

AVATAR VENTURES CORP.

BALANCE SHEET

JULY 31, 2014 AND 2013
(UNAUDITED)

	2014	2013
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 11,863	\$ -
Prepaid Expenses	<u>8,000</u>	<u>-</u>
TOTAL CURRENT ASSETS	\$ 19,863	\$ -
TOTAL ASSETS	<u>\$ 19,863</u>	<u>\$ -</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 28,131	\$ 25,631
TOTAL CURRENT LIABILITIES	\$ 28,131	\$ 25,631
LONG TERM LIABILITIES		
Convertible Notes	\$ 34,291	\$ -
TOTAL LONG TERM LIABILITIES	\$ 34,291	\$ -
STOCKHOLDERS' DEFICIT		
Capital Stock		
75,000,000 shares authorized, \$.001 par value		
70,634,615 issued and outstanding July 31, 2014 and 2013	\$ 70,635	\$ 70,635
Additional paid in capital	814,704	814,704
Accumulated deficit	<u>(927,898)</u>	<u>(910,970)</u>
TOTAL STOCKHOLDERS' DEFICIT	\$ (42,559)	\$ (25,631)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 19,863</u>	<u>\$ -</u>

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

AVATAR VENTURES CORP.

STATEMENT OF OPERATIONS

YEAR ENDED JULY 31, 2014 AND 2013
(UNAUDITED)

	2014	2013
REVENUE	\$ <u> -</u>	\$ <u> -</u>
OPERATING EXPENSES		
General and Administrative	\$ 2,062	\$ 610
Accounting Fees	3,000	-
Consulting Fees	6,190	-
Corporate Fees	1,495	-
Finders Fees	3,431	-
Investor Relations	<u>750</u>	<u>-</u>
TOTAL OPERATING EXPENSES	\$ <u>16,928</u>	\$ <u>610</u>
NET LOSS	\$ <u>(16,928)</u>	\$ <u>(610)</u>

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

AVATAR VENTURES CORP.

STATEMENT OF STOCKHOLDERS' DEFICIT

JULY 31, 2014 AND 2013
(UNAUDITED)

		Common Stock Number of Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Total
BALANCE	August 1, 2012	70,634,615	\$ 70,635	\$ 814,704	\$ (910,360)	\$ (25,021)
Net loss for the year ended July 31, 2013					<u>(610)</u>	<u>(610)</u>
BALANCE	July 31, 2013	70,634,615	\$ 70,635	\$ 814,704	\$ (910,970)	\$ (25,631)
Net Loss for the year ended July 31, 2014					<u>(16,928)</u>	<u>(16,928)</u>
BALANCE	July 31, 2014	70,634,615	\$ 70,635	\$ 814,704	<u>\$ (927,898)</u>	<u>\$ (42,559)</u>

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

AVATAR VENTURES CORP.

STATEMENT OF CASH FLOWS

YEAR ENDED JULY 31, 2014 AND 2013
(UNAUDITED)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (16,928)	\$ (610)
Changes in operating assets and liabilities		
(Increase)decrease in prepaid expenses	(8,000)	-
Increase(decrease) in accounts payable and accrued liabilities	<u>2,500</u>	<u>610</u>
NET CHANGE IN CASH FROM OPERATING ACTIVITIES	<u>\$ (22,428)</u>	<u>\$ -</u>
NET CHANGE IN CASH FROM INVESTING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in convertible notes	<u>\$ 34,291</u>	<u>\$ -</u>
NET CHANGE IN CASH FROM FINANCING ACTIVITIES	<u>\$ 34,291</u>	<u>\$ -</u>
NET INCREASE IN CASH	\$ 11,863	\$ -
CASH, BEGINNING	<u>\$ -</u>	<u>\$ -</u>
CASH, ENDING	<u>\$ 11,863</u>	<u>\$ -</u>

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

AVATAR VENTURES CORP.

NOTES TO FINANCIALS STATEMENTS JULY 31, 2014

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

AVATAR VENTURES CORP. was incorporated in the State of Nevada as a for-profit Company on August 14, 2006 and established a fiscal year end of July 31. The Company was then organized to enter into the aftermarket electronic accessories for motor vehicles. That business ceased in November 2013 and the Company is now under new management. Currently the Company is exploring opportunities in the t-shirt/garment industry and entertainment businesses. The Company welcomes comments or questions from shareholders and the investment community regarding these financial statements and its business plans. Please visit our website at www.avatarvcorp.com to contact the Company.

