-0-	131,250
Par value per share	\$.0001	\$.0001
Book value	\$ -0-	\$ 13

Stated Value	2017 June 30	2016 December 31
Shares outstanding	-0-	131,250
Stated value per share	\$ 4	\$ 4
Stated value	-	\$525,000

Series D

The holders of the Series B Preferred stock exchanged their shares for Series D Preferred stock. The terms are the same except for the following:

a. Series B is convertible at a 50% discount to the lowest closing bid price over the prior 30 days;
b. There is a 5% dividend.

Book Value	2017 June 30	2016 December 31
Shares outstanding	131,250	-0-
Par value per share	\$.0001	\$.0001
Book value	\$ 13	\$ -

Stated Value	2017 June 30	2016 December 31
Shares outstanding	131,250	-0-
Stated value per share	\$ 4	\$ 4
Stated value	\$525,000	\$ -0-

NOTE 11- STOCKHOLDERS' EQUITY

Common stock

The company's capitalization is 5,000,000,000 shares with a par value of $.001 per share. 4,970,000,000 of such shares shall be common stock and 30,000,000 shares shall be preferred stock At June 30, 2017 and December 31, 2016, there were 3,299,424,157 and 1,837,663,132 shares outstanding respectively.

Liabilities Purchase Agreement and Accounts Payable

On December 20, 2016, the Circuit Court in the Second Judicial District for Leon County, Florida entered an order approving the stipulation of the parties (the "Stipulation") in the matter of Tarpon Bay Partners ("Tarpon") LLC v. Affinity Beverage, Inc. The Stipulation was done in accordance with Section 3(a)(10) of the Securities Act of 1933. Under the terms of the Stipulation, we agreed to issue to Tarpon, as settlement of certain liabilities owed by us in the aggregate amount of $350,721.66 (the "Claim Amount"), shares of common stock (the "Settlement Shares"), as well as a promissory note in the principal amount of the $35,000.00 maturing six months from the date of issuance, as a fee to Tarpon ('Fee Note"). In addition, the Company also issued a promissory note to MD Global Partners of $7,500.00 under the same terms as the Fee Note. Tarpon had purchased the liabilities from our creditors who were both affiliated and non-affiliated.

Pursuant to the Stipulation entered into by the parties, we agreed to issue to Tarpon, in tranches as necessary, that number of shares of common stock sufficient to generate net proceeds (less a discount of 40%) equal to the Claim Amount, as defined in the Stipulation. The parties reasonably estimated that, should we issue Settlement Shares sufficient to satisfy the entire Claim Amount, the fair market value of such Settlement Shares and all other amounts to be received by Tarpon would equal approximately $585,000. Notwithstanding anything to the contrary in the Stipulation, the number of shares beneficially owned by Tarpon may not exceed 9.99% of our outstanding shares of common stock at any one time.

The creditors originally in this pool under this agreement are as follows:

Janon Costley	$	75,000
Madison Stock Transfer Inc.		26,634
Steven Heller		4,000
Curtis Edwards		31,587
Martin Ekechukwu		150,000
Trillium Partners		63,500
Total	$	350,722

During the six months ended June 30, 2017, the Company issued 818,167,625 shares to Tarpon pursuant to the program. During the period, all shares were sold and used to retire $350,722 of liabilities as follows:

Other current liabilities	$	287,222
Non- convertible short-term debt		63,500
Total retirements	$	350,722

As of June 30, 2017, the remaining balance is $-0-.

NOTE 12- SUBSEQUENT EVENTS

Issuance of Convertible debt

The following debt has been issued by the Company after the Balance Sheet date as of the date of this report:

July 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on August 31, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

August 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on September 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

September 1, 2017- the Company issued a note for consulting services for $6,000. The note matures on October 31, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.

