CANNA CONSUMER GOODS, INC.

ANNUAL REPORT

For the Period Ending December 31, 2016

March 24, 2017

CANNA CONSUMER GOODS, INC.
(Exact name of issuer as specified in its charter)

40 Easthampton B
West Palm Beach, FL 33417
(Address of principal executive offices)

(888) 310-7855
(Issuer's telephone number)

The number of shares outstanding of each of the Issuer's classes of common equity, as of the date of this Annual Report, are as follows:

TRADING SYMBOL: CBMJ	CUSIP: 13765C 10 1
TAX ID NUMBER: 45-0457114	SHAREHOLDERS OF RECORD: 95

CLASS OF SECURITIES QUOTED:	Common Stock	$.001 par value
NUMBER OF SHARES OUTSTANDING:	146,787,615	common
	1,000	preferred

PART A GENERAL COMPANY INFORMATION

Item 1. Name of the issuer and its predecessor (if any).

The name of the issuer is Canna Consumer Goods Inc. ("Canna" or "Company"), formerly Canna Brands Inc., Crownbutte Wind Power, Inc., and ProMana Solutions, Inc.

Item 2. Address of the issuer's principal executive offices.

The address of Canna's principal executive offices and other pertinent information is as follows:

Canna Consumer Goods Inc.
40 Easthampton B
West Palm Beach, Florida 33417
Phone No.: (888) 310-7855

There is no IR Contact available for Canna.

PART B SHARE STRUCTURE

Item 3. Security Information.

Trading Symbol:	CBMJ
Exact title and class of securities outstanding:	Common Stock
CUSIP:	13765C 10 1
Par or Stated Value:	$0.001 par value
Total Shares Authorized:	500,000,000 as of March 24, 2017
Total Shares Outstanding:	146,787,615 as of March 24, 2017

Trading Symbol:	None
Exact title and class of securities outstanding:	Preferred Stock
CUSIP:	None
Par or Stated Value:	$0.001 par value
Total Shares Authorized:	25,000,000 as of March 24, 2017
Total Shares Outstanding:	1,000 shares of Series 2014A as of March 24, 2017

The name and address of Canna's transfer agent is:

Worldwide Stock Transfer, LLC
One University Plaza, Suite 505
Hackensack, NJ 07666
Telephone no.: (201) 820-2008
FAX no.: (201) 820-2010

Canna's transfer agent is registered under the Securities Exchange Act of 1934, as amended, and the SEC is its regulatory authority.

List any restrictions on the transfer of security:

As of March 24, 2017, Canna has a total of 109,289,074 shares which contain restrictive legends which thereby restrict transfer of such shares except as permitted by Rule 144 of the Securities Act of 1934, as amended.

Describe any trading suspension order issued by the SEC in the past 12 months:

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization, either currently anticipated or that occurred within the past 12 months.

NONE

Item 4. Issuance History.

The following provides a list, in chronological order, of events resulting in changes in the total shares outstanding by the Company during the past two fiscal years and any interim period: including debt convertible into equity securities and any other securities or options to acquire such securities:

Between January 23, 2015 and January 28, 2015, the Company executed and delivered three (3) separate Convertible Promissory Notes aggregating a total principal amount of $15,000. Three (3) $5,000 Convertible Notes were issued and delivered to three (3) private investors. The Convertible Notes were not registered under the Securities Act in reliance upon an exemption from registration provided by Rule 506(b) and Sections 4(a)(2) and 4(a)(5) of the Securities Act.

Each of the subject Convertible Notes bears interest at 5% per annum and have maturity dates in January 2016 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without any penalty. Each Convertible Note is convertible by the holder, at his election, into shares of the Company's common stock at an exercise price of $.0125 per share. In accordance with the terms of each Convertible Note, the holder may not convert any amount of the Convertible Note if, after giving effect to such conversion, the investor would beneficially own greater than 4.99% of the outstanding shares of the Company's common stock.

During January 2015, each of three entities converted $10,000 ($30,000 aggregate amount) due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into a total of 7,500,000 shares of Canna's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.004 per share. The fair market value of the stock was $232,500 or $.031 per share on the date of conversion which resulted in Canna recording a loss on conversion of debt of $202,500. All of the subject shares were issued in January, 2015.

During February 2015, an entity converted $3,333 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 833,250 shares of Canna's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.004 per share. The fair market value of the stock was $33,330 or $.04 per share on the date of conversion which resulted in Canna recording a loss on conversion of debt of $29,997. All of the subject shares were issued in January, 2015.

