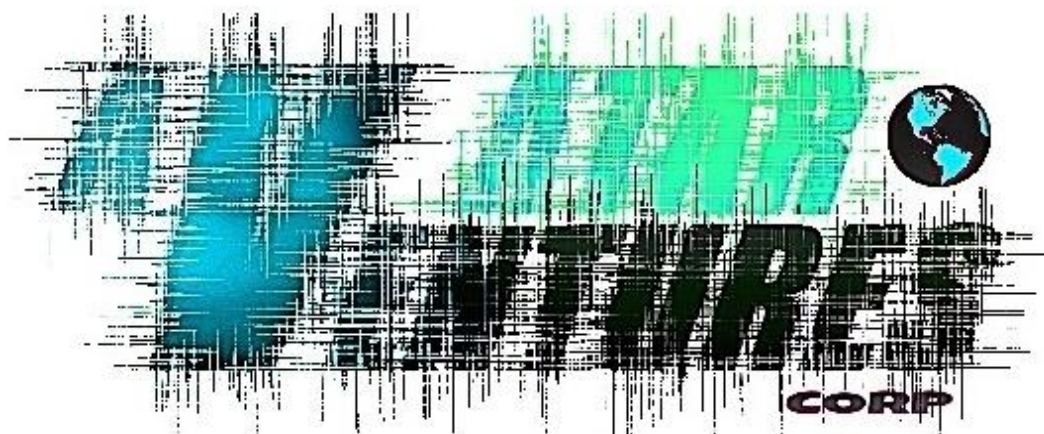


ANNUAL REPORT



Avatar Ventures Corp. (a Nevada Corporation)

Carson City, NV 89703 USA

112 North Curry Street

(647) 706-1923

For the YEAR ended JULY 31, 2016

AVATAR VENTURES CORP.

Year End July 31, 2016

Information required for compliance with the provisions of the Pink Sheets, LLC, Guidelines for Providing Adequate Current Information (Version 9.7 – 7-22-09)

Because we want to provide more meaningful and useful information, this Issuer Information Statement contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend,” and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the factors set forth under “Item XVI. Management's Discussion and Analysis or Plan of Operation.” We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Issuer Information Disclosure.

Part A General Company Information

Item I The exact name of the issuer and its predecessor (if any).

The exact name of the Issuer is Avatar Ventures Corp. (the “Issuer” or “Company”).

Other than listed above, the Company has used no other names in the past five years.

Item II The address of the issuer’s principal executive offices.

112 North Curry Street
Carson City, NV
89703 (647) 706-1923

Item III The jurisdiction(s) and date of the issuer’s incorporation or organization.

Avatar Ventures Corp., incorporated August 14, 2006
State: Nevada

Part B Share Structure

Item IV The exact title and class of securities outstanding.

The Company has authorized one class of securities, common stock, par value \$0.001

The issuer's CUSIP number is 05350B100

The issuer's trading symbol is ATAR.

The issuer has one class of common stock with 190,000,000 common shares authorized

The issuer has a “blank check” preferred stock with 10,000,000 authorized.

Item V The par or stated value of each class of security.

- A. Par or Stated Value. Provide the par or stated value for each class of outstanding securities.

The par value for the common stock authorized and issued by the issuer is \$0.001.

- B. Common or Preferred Stock.

1. Each share of common stock of the Issuer has one vote, and is entitled to dividends, if and when authorized and issues by the Board of Directors. There are no preemptive rights.
4. There are no provisions in the Company’s corporate charter or by-laws that would delay, defer or prevent a change in control of the Company.

Item VI The number of shares or total amount of the securities outstanding for each class of securities authorized.

Common Stock

		Fiscal Year End	Quarter Ended	Current
Period End Date		7/31/2015	7/31/2016	10/31/2016
Common Shares Authorized		75 milliOn	200 million*	200 million*
Common Shares Outstanding		74,834,615	89,639,615	103,262,215
Free Trading Common Shares		32,500,000	34,322,600	34,322,600
Total Number of Shareholders		20	20	24

*includes 10,000,000 preferred shares

The Company also initiated a Stock Option Plan on May 24th, 2016. AVATAR has set aside 15,000,000 common shares for the purpose of issuing options to management and others as designated by the Board of Directors. Options issued to date are listed in accompanying Table.