The Company has two operating subsidiaries:

Village Tea- (majority owned) Village Tea sources high-quality, unique teas that are blended to create distinct flavor combinations which are packaged in a variety of creative and earth-friendly ways for wholesale and retail sales. The brand is currently available in several major retailers in North America including Vitamin Shoppe®, Whole Foods® Markets, Winners®, HomeSense® Akins/Chamberlin® Natural Foods Markets and many other independent specialty and grocery store retailers. Village Tea products are also available through ecommerce retailers such as Amazon, the company's own website, www.villageteaco.com and others.

Undone Chocolate- (majority owned) Undone Chocolate is Washington DC's first craft chocolate maker. It uses directly sourced products (without fats or emulsifiers) that are organic, devoid of gluten and soy and handcrafted from scratch. They provide a product line with diverse flavors at a low price point. The product is healthier than competing commercial products (e.g.- Three Musketeers, Nestle Crunch or Milky Way). Craft Chocolate like craft beer has found a target niche and is currently a $100 million market and is only five years old. Current products include truffles, almonds, mini bars as well as drinks such as tea and coffee. The product is sold in 130 locations, and in that time, they have sold 55,000 chocolate bars.

B. DATE AND STATE OF INCORPORATION

The Company was incorporated in the State of Nevada on March 2, 2006.

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary (and only) SIC code is 5063 (Holding Companies).

D. THE COMPANY'S FISCAL YEAR PERIOD END DATE

The Company's fiscal three month period ends on December 31.

E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS

The Company's product lines are specially steeped teas and a wide array of chocolate products

F. RESULTS OF OPERATIONS FOR THE PERIOD ENDED JUNE 30, 2017 COMPARED TO THE PERIOD ENDED JUNE 30, 2016:

All information related to Undone Chocolate relates to the period from May 16 through June 30. This was the time that Undone Chocolate was a part of the Company.

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017 COMPARED TO THE THREE MONTH PERIOD ENDED JUNE 30, 2016:

Revenues, cost of goods sold and gross margin

Revenues: The Company had $4,302 in revenue of for the three month period ended June 30, 2017, compared to $597 in revenue for the three month period ended June 30, 2016. The increase in revenues was entirely due to the acquisition of Undone Chocolate.

Cost of Goods sold: The Company incurred $2,580 in costs of goods sold for the three month period ended June 30, 2017 compared to $358 for the three month period ended June 30, 2016. The increase in cost of goods sold was entirely due to the higher revenues from the Undone Chocolate acquisition.

Gross Profit: The Company had gross profit of $1,721 for the three month period ended June 30, 2017 compared to $239 of gross profit for the three month period ended June 30, 2016.

Expenses

Derivativé expense was $50,965 in the period ended June 30, 2017 due to the issuance of debt. There was no debt issued in the same period in 2016.

Loss on conversion was debt was $16,308 in the current period. There were no conversions in the prior period.

Loss on Liabilities Purchase agreement was $60,632 in the current period. There was no liability purchase plan in the prior period. See Note 11 for more detail.

Write-off of Investment in Parker Technologies was $13,000 in the quarter ended June 30, 2017 as the Company no longer believes this investment will be realized.

Consulting fees were $18,000 in the current period versus $45,000 in the prior period. The monthly consulting accrual was reduced from $15,000 to $6,000.

General and administrative expenses were $70,909 in the current period versus $7,150 in the prior period. The increase of $63,759 was due to the following; a) $37,500 wage accrual for Mr. Costley, our CEO; b) approximately $25,100 at Village Tea and the parent company, and c) approximately $2,000 at Undone Chocolate.

Interest expense was $94,971 in the current period versus $2,980 in the prior period. $90,729 of the increase was due to the amortization of the discount on derivative securities in the current period. This is a non-cash item.

Insurance expense and Professional fees were $42,000 and $14,425 lower due to heavy expenditures in the prior period.

Net (Loss): The Company produced an operating loss for the three month period ended June 30, 2017 of ($316,971), compared to an operating loss of ($111,555) for the three month period ended June 30 , 2016. The main reason for the increase was due to greater levels of debt conversions plus greater issuances of debt.