During February 2015, another entity converted $10,000 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 2,500,000 shares of Canna's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.004 per share. The fair market value of the stock was $112,250 or $.0449 per share on the date of conversion which resulted in Canna recording a loss on conversion of debt of $102,250. All of the subject shares were issued in February, 2015.

On March 19, 2015, Canna executed and delivered two (2) separate $5,000 Convertible Promissory Note to two (2) private investors. The Convertible Notes were not registered under the Securities Act in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering.

Each of the subject Convertible Note bears interest at 5% per annum and has a maturity date which is 12 months after the date of the subject Convertible Note at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without any penalty. Each Convertible Note is convertible by the holder, at his election, into shares of the Company's common stock at an exercise price of $.0125 per share. In accordance with the terms of each Convertible Note, the holder may not convert any amount of the Convertible Note if, after giving effect to such conversion, the investor would beneficially own greater than 4.99% of the outstanding shares of the Company's common stock.

On April 14, 2015, Canna executed and delivered two (2) separate $5,000 Convertible Promissory Note to two (2) private investors. The Convertible Notes were not registered under the Securities Act in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering.

Each of the subject Convertible Note bears interest at 5% per annum and has a maturity date which is 12 months after the date of the subject Convertible Note at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without any penalty. Each Convertible Note is convertible by the holder, at his election, into shares of the Company's common stock at an exercise price of $.005 per share. In accordance with the terms of each Convertible Note, the holder may not convert any amount of the Convertible Note if, after giving effect to such conversion, the investor would beneficially own greater than 4.99% of the outstanding shares of the Company's common stock.

On August 10, 2015 and August 25, 2015, Canna executed and delivered two (2) separate $5,000 Convertible Promissory Note to two (2) private investors. The Convertible Notes were not registered under the Securities Act in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering.

Each of the subject Convertible Note bears interest at 5% per annum and has a maturity date which is 12 months after the date of the subject Convertible Note at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without any penalty. Each Convertible Note is convertible by the holder, at his election, into shares of the Company's common stock at an exercise price of $.0015 per share. In accordance with the terms of each Convertible Note, the holder may not convert any amount of the Convertible Note if, after giving effect to such conversion, the investor would beneficially own greater than 4.99% of the outstanding shares of the Company's common stock.

During October 2015, an entity converted $6,700 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 1,675,000 shares of Canna's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.004 per share. The fair market value of the stock was $8,375 or $.005 per share on the date of conversion which resulted in Canna recording a loss on conversion of debt of $1,675. All of the subject shares were issued in November, 2015.

In early November, 2016, an entity converted $6,609 of principal and accrued interest due under a $5,000 Convertible Note dated November 20, 2013 into 2,643,560 restricted shares of Canna's common stock at $.0025 per share. The conversion was in accordance with the terms of the $5,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.0025 per share. All of the subject shares were issued in November, 2016.

Item 5. Financial Statements.

Financial information for the fiscal year ended December 31, 2016 and 2015 are attached hereto as Exhibit A, and such financial information is incorporated herein by this reference.

PART C BUSINESS INFORMATION

Item 6. Describe the Issuer's Business, Products and Services.

A. ***<u>Description of the Issuer's Business Operations.</u>***

Current Operations

On July 14, 2014, the Company entered into, and on July 15, 2014 consummated, an Agreement and Plan of Reorganization whereby Canna & Canna Inc. became a wholly-owned subsidiary. Currently, the Company, through its wholly-owned subsidiary, is focused on providing enhanced branding and marketing solutions for cannabis companies with its primary focus on the west coast states of Washington, Oregon and California where the medical use and/or recreational use and consumption of marijuana is legal for state law purposes only. However, these state laws have no effect on federal laws which classify marijuana as a "controlled substance" which makes it illegal to produce, sell or possess marijuana under federal law. Federal law also makes it illegal to transport or ship marijuana across state lines. As of December 31, 2016, we terminated our prior business of developing wind power generation facilities and wrote-off the remaining assets.

The products we seek to brand are primarily edibles and drinks. We also create recipes which can be marketed for herbal enhanced products. We do not sell marijuana infused products. We provide early stage consulting and advisory services related to designing and implementing a social media strategy helping a company position itself among competing cannabis brands.

The Company previously focused on the medical marijuana market in the State of Washington. During the fourth quarter of 2014, the Company entered into a marketing and branding agreement with Washington based Nana's Secret Soda. However, this agreement was subsequently terminated in the first quarter of 2015. Thereafter, in April, 2015, SB 5052 (known as the Cannabis Patient Protection Act) was signed into law with provisions taking effect July 1, 2016. The law is aimed at reforming and reconciling the generally unregulated medical marijuana industry and integrating it into, and as part of, the existing, tightly-controlled and regulated recreational marijuana market in Washington. Under the new law, many existing medical marijuana dispensaries will likely be shuttered, as existing licensed retail cannabis dispensaries can obtain an endorsement to sell medical marijuana. Also, under the new law, medical marijuana patients will see a large reduction in the amounts of marijuana allowed to be purchased and possessed.