STOCK OPTIONS ISSUED AND OUTSTANDING:

Shares approved under Stock Option Plan May 24 th , 2016	15,000,000
Options issued to Edward Minnema May 24 th , 2016	
Terms: 1,500,000 shares, exercise price \$0.03, 12 month expiry	-1,500,000
1,500,000 shares, exercise price \$0.10, 24 month expiry	<u>-1,500,000</u>
Balance	12,000,000
Options issued to Michael Morrison May 24 th , 2016	
Terms: 1,500,000 shares, exercise price \$0.03, 12 month expiry	-1,500,000
1,500,000 shares, exercise price \$0.10, 24 month expiry	<u>-1,500,000</u>
Balance	9,000,000

Part C Business Information**Item VII The name and address of the transfer agent.**

Empire Stock Transfer
1859 Whitney Mesa Dr.
Henderson, Nevada,
89014 702-818-5898
www.empirestock.com

Empire Stock Transfer is registered under the Securities Exchange Act of 1934, and as such is regulated by the Securities and Exchange Commission.

Item VIII The nature of the issuer's business.**Part A Business Development.****1. The form of the organization of the issuer;**

Avatar Ventures Corp. is a Nevada Corporation.

2. The year the issuer (or any predecessor) was organized;

The Issuer was organized under the laws of the State of Nevada in 2006 under the name Avatar Ventures Corp.

3. The Issuer's fiscal year end date;

The issuer's fiscal year end date is July 31.

4. Whether the issuer (and/or any predecessor) has been in bankruptcy, receivership, or any similar proceeding;

There have been no such proceedings.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business;

The Issuer has not effectuated a reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

6. Any default of the terms of any note, loan, lease, or other indebtedness or other indebtedness or financing arrangement requiring the issuer to make payments.

The Company has not defaulted on any note, loan, lease or other indebtedness or financing arrangement which would require AVATAR to make payments.

7. Any change of control

As of the date of this disclosure there has been no change of control.

8. Any increase in 10% or more of the same class of outstanding equity securities;

Avatar has increased its outstanding equity securities (common shares) by more than 10%.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

On January 28, 2011 the Company declared a dividend of 12 new shares for every old share held. On February 7, 2016 the Company authorized an increase of its authorized shares to 200,000,000 (190,000,000 common, 10,000,000 preferred) The Company does anticipate either a stock split, a recapitalization or a combination of in the near future.

10. Any delisting of the issuer's securities by any securities exchange or NASDAQ;

There has been no delisting of the issuer's securities by any securities exchange or NASDAQ. On April 6th, 2015 the Company filed a Form Certification and Notice of Suspension of Duty to File Reports under Sections 13 and 15(d) of the Securities Exchange Act of 1934.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

There are no current, past, pending or threatened legal proceedings or administrative

actions either by or against the issuer that could have a material effect on the Issuer's business, financial condition, or operations. In respect to current past, current or pending suspensions by a securities regulator, Avatar Ventures Corp. (ATAR) was suspended from trading for ten (10) trading days by the SEC. The company released a statement prior to the suspension that it was made aware of a paid third party stock promotion which was both inaccurate and or outdated.

Part B - Business of Issuer.

1. The issuer's primary and secondary SIC codes;

The issuer's primary SIC Code is 7929 and secondary codes of 7352.

2. Whether the issuer has never conducted operations, is in the development stage or is currently conducting operations.

The Issuer anticipates receiving royalty payments to some extent in the fiscal 2nd quarter, 2017. The Issuer's initial plans to start operations in the Country of Jamaica has been delayed due to interest in Texas, New York and Toronto from parties interested in setting up their own printed garment business using Avatar's support, materials and processes. The agreement signed in Texas will be a template and model for future Agreements.

AVATAR also has distribution rights and the right to rebrand in respect to AutoArt's products. During the course of the past months the Company has been consulting with AutoArt Color Solutions in regards to the specialized product.

Upon perceived success of AVATAR'S affiliated North American partners AVATAR will proceed to the Caribbean, initially in Jamaica.

During the quarter ended April 30th, 2016 the company had showcased three of its products, the WRITE-N-WIPE-TEES, the ORIGINAL-ARTIST-TEES and its t-shirts pressed with Virtually Photographic Quality images.