RESULTS OF OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017 COMPARED TO THE SIX MONTH PERIOD ENDED JUNE 30, 2016:

All information related to Undone Chocolate relates to the period from May 16 through June 30. This was the time that Undone Chocolate was a part of the Company.

Revenues, cost of goods sold and gross margin

Revenues: The Company had $4,302 in revenue of for the six month period ended June 30, 2017, compared to $3,439 in revenue for the six month period ended June 30, 2016. The increase in revenues was entirely due to the acquisition of Undone Chocolate.

Cost of Goods sold: The Company incurred $2,580 in costs of goods sold for the six month period ended June 30, 2017 compared to $2,063 for the six month period ended June 30,

2016. The increase in cost of goods sold was entirely due to the higher revenues from the Undone Chocolate acquisition.

Gross Profit: The Company had gross profit of $1,721 for the six month period ended June 30, 2017 compared to $1,376 of gross profit for the six month period ended June 30, 2016.

Expenses

Derivative expense was $224,465 in the period ended June 30, 2017 due to the issuance of debt. There was no debt issued in the same period in 2016.

Loss on conversion was debt was $172,506 in the current period versus $13,000 in the prior period. There were limited conversions in the prior period.

Loss on Liabilities Purchase agreement was $75,527 in the current period. There was no liability purchase plan in the prior period. See Note 11 for more detail.

Write-off of Investment in Parker Technologies was $13,000 in the quarter ended June 30, 2017 as the Company no longer believes this investment will be realized.

Consulting fees were $154,000 in the current period versus $45,000 in the prior period. The increase was due to an accrual for $120,000 which had been for prior consulting services but had not been accrued. This was partially offset by a reduced monthly consulting accrual fee on ongoing services.

General and administrative expenses were $130,187 in the current period versus $25,872 in the prior period. The increase of $124,315 was due to the following; a) $75,000 wage accrual for Mr. Costley, our CEO; b) approximately $47,000 at Village Tea and the parent company, and c) approximately $2,000 at Undone Chocolate.

Interest expense was $146,238 in the current period versus $5,960 in the prior period. $140,059 of the increase was due to the amortization of the discount on derivative securities in the current period. This is a non-cash item.

Insurance expense and Professional fees were $42,000 and $14,425 lower due to heavy expenditures in the prior period.

Net (Loss): The Company produced an operating loss for the six month period ended June 30, 2017 of ($915,018), compared to an operating loss of ($144,881) for the six month period ended June 30 , 2016. The main reason for the increase was due to greater levels of debt conversions plus greater issuances of debt.

Liquidity and Capital Resources:

During the six month period ended June 30, 2017, the Company utilized $195,643 in conducting its operations versus a cash utilization of $106,495 for the six months ended June 30, 2016

During the six month period ended June 30, 2017, the Company generated $216,500 from financing sources versus of $106,355 for the six months ended June 30, 2016. The main reason for the increase was the issuance of debt for consulting services plus shares issued though the Liabilities Purchase Agreement. See Note 11 above for more detail.

Since we have approximately $17,000 in cash, we believe we currently do not have sufficient funds to carry out normal operations over the next six (6) months. Our short and long-term survival is dependent on funding from sales of securities as necessary or from shareholder loans, and thus, to the extent that we require additional funds to support our operations or the expansion of our business, we may attempt to sell additional equity shares or issue debt. Any sale of additional equity securities will result in dilution to our stockholders. Recent events in worldwide capital markets may make it more difficult for us to raise additional equity or capital. There can be no assurance that additional financing, if required, will be available to us or on acceptable terms.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the six months ended June 30, 2017 or June 30, 2016.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

At this time the Company does not have any significant tangible assets and is in the process of identifying suitable targets for acquisition. The Company does not own any real estate and leases office space on a month-to-month basis.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS

The current president and secretary of the Company Janon Costley, was hired on August 17, 2015. Mr. Janon Costley is the chairman and sole current member of the Board of Directors of the Company. Mr. Costley is the owner of the 500,000 shares of Series A preferred stock. The 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five three month periods, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

NO.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities:

NO.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated:

NO.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities:

NO.