As part of our early development efforts, during the three months ending June 30, 2016, Company management entered into discussions with the owners of Atomic Herb. The Company has continued its discussions with the owners of Atomic Herb during the three months ended December 31, 2016. While the parties have not yet reached an agreement, proactive discussions continued. Atomic Herb is a turnkey product, only requiring the filling of pre-made casing and packaging process. The goal is to support legal marijuana producers to launch nationally recognized brands. The producers would have responsibility for regulatory compliance in the particular states. The Company would also provide online advertising support for the producer branding effort. Discussions have not yet yielded an agreement and no assurance can be made that a mutually agreeable agreement will be executed and entered into by the parties.

Canna Consumer Goods has been developing and is in the process of acquiring various media assets specific to the marketing of Cannabis and related peripherals. In addition to its current branding activities, it is positioning itself as a marketing and media company with a particular stronghold in mass messaging to the Cannabis consumer and industry.

Some of the Canna Consumer Goods marketing assets will consist of media portals, syndicated radio programming via terrestrial radio as well as digital distribution, TV, print and social media capabilities. Canna Consumer Goods can also assist with the marketing strategies, brand building and production.

On December 28, 2016, the Company signed a Letter of Intent to purchase the assets of Loudmouth News from RealTime Rentals Inc. for $50,000 to be paid in the Company's common stock. The number of shares will be determined by the closing market price of the Company common stock on the day the transactions is finalized. Loudmouth news is an interactive news portal dedicated to providing news specific to the marijuana industry. It owns and controls www.loudmonthnews.com, and an online news magazine as well as Loudmouth News Radio which is a series of radio news programs available online, on mobile and syndicated terrestrial radio. Loudmouth generates revenue from advertisers, personal appearances and event coordination. As of March 24, 2017, the transactions has not been finalized.

Canna has not been, at any time, a "shell company" as that term is defined in Rule 12b-2 of the Exchange Act

Nacel Energy Corporation and Financing Activities.

In January 2011, Nacel Energy Corporation ("Nacel") acquired a total of 10,500,000 shares of Canna's common stock, which then represented approximately 30% of our outstanding common stock.

In addition to acquiring its Canna stock ownership, Nacel also acquired the ownership of warrants issued by Canna which provides it with the right to purchase up to a total of 7,500,000 shares of Canna's common stock at exercise prices which vary from $0.02 per share up to $0.0225 per share. The warrant rights terminated on December 8, 2015 with respect to warrants for 4,000,000 shares and May 31, 2016 with respect to the warrants for the remaining 3,500,000 shares. Based on the foregoing, all warrants have terminated as of December 31, 2016.

Since becoming a shareholder, Nacel has advanced to Canna, from time to time, an aggregate amount of approximately $475,000 in general operating capital, with such advances being used for the development of Canna's then pipeline of wind power projects and to assist Canna in developing and obtaining financing for its 200 MW Gascoyne II wind power generation project located on 1733 acres between the towns of Bowman and Hettinger, North Dakota. Included were funds advanced directly to Midwest Independent System Operator (MISO) to complete a Feasibility Study required to connect the Gascoyne II wind power project to the electric grid. However, since it was not able to finance the Gascoyne II project, Canna ceased and terminated any further efforts in January, 2012 related to the development of the Gascoyne II wind project. Thereafter, Canna requested the return of deposits with MISO (Midwest Independent System Operator). As a result of the return of MISO deposits, Canna made various payments to Nacel to repay and reduce the aggregate advances made by Nacel. As of December 31, 2016, Nacel was owed approximately $364,000 from Canna.

Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation. We have had limited revenues since our inception, and, accordingly, have incurred losses from our operations. For the year ended December 31, 2016, we incurred net loss of ($143,965). We have an accumulated deficit since inception of $(7,940,292). With the decision not to pursue further efforts to develop our wind projects, we are currently focused providing enhanced branding and marketing solutions for licensed cannabis processors and producers, dispensaries and retail outlets in the states of Washington, Oregon and California where, for persons 21 years and over, the medical use and/or recreational use and consumption of marijuana is legal for state law purposes only. However, these state laws have no effect on federal laws which classify marijuana as a "controlled substance" which thereby makes it illegal to produce, sell or possess marijuana under federal law. Federal law also makes it illegal to transport or ship marijuana across state lines. There are no assurances that we will be able to realize our business plan.