3. Whether the issuer is or has at any time been a "shell company".

The issuer was in the past dormant and without business or operation, clearly coming under the aegis of 114(i) and thus a "shell company". However the Company now has been testing product for a fair period of time and assisting AutoArt in research and development. The Company will be a royalty/licensing based business alone with exclusive distributor rights for the Caribbean. Avatar has signed an initial Agreement in Texas in regards to this concept. AVATAR has also signed intents with parties in Toronto and New York. The Company will still focus on the Caribbean, starting with Jamaica in the future for initial trials and viability.. By a definitional basis, AVATAR should no longer be considered a shell company as per SEC Release No. 33-8869.

4. The names of any parent, subsidiary, or affiliate of the issuer, and describe its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure document.

There are no parents or subsidiaries of issuer that are included in the financial statements attached to this disclosure document. AVATAR is affiliated with AutoArt Color Solutions, a private corporation located in Oakville, Ontario, Canada. AutoArt will supply AVATAR

with custom paper products to facilitate AVATARS planned operations and for resale purposes. The principal owner of AutoArt is Mr. Ken Black. Mention of AutoArt is included in the accompanying financial statements.

5. The effect of existing or probable governmental regulations on the business;

There are no known effects on existing or probable governmental regulations on the ongoing operations of the business.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and if applicable, the extent to which the cost of such activities are borne directly by customers;

During the last fiscal year the company has spent approximately \$10,000 on testing and development costs. These costs are not borne directly by the customer. There were no expenditures the previous fiscal year due to research and development.

7. Costs and effects of compliance with environmental laws (federal, state and local);

Not applicable.

8. Total number of employees and number of full time employees;

The issuer at the date of this disclosure has no full time employees.

Item IX The nature of products or services offered.

Avatar Ventures is a garment based company which designs and prints its own unique designs for apparels. AVATAR has resale and distribution agreements for the products used in relation to printable garments. AVATAR may also manage and promote music artists to the public sector. Our primary focus will be corporations, the general public, musicians, photographers, athletes, singers and tourism.

ITEM X: The nature and extent of the issuer's facilities:

The Issuers current facility is small in nature and is currently and primarily used for testing purposes. The Company also plans two small facilities in Jamaica for testing and production and will be temporary in nature. Upon a successful entrance into the marketplace, management will decide on suitable premises based on foreseen demand.

The Company owns no real estate. It currently rents a small unit in Toronto, Canada at 380 Alliance Ave, Unit 418 for testing purposes. Our US corporate address currently is located at 112 North Curry Street, Carson City, Nevada, 89703

ITEM IX:

A. Principal Service: AVATAR is primarily engaged in the design and custom design of apparel to

the general public. AVATAR will also resell and distribute products in relation to apparel printing. AVATAR is also looking to engage in talks with artists in the music industry, photographers, athletes, graphic artists, celebrities and artists (painters) etc. for collaborations.

B. A competitive position in the industry will result from the turnover of product, including unique and creative print design, and the durability and vibrancy of such products. Sources and availability of raw materials is not conducive to our success. Apparel, supplies and equipment are readily available from many sources.

C. Status of any publicly announced new product or service;

AVATAR has announced in general its intents. At the time of this disclosure, AVATAR is anticipating the start up in TEXAS of the first of AVATAR's Affiliates. Avatar has during this quarter engaged in unofficial talks regarding a few opportunities. AVATAR has previously announced its products, the WRITE-N-WIPE-TEE and the ORIGINAL-ARTIST-TEE. The Company's products mentioned above are complete in respect to their development.

D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

Principal Service: AVATAR is primarily engaged in its own creative design of prints using the TPOPPS Transfers. Limiting or advancing AVATAR initially we be investment and funding opportunities. AVATAR is also solely reliant on AutoArt Color Solutions Inc. to provide it with quality and timely products when required. One method of competition is to present to the public unique print ideas not yet readily available. Avatar will and is willing to enter possible partnerships and licensing agreements with other entities.

E. Sources and availability of raw materials.

Sources and availability of raw materials is not conducive to our success. Apparel, supplies and equipment are readily available from many sources. AVATAR is to some extent reliant on the success and delivery schedules of Auto ART Color Solutions.

F. Dependence on one or a few major customers;

The Company does not believe that is will be dependent upon a few major customers for its sales.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements, or labor contracts, including their duration;

AVATAR currently has none of the above, but may apply for trademarks and or copyrights if deemed necessary.

H. The need for government approval of principal products or services and the status of any requested government approvals.