Going concern

To date the Company has generated no revenues from its business operations and has incurred operating losses since inception of \$927,898. As at July 31, 2014, the Company had a working capital deficit of \$8,268. The Company will require additional funding to meet its ongoing obligations and to fund anticipated operating losses. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company intends to continue to fund its business through private placements and advances from related parties as may be required. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

NOTE 2 - MANAGEMENT CHANGE

On September 30, 2013, Voltaire Gomez resigned as President and a Director of the Company. On September 30, 2013 Zhen Chen resigned as Director and Chief Operating officer of the company. On September 30, 2013, Edward Minnema, was appointed President and sole Director of the Company.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements present the balance sheet, statements of operations, stockholders' equity (deficit) and cash flows of the Company. The financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

Use of Estimates and Assumptions

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Loss per Common Share

The basic earnings (loss) per share is calculated by dividing the Company's net income available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share is 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 for any potentially dilutive debt or equity. Diluted earnings (loss) per share are the same as basic earnings (loss) per share due to the lack of dilutive items in the Company. As of July 31, 2014 and 2013, the Company had no common stock equivalents.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances and tax loss carry-forwards. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those 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 that includes the date of enactment or substantive enactment.

Recent Accounting Pronouncements

In June 2014, the FASB issued ASU 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation". The guidance eliminates the definition of a development stage entity thereby removing the incremental financial reporting requirements from U.S. GAAP for development stage entities, primarily presentation of inception to date financial information. The provisions of the amendments are effective for annual reporting periods beginning after December 15, 2014, and the interim periods therein. However, early adoption is permitted. Accordingly, the Company has adopted this standard as of July 31, 2014.

The Company does not expect the adoption of any other recent accounting pronouncements to have a material impact on its financial statements.

NOTE 4 – RELATED PARTY TRANSACTIONS

Compensation and Consulting Fees

From October 2013 through July 2014, Edward Minnema, President, CEO and Director received \$500 per month in consulting fees.

NOTE 5 – INCOME TAXES

The provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported at July 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net Loss before income taxes per financial statements	\$ (16,928)	\$ (610)
Income tax rate	<u>34%</u>	<u>34%</u>
Provision for income taxes at federal rate	\$ (5,755)	\$ (207)
Valuation allowance	<u>5,755</u>	<u>207</u>
Provision for income taxes, as reported	<u>\$ -</u>	<u>\$ -</u>

The significant components of the deferred income tax asset at July 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Deferred Income tax asset	\$ 315,485	\$ 309,730
Valuation Allowance	<u>(315,485)</u>	<u>(309,730)</u>
Deferred Income tax asset, as reported	<u>\$ -</u>	<u>\$ -</u>

No provision for income taxes has been reported in these financial statements due to the net loss for the years ended July 31, 2014 and 2013. The Company has recognized a valuation allowance for the deferred income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The valuation allowance is reviewed annually.

The Company did not have any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of July 31, 2014 and 2013, the Company had no accrued interest or penalties related to uncertain tax positions. The tax years that remain subject to examination by major taxing jurisdictions are for the years ended July 31, 2014 through July 31, 2009.

NOTE 6 - CONVERTIBLE PROMISSORY NOTES

On November 26, 2013 the Company issued three Convertible Promissory Note totaling \$34,291. If the Notes were not converted within 180 days they were subject to an annual interest rate of 15%, payable within thirty days from the due date. The Holders have the right, from and after the issuance of the Note and then at any time at the Holders' option, to convert, in whole or in part, the then outstanding balance of the principal amount of the Note. The Conversion price was \$0.02858 per share (1,200,000 common shares). In addition, the Convertible Promissory Notes include a twelve month warrant (1,200,000 shares) at a conversion price of \$0.15 per share. Mr. Minnema, President, was a participant. The Company has since agreed to amend the conversion price to \$0.02 per share to reflect the depressed share value.

NOTE 7 – SUBSEQUENT EVENT

On January 2, 2015 the Board of Directors agreed to pay Mr. Minnema \$2,000 per month in consulting fees. In addition, the Board of Directors agreed that Mr. Minnema will receive 5,000,000 common shares upon his willful resignation from the Company. Further, the Board of Directors agreed that Mr. Minnema will receive 30,000,000 common shares or its equivalent in cash upon his separation from the Company for any other reason except for cause.

On February 28, 2015 Mr. Minnema was compensated 1,500,000 shares at \$.01 per share, for services rendered for calendar year 2014.

On August 5, 2015 the Company engaged Mr. William Wilson as a consultant. Mr. Wilson will be issued 1,500,000 shares, at \$.01 per share in lieu of cash for his services for a one year period.

CERTIFICATION

I, Edward Minnema, certify that:

1. I have reviewed these financial statements and the accompanying notes of Avatar Ventures Corp. for the fiscal year ended July 31, 2014;
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 Company as of, and for, the periods presented in this report;

Date: October 26, 2015

/s/ Edward Minnema

Edward Minnema

CEO and Director

Principal Executive Officer

Principal Financial Officer