For the foreseeable future, our operating plan is dependent upon both the ability to conserve existing cash resources and the ability to obtain additional capital through equity financing and/or debt financing in an effort to provide the necessary funds and cash flow to meet our obligations on a timely basis and to operate our new business in an efficient and economical manner. In the event that we are unable to conserve existing cash resources and/or obtain the additional and necessary capital, we may have to cease or significantly curtail our operations. This could materially impact our ability to continue as a going concern for a reasonable period of time.

Liquidity and Capital Resources

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Since our inception, we have had limited revenues, and, accordingly, have incurred losses from our operations. At December 31, 2016, we have an accumulated deficit since inception of $(7,940,292). We did achieve nominal revenues in the second quarter of 2015 but no revenues were received in subsequent periods including the year ending December 31, 2016. These factors, among others, indicate that we might be unable to continue as a going concern for a reasonable period of time.

As of December 31, 2016, we had cash of $-0- and working capital deficit of $(1,304,309). This compares to cash of $118 and a working capital deficit of $(1,206,503) at December 31, 2015.

Based on commitments arising from our other general and administrative expenses, we anticipate that operating expenses during each succeeding quarter through December 31, 2017 will be, at a minimum, approximately $10,000. Based on the foregoing, we will not have sufficient cash resources to finance our operations except for several months unless we are able to raise additional equity financing and/or debt financing in the immediate future. We have commenced, and will continue to pursue, efforts to raise additional equity financing and/or debt financing from a variety of sources and means. There are no assurances that we will be able to obtain any additional financing and/or equity and, even if obtained, that such financing will be in a sufficient amount to be able to continue operations for a sufficient period until our enhanced branding and marketing solutions for licensed cannabis operations in Oregon, Washington and California, can generate sufficient revenues to be profitable.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations for the twelve months ended December 31, 2016 compared to the twelve months ended December 31, 2015:

Overview. We had no revenues in the twelve months ended December 31, 2016 and nominal revenues for the twelve months ended December 31, 2015. There were a net losses of $143,965 and $743,442 for the twelve months ended December 31, 2016 and 2015, respectively. The decrease of $599,477 is attributable to the factors discussed below.

Revenues. We had no revenues from our operations for the twelve months ended December 31, 2016 compared to revenues of $1,764 for the twelve months ended December 31, 2015. As previously noted, the Company's current business plan is to focus on our subsidiary's efforts to develop, promote, market and sell our enhanced branding and marketing solutions for licensed cannabis operations in the states of Washington, Oregon and California, while completing final efforts which will terminate and otherwise liquidate our prior business of developing wind power generation facilities. The extent to which, and the amount of, revenues which may be generated from our subsidiary's business activities is unknown.

Expenses. Our operating expenses were $86,573 and $238,213 for the twelve months ended December 31, 2016 and 2015, respectively. The decrease of $151,640 was principally attributable to an approximate $65,000 decrease in professional fees and approximate $45,000 decrease in stock based compensation related to our slowing development of our new Cannabis business, an approximate $19,000 decrease in amortization of intangible assets for a inception-to-date adjustment in the twelve months ended December 31, 2015, an approximate $12,000 decrease in impairment charges from fixed assets and an approximate $11,000 decrease in other administrative expenses.

Other Income (Expense). Our total other expense was $57,392 and $506,993 for the twelve months ended December 31, 2016 and 2015, respectively. The decrease of $449,601 was attributable to a $334,422 decrease in our loss on conversion of debt and a $113,179 decrease in interest expense on loans compared to the twelve months ended December 31, 2015.

Capital Structure and Resources

We had total assets of $167,157 as of December 31, 2016, which consisted of cash of $-0-, intangible assets of $54,900 from the Cana and Cana, Inc. acquisition and goodwill of $110,257 from the Cana and Cana, Inc. acquisition.

We had total liabilities of $1,304,309 as of December 31, 2016 consisting of accounts payable of $279,262, accrued expenses of $299,528, shareholder loans payable of $129,967, advances due to shareholder of $364,052 and convertible notes payable for $231,500. For further information and details on convertible notes which have been issued, see Note 5 (Convertible Notes Payable) to the financial statements attached hereto as Exhibit A and information set forth in Item 4 above.

At December 31, 2016, we had total stockholders' deficiency of $(1,139,152). We have had net losses since inception and had an accumulated deficit of $(7,940,292) at December 31, 2016.