C. BENEFICIAL SHAREHOLDERS

Paul Bakajin
512 N. Juanita Avenue, Unit A
Redondo Beach, CA 90277

Mr. Bakajin is the owner of 365,920,000 common shares of the Company.

Janon Costley
c/o Affinity Beverage, Inc.
810 7th Street, NE, # 01244,
Washington DC 20002

Mr. Costley is the owner of 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.

ITEM 9. THIRD PARTY PROVIDERS

A. Legal Counsel

Matheau J.W. Stout
400 E. Pratt Street
Eighth Floor
Baltimore MD, 21202

Tel: (410) 429-7076

B. Accountant or Auditor

None

C. Investor Relations Consultant

D. Other Advisor(s)

Martin Ekechukwu

ITEM 10. OTHER INFORMATION

On August 17, 2015, Bill Schaefer resigned from his positions as CEO and director and Janon Costley was appointed elected to the Board of Directors and hired as the new CEO. It is the intention of new management to change the business direction of the company into a different and more profitable industry after first completing an internal reorganization.

On November 5, 2015, the Company entered into an agreement with Accelpath, Inc., to acquire its wholly-owned subsidiary, Village Tea Company Distribution, Inc., in equity exchange. Village Tea Company Distribution, Inc., sources high quality, unique teas that are blended to create distinct flavor combinations which are packaged in a variety of creative and earth-friendly ways for wholesale and retail sales. The brand has been sold in several major retailers in North America including Vitamin Shoppe, Whole Foods and many other independent specialty and grocery store retailers. Its products are also available through e-commerce retailers such as Amazon and the company's own website: www.villageteaco.com.

On April 12, 2016, the Company received final approval from FINRA to change the name of the Company to Affinity Beverage Group, Inc., with a new trading symbol of ABVG and a new CUSIP number of 00831F101. The change is effective April 13, 2016, and will be reflected in future filings after that date.

On April 1, 2016, the Company's wholly owned subsidiary, Village Tea Company Distribution, Inc executed a multi-three month period supply agreement with Sodexo Operations, LLC to become an approved supply partner/vendor of Sodexo and its affiliates.

On May 6, 2016 the Company's wholly owned subsidiary, Village Tea Company Distribution Inc., renewed its national minority certification with the Capital Region of the National Minority Supplier Development Council (NMSDC).

On June 9, 2016 the company's wholly owned subsidiary, Village Tea Company Distribution, Inc entered into a commission based sales brokerage agreement with Artisanal Edge. LLC d.b.a. Jawea Frozen Desserts to provide sale broker and business services for its Jawea brand of vegan, non-dairy ice cream.

On June 29th, the company's wholly owned subsidiary, Village Tea Company Distribution, Inc entered into a binding memorandum of understanding with Undone Chocolate for the purposes of identifying potential projects (the "Projects") that the parties, each employing their unique areas of expertise, can collectively develop, capitalize, monetize, and exploit, specifically co-branded chocolate bars, teas and other related opportunities.

On August 22, 2016, the Company's wholly owned subsidiary, Village Tea Company Distribution, Inc executed a supply agreement to become an approved supply partner/vendor Carnival Corporation and each operating company of Carnival Corporation and/or Carnival plc.

On February 22, 2017 the Company entered into an LOI with Undone Chocolate, LLC to acquire a controlling interest in the company.

On March 24, 2017 the Company the DTC Chill restriction was removed and the Company is now DWAC/FAST eligible

On May 18, 2017 the Company acquired a controlling interest in Undone Chocolate, LLC, making it a wholly owned subsidiary of Affinity Beverage Group, LLC

ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, Janon Costley, certify that:

1. I have reviewed this quarterly disclosure statement of Affinity Beverage Group, Inc .

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present, in all material respects, the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/Janon Costley
Janon Costley, CEO
Dated: October 6, 2017