Government approval in Jamaica to launch a garment business in its own does not require approval. What is required is a legal entity, tax ids, insurance etc. As the President of AVATAR has both family and friend ties in Jamaica, previously he has applied and or inquired in respect to such requirements. The President of AVATAR, during his travels will adjust or reapply for the necessary documents to conduct business.

Part D Management Structure and Financial Information

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

A – Officers and Directors

Director, President, Ceo, Secretary, Chairman

Edward Minnema, Hastings, Ontario, Canada

Edward has owned and operated businesses for many years in the HVAC industry. Edward was past President, CEO and Director of Diversified Secure Ventures Corp., an OTCMARKETS traded corporation which traded under the symbol SRWY. SRWY has since done a merger with Go Green Global Technologies and Edward had subsequently resigned from the resulting new corporation. Edward has also served as consultant and Investor Relations for a number of publicly traded corporations in Canada and the United States including but not limited to HiHo Silver Resources and Seen on Screen TV.

Director, Treasurer

Michael Morrison, Rhode Island, USA

Michael is currently employed in the defense sector, have been employed for 40 years with a major defense contractor. Michael is well versed in investing and funding strategies.

Control Person

Zhen Chen, China

Mr. Chen owns 35,750,000 common shares

B - Legal/Disciplinary History Identify whether any of the foregoing persons have in the last five years, 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);

None of the foregoing persons have been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

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 a person's involvement in any type of business, securities, commodities, or banking activities;

None of the foregoing persons have been the subject of any order, judgment, or decree, that permanently or temporarily enjoined, barred, suspended or otherwise limited such a person's

involvement in any type of business, securities, commodities, or banking activities

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, 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;

None of the foregoing persons have been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law.

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.

None of the foregoing persons have been the subject of any 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.

C - Disclosure of Certain Relationships

There are no relationships between the officers and directors outside the Company.

D - Disclosure of Related Party Transactions

From October 2013 through December 2014, Edward Minnema, President, CEO and Director received \$500 per month in consulting fees. 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 November 26, 2013 the Company issued three Convertible Promissory Notes totaling \$34,291. The Holders had the right, from and after the issuance of the Notes 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 amended to \$0.01905 per share (1,800,000 shares). In addition, the Convertible Promissory Notes included a twelve month warrant (1,200,000 shares) at a conversion price of \$0.15 per share. Mr. Minnema, President, was a participant.

On December 11, 2014, two convertible promissory notes were converted into 1,200,000 shares of the Company's common stock at a price of \$.01905 per share. Mr. Minnema, President, did not convert his promissory note. The twelve month warrants to purchase 1,200,000 shares of the Company's common stock at a price of \$.15 per share issued with the convertible promissory notes expired.

On February 15, 2016, Michael Morrison was compensated 1,500,000 shares for in lieu of at a par value of \$0.015 in lieu of cash for a year of services rendered end February 15, 2017.

On April 5, 2016 Edward Minnema was issued 11,430,000 restricted control person shares. The shares were issued for Aged Convertible Debt of \$11,430 posted on the books September, 2013.

E - Disclosure of Conflicts of Interest

There are no business relationships outside of the company with the officers and directors of the Company to cause a conflict of interest.

Item XII Financial information for the issuer's most recent fiscal period.

See attached.

Item XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Item XIV Beneficial Owners.

Zhen Chen of China is the largest shareholder holding 35,750,000 shares or approximately 40% of AVATAR issued stock.

Edward Minnema, President and Director currently holds 12,930,000 shares of AVATAR stock.

Michael Morrison, Director and Treasurer currently holds 3,100,000 shares of AVATAR stock.

Item XV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker

None

2. Promoters

None

3. Counsel

4. Accountant or Auditor

The Woodward Group LLC

P.O. Box 270319

West Hartford, CT

73142

5. Public Relations Consultant(s)

- a. Investor Relations Consultant

- b. Counsel

- c. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Item XVI Management's Discussion and Analysis or Plan of Operation.

CORPORATE PROFILE

AVATAR 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 the aftermarket electronic accessories for motor vehicles. Currently the Company is looking to engage in the printed t- shirt, garment, and apparel industries along with entertainment.

Business Overview

On Sept 1, 2015 the Company entered an agreement with AutoArt Color Solutions of Oakville Ontario. Under the terms of the agreement, Company has the right to use AutoArts print shirt products and processes for a period of xx years. The agreement also grants the Company the right to resell and distribute the products initially in the country of Jamaica. The agreement contains no provision for the Company to issue any of its common shares to AutoArt Color Solutions. The Company is required to make a payment to AutoArt color Solutions of \$10,000 within six months of the signing of the agreement. On February 29th, 2016 AVATAR filed an amendment with the agreement with AutoArts, stating an extension until July 31st, 2017, and added a distribution agreement to all of the Caribbean. AVATAR intends to rebrand the products available to it from AutoArts.

Avatar has showcased 3 products with full intentions on bringing these products to market.

Outlook

AVATAR'S corporate strategy is to become a revenue producing company, resulting in generated revenues and thus increasing cash flow and cash flow per share while becoming profitable.

AVATAR'S unique products, existing products with a twist and conventional t-shirt printing will have a target base to virtually all demographics and industries, consumer, commercial and industrial.

In order to sustain growth and insure future profitability as a company, AVATAR will require funding to expand on these potential successes. AVATAR is also solely reliant on its transfer paper and complimentary product supplier. The printed garment industry is a massive market that always has room for unique and creative design options and tapping even a small portion of its multi billion dollar market could prove lucrative.

AVATAR current plans are to sign corporations and individuals to provide in house garment printing for their own uses and demographics while also having the ability to sell to the public through their respective online stores. These affiliates will be responsible for their equipment. AVATAR will provide training, support, advertising and promotion. Each garment sold is required to display AVATAR'S brand logo, Tees2BSeen, seen below.

As a revenue source, AVATAR will receive Royalty/Licensing fees per each item sold. The royalty fees will be on a graduated basis. AVATAR'S initial affiliate, Konciniti LLC of Texas will be a basic template of such Agreements and is available for viewing on OTC MARKETS, stock symbol ATAR, Filings and Disclosure page.

Subsequent to the successful launch of a number affiliates, AVATAR will "groom" an individual to manage the signing up of other affiliates.

AVATAR also has its own developed products, the WRITEnWIPE Tees and the ORIGINALARTIST Tees which we hope to soon be a focus.

AVATAR still has plans for the Caribbean all be it delayed somewhat as per above. AVATAR'S target will still be initially in Jamaica, for a number of reasons, the ample workforce, the warm climate which

provides for a lighter clothing year round and that the government is encouraging foreign investment. Mr. Minnema, President of AVATAR also has numerous ties to the Island. AVATAR is also working on other ideas pertaining to the printed garment industry, but they are in the early stages of planning.

RISKS AND UNCERTAINTIES

The business of garments, apparel and music is contingent on creativity, advertising and promotion. Information on these and other risk factors that could affect operations or financial results are included in more detail under the heading “RISK FACTORS”

COMMITMENTS

In the normal course of business, AVATAR may enter into contractual obligations including the following:

- purchase of services;
- royalty agreements;
- operating agreements;
- licensing agreements;
- lease agreements for office space, production space, office equipment and production equipment

RISK FACTORS

The garment and music industry are considerably stable environments in of themselves. Risk factors affecting Avatar will be on its ability to be creative and unique in respect to competition. The success or failure in respect to the company’s ability to attract funding and or strategic alliances will be key factors. AVATAR is to some extent reliant on timely supply from its supplier of coated sheets.

Operational Risk

The Corporation’s operational risks rely mainly on AVATAR management’s ability to attract and raise necessary capital to facilitate expansion and growth. AVATAR does not foresee any risk arising from doing operations in the Country of Jamaica. Likewise, Jamaica has a large workforce available. AVATAR will decide in the future if Jamaica is a suitable country for operations in respect to the surrounding Caribbean community and other countries logistically.

Environmental Risk

None

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All forward-looking statements are based on the Corporation’s beliefs and assumptions based on information available at the time the assumption was made. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. AVATAR believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A.

In particular, but without limiting the forgoing, this MD&A contains forward-looking statements pertaining to the expected sources of funding for the capital expenditure.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Except as required under applicable securities laws, AVATAR does not undertake any obligation to publicly update or revise any forward-looking statements.

Part E Issuance History

Item XVII List of securities offerings and shares issued for services in the past two years.

On December 11, 2014, the Company issued 1,200,000 at \$0.019 per share for cash proceeds of \$22,860 as per Convertible Notes. The Company issued a warrant agreement to two investors for 1,200,000 shares exercisable at \$0.15 expiring on December 15, 2015. The warrant agreements were cancelled by the two participants on Oct. 28, 2015 and accepted by AVATAR.

On February 28, 2015, the Company issued Edward Minnema, President and Director 1,500,000 shares at a par value of \$0.01 for consulting fees.

On November 2, 2015 the Company issued 1,500,000 shares to William Wilson, a consultant to the Company in lieu of cash payments.

On November 2, 2015, the Company issued 384,615 shares to Pineview Ventures. These shares were issued as part of a private placement that occurred in 2011 in which previous management failed to issue.

On February 7, 2016 the Company issued Stockvest 1,875,000 restricted shares at \$0.015 per share for Investor relations services, which included an anti dilution clause.

On February 12, 2016 the Company appointed Michael Morrison, currently a Director, to the position of Treasurer and has issued 1,500,000 shares at \$0.015 per share for his services for the year.

On February 12, 2016 the Board of Directors and the Board of Directors in lieu of the majority shareholder(s) using the stated right to vote on their behalf as per Bylaw Amendment filed July 15, 2016, authorized the increase authorized shares from 75 million to 200 million, consisting of 190 million common shares and 10 million blank check preferred shares.

On March 26, 2016 the Company and STOCKVEST mutually agreed to terminate their agreement. STOCKVEST will return the shares for cancellation. Avatar has not received the shares to date. Avatar will proceed to cancel the shares whether it has or has not received the certificate.

On April 5 the Company approved the issuance to Edward Minnema 11,430,000 shares for aged debt at a par value of \$0.001

Issuer's Certifications.

1. I, EDWARD MINNEMA, certify that the accompanying Annual Report and accompanying Year End 2016 Financial Statements ending July 31, 2016 of Avatar Ventures Corp. are as follows:

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.

Date: October 17, 2016

//s// Edward Minnema

EDWARD MINNEMA
PRESIDENT/DIRECTOR
AVATAR VENTURES CORP

FINANCIALS

BALANCE SHEETS JULY 31st 2016-2015 UNAUDITED

STATEMENT OF OPERATIONS

STATEMENT OF STOCKHOLDERS DEFICIT

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

SUBSEQUENT EVENTS

CERTIFICATION

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

BALANCE SHEETS

JULY 31, 2016 AND 2015
(UNAUDITED)

	2016	2015
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 121	\$ 100
Prepaid Expenses	<u>20,625</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>\$ 20,746</u>	<u>\$ 100</u>
PROPERTY, PLANT AND EQUIPMENT		
Equipment	<u>\$ 2,846</u>	<u>\$ 422</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$ 2,846</u>	<u>\$ 422</u>
TOTAL ASSETS	<u>\$ 23,592</u>	<u>\$ 522</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 82,280</u>	<u>\$ 36,695</u>
TOTAL CURRENT LIABILITIES	<u>\$ 82,280</u>	<u>\$ 36,695</u>
LONG TERM LIABILITES		
Convertible Notes	<u>\$ -</u>	<u>\$ 11,431</u>
Notes Payable	<u>16,070</u>	<u>-</u>
TOTAL LONG TERM LIABILITIES	<u>\$ 16,070</u>	<u>\$ 11,431</u>
STOCKHOLDERS' DEFICIT		
Capital Stock		
75,000,000 shares authorized, \$.001 par value		
87,764,615 issued and outstanding July 31, 2016		
73,334,615 issued and outstanding July 31, 2016	\$ 87,765	\$ 73,335
Additional paid in capital	884,365	849,864
Accumulated deficit	<u>(1,046,888)</u>	<u>(970,803)</u>
TOTAL STOCKHOLDERS' DEFICIT	<u>\$ (74,758)</u>	<u>\$ (47,604)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 23,592</u>	<u>\$ 522</u>

AVATAR VENTURES CORP.

STATEMENTS OF OPERATIONS

YEAR ENDED JULY 31, 2016 AND 2015
(UNAUDITED)

	2016	2015
REVENUE	<u>\$ -</u>	<u>\$ -</u>
OPERATING EXPENSES		
Professional Fees	\$ 2,875	\$ 31,129
Consulting Fees	40,875	32,659
Corporate Fees	7,925	2,255
Licensing Fees	10,000	-
Rent	3,723	1,367
General and Administrative	<u>10,687</u>	<u>1,126</u>
TOTAL OPERATING EXPENSES	<u>\$ 76,085</u>	<u>\$ 68,536</u>
OTHER INCOME	<u>\$ -</u>	<u>\$ 25,631</u>
NET LOSS	<u>\$ (76,085)</u>	<u>\$ (42,905)</u>

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

AVATAR VENTURES CORP.

STATEMENT OF STOCKHOLDERS' DEFICIT

JULY 31, 2016 AND 2015 (UNAUDITED)

		Common Stock Number of Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Total
BALANCE	July 31, 2014	70,634,615	\$ 70,635	\$ 814,704	\$ (927,898)	\$ (42,559)
Conversion of convertible debt		1,200,000	\$ 1,200	\$ 21,660		\$ 22,860
Compensation issued in shares		1,500,000	\$ 1,500	\$ 13,500		\$ 15,000
Net Loss for the year ended July 31, 2015					\$ (42,905)	\$ (42,905)
BALANCE	July 31, 2015	<u>73,334,615</u>	<u>\$ 73,335</u>	<u>\$ 849,864</u>	<u>\$ (970,803)</u>	<u>\$ (47,604)</u>
Conversion of convertible debt		11,430,000	\$ 11,430	\$ -		\$ 11,430
Compensation issued in shares		3,000,000	\$ 3,000	\$ 34,500		\$ 37,500
Net Loss for the year ended July 31, 2016					\$ (76,085)	\$ (76,085)
BALANCE	July 31, 2016	<u>87,764,615</u>	<u>\$ 87,765</u>	<u>\$ 884,364</u>	<u>\$ (1,046,888)</u>	<u>\$ (74,759)</u>

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

AVATAR VENTURES CORP.

STATEMENTS OF CASH FLOWS

YEAR ENDED JULY 31, 2016 AND 2015 (UNAUDITED)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (76,085)	\$ (42,905)
Adjustments to reconcile net loss to net cash used in operating activities		
Compensation paid in common stock	37,500	15,000
Conversion of Convertible Debt	11,430	-
Changes in operating assets and liabilities		
(Increase)decrease in prepaid expenses	(20,625)	8,000
Increase(decrease) in accounts payable and accrued liabilities	<u>45,585</u>	<u>8,564</u>
NET CHANGE IN CASH USED IN OPERATING ACTIVITIES	<u>\$ (2,195)</u>	<u>\$ (11,341)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>\$ (2,424)</u>	<u>\$ (422)</u>
NET CHANGE IN CASH FROM INVESTING ACTIVITIES	<u>\$ (2,424)</u>	<u>\$ (422)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Convertible Debt	\$ (11,430)	\$ -
Increase (Decrease) in Notes Payable	<u>16,070</u>	<u>-</u>
NET CHANGE IN CASH FROM FINANCING ACTIVITIES	<u>\$ 4,640</u>	<u>\$ -</u>
NET INCREASE (DECREASE) IN CASH	\$ 21	\$ (11,763)
CASH, BEGINNING	<u>\$ 100</u>	<u>\$ 11,863</u>
CASH, ENDING	<u>\$ 121</u>	<u>\$ 100</u>

AVATAR VENTURES CORP.
NOTES TO FINANCIALS STATEMENTS
JULY 31, 2016
(UNAUDITED)

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 business for motor vehicles. Currently the Company is exploring opportunities in the t-shirt/garment industry and entertainment business. 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 \$1,059,090. As at July 31, 2016, the Company had a working capital deficit of \$70,909. The Company will require additional funding to meet its ongoing obligations and to fund expected 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 November 2, 2015, Michael Morrison was appointed a Director of the Company. On February 12, 2016, Michael Morrison was appointed Treasurer 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 (loss) 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. As of July 31, 2016 and 2015, the Company had common stock equivalents representing 6,000,000 and 600,000 shares, respectively. Both the basic and diluted loss per share for the years ended July 31, 2016 and 2015 were less than \$.01.

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

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

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 February 22, 2016, Michael Morrison, Treasurer, was compensated 1,500,000 shares at \$.015 per share for services rendered as treasurer for the twelve months ending February 22, 2017.

On April 5, 2016, Mr. Minnema was issued 11,430,000 shares at \$.001 per share resulting from the conversion of debt.

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, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Net Loss before income taxes per financial statements	\$ (88,287)	\$ (42,905)
Income tax rate	<u>34%</u>	<u>34%</u>
Provision for income taxes at federal rate	\$ (30,018)	\$ (14,588)
Valuation allowance	<u>30,018</u>	<u>14,588</u>
Provision for income taxes, as reported	<u>\$ -</u>	<u>\$ -</u>

The significant components of the deferred income tax asset at July 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Deferred Income tax asset	\$ 360,091	\$ 330,073
Valuation Allowance	<u>(360,091)</u>	<u>(330,073)</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, 2016 and 2015. 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, 2016 and 2015, 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, 2011 through July 31, 2016.

NOTE 6 - CONVERTIBLE PROMISSORY NOTES

On November 26, 2013 the Company issued three convertible promissory notes totaling \$34,291. The Holders had the right, from and after the issuance of the Notes 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 amended to \$0.01905 per share (1,800,000 shares). In addition, the convertible promissory notes included a twelve-month warrant (1,200,000 shares) at a conversion price of \$0.15 per share. Mr. Minnema was a participant.

On December 11, 2014, two convertible promissory notes were converted into 1,200,000 shares of the Company's common stock at a price of \$.01905 per share. Mr. Minnema did not convert his promissory note. The twelve month warrants to purchase 1,200,000 shares of the Company's common stock at a price of \$.15 per share issued with the convertible promissory notes expired.

On April 5, 2016 the conversion price of the promissory note was reduced from \$.01905 to \$.001 per share and Mr. Minnema converted his promissory note into 11,430,000 shares of the Company's common stock.

NOTE 7 – STOCK OPTION AND INCENTIVES PLAN

On May 24, 2016, the Board of Directors approved a Stock Option and Incentives Plan. Under the Plan, 15,000,000 of the Company's common stock are reserved for issuance. On May 24, 2016, the Board of Directors awarded options to Mr. Minnema and to Mr. Morrison each to purchase 1,500,000 shares at an exercise price of \$.03 expiring May 23, 2017 and 1,500,000 shares at an exercise price of \$.10 per share expiring on May 23, 2018. If Mr. Minnema and Mr. Morrison were each to exercise the full number of options granted to them, the number of shares so issued would be 6,000,000.

NOTE 8 – AGREEMENTS

On Sept 1, 2015, the Company entered into an agreement with AutoArt Color Solutions Inc. of Oakville Ontario. Under the terms of the agreement, the Company was to pay \$10,000 to AutoArt prior to March 1, 2016 for the right to use AutoArt's print shirt products. The company recorded the \$10,000 as an expense in the current year, however, the payment of the fee has been deferred indefinitely. The agreement also grants the Company the right to resell and distribute the products initially in the country of Jamaica. The agreement contains no provision for the Company to issue any of its common shares to AutoArt.

On February 12, 2016, the Company entered into an agreement with StockVest Inc. to provide the Company with investor relations and news dissemination services for a period of six months. The Company issued 1,875,000 shares with a value of \$.015 per share to StockVest Inc. for these services. Subsequently, StockVest Inc. and the Company agreed to cancel the agreement with StockVest Inc. returning the shares to the Company for cancellation. During the return process, the certificates were lost. As of July 31, 2016, the Company is working with the transfer agent to reissue the lost shares. For financial statement purposes, the Company has treated the 1,875,000 shares as outstanding at July 31, 2016 and recorded consulting expense of \$1,875 to reflect a minimal value of \$.001 per share. An adjustment to the financial statements will be recorded once the shares are cancelled.

NOTE 9 – OTHER INCOME

Other income represents liabilities from periods prior to November 1, 2013 that the Company has determined will not be payable.

NOTE 10 – SUBSEQUENT EVENTS

On August 8, 2016, the Board of Directors approved the issuance of 1,222,600 shares at a value of \$0.015 per share to retire an account payable of \$18,339 incurred for professional services.

On August 15, 2016, the Company entered into a royalty agreement with Konciniti LLC of Texas. Under the Agreement, the Company will earn a royalty on all products sold by Konciniti LLC using the Company's products and processes.

On August 18, 2016, the Board of Directors approved the issuance of 10,000,000 shares at a value of \$0.001 per share to Mr. Morrison to retire \$10,000 of notes payable.

On August 18, 2016, the Board of Directors approved the issuance of 2,400,000 shares at a value of \$0.01 per share to Mr. Minnema to retire an account payable of \$24,000 for consulting fees for the period January 1, 2015 through December 31, 2015.

On October 5, 2016, the Company and AutoArt Color Solutions Inc. agreed to extend their existing agreements and amendments until July 31, 2017.

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, 2016;
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 17, 2016

/s/ Edward Minnema

Edward Minnema

CEO and Director

Principal Executive Officer

Principal Financial Officer