We had net cash used in operating activities of $118 for the twelve months ended December 31, 2016.

B. ***Off-Balance Sheet Arrangements*.**

We have no material off-balance sheet transactions, arrangements or obligations.

C. ***Date and State (or Jurisdiction) of Incorporation.***

Canna is a Nevada corporation that was originally formed on March 9, 2004, under the name ProMana Solutions, Inc. Thereafter, on July 2, 2008, ProMana amended its Articles of Incorporation and our name was changed to Crownbutte Wind Power, Inc. Thereafter, effective September 22, 2014 Crownbutte Wind Power, Inc. amended its' Articles of Incorporation and our name was changed to Canna Brands Inc. Thereafter, effective June 10, 2015, Canna Brands Inc. amended its Articles of Incorporation and our name was changed to Canna Consumer Goods Inc.

D. ***Issuer's Primary and Secondary SIC Codes.***

Canna's primary SIC Code is 8900 – Miscellaneous Services. .

E. ***Issuer's fiscal year end date.***

Canna's fiscal year end is at December 31st of each year.

F. *Principal Products or Services, and Their Markets*.

Current Status

As disclosed in Item 6A above, Canna intends, through its wholly-owned subsidiary, to provide enhanced branding and marketing solutions for licensed cannabis companies with its primary focus on the west coast states of Washington, Oregon and California where the medical use and/or recreational use and consumption of marijuana is legal for state law purposed only. However, these state laws have no effect on federal laws which classify marijuana as a "controlled substance" which makes it illegal to produce, sell or possess marijuana under federal law. Federal law also makes it illegal to transport or ship marijuana across state lines. As of December 31, 2016, we terminated our prior business of developing wind power generation facilities and wrote-off the remaining assets.

The products we seek to brand are primarily edibles and drinks. We also create recipes which can be marketed for herbal enhanced products. We do not sell marijuana infused products. We provide early stage consulting and advisory services related to designing and implementing a social media strategy helping a company position itself among competing cannabis brands.

As part of our early development efforts, during the three months ending June 30, 2016, management entered into discussions with the owners of Atomic Herb. The company has continued its discussions with the owners of Atomic Herb during the three months ended December 31, 2016. While the parties have not yet reached an agreement, proactive discussions continued. Atomic Herb is a turnkey product, only requiring the filling of pre-made casing and packaging process. The goal is to support legal marijuana producers to launch nationally recognized brands. The producers would have responsibility for compliance in the particular states. The Company would also provide online advertising support for the producer branding effort.

Canna Consumer Goods has been developing and is in the process of acquiring various media assets specific to the marketing of Cannabis and related peripherals. In addition to its current branding activities, it is positioning itself as a marketing and media company with a particular stronghold in mass messaging to the Cannabis consumer and industry.

Some of the Canna Consumer Goods marketing assets will consist of media portals, syndicated radio programming via terrestrial radio as well as digital distribution, TV, print and social media capabilities. Canna Consumer Goods can also assist with the marketing strategies, brand building and production. On December 28, 2016, the Company signed a Letter of Intent to purchase the assets of Loudmouth News from Realtime Rentals Inc. for $50,000 to be paid in the Company's common stock. The number of shares will be determined by the closing market price of the Company common stock on the day the transactions is finalized. Loudmouth news is an interactive news portal dedicated to providing news specific to the Marijuana industry. It owns and controls www.loudmonthnews.com, and an online news magazine as well as Loudmouth News Radio which is a series of radio news programs available online, on mobile and syndicated terrestrial radio. Loudmouth generates revenue from advertisers, personal appearances and event coordination. As of March 24, 2017, the transactions has not been finalized.

Item 7. Describe the Issuer's Facilities.

Properties

As of December 31, 2016 or earlier, all of our option agreements with landowners applicable to properties on which wind energy projects were to be constructed and operated had expired or had been terminated. Thus, we have not made any lease payments to landowners for a substantial period of time.

Description of Corporate Offices

Since approximately March 2011, Canna's corporate offices (approx. 300 square feet) have been located at 40 Easthampton B, West Palm Beach, FL 3341. This office space is provided, on a month-to-month basis, by our CEO at no charge.

We believe that our current facilities are adequate for our operations as currently conducted and if additional facilities are required, that we could obtain them at commercially reasonable prices.

PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 8. Officers, Directors and Control Persons.

A. Name of Officers, Directors and Control Persons. The names of each of the Company's executive officers, directors and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the Company's equity securities) as of the date of this Annual Report are as follows:

Name	Age	Position
Mark Schaftlein	59	Chief Executive Officer, Chief Financial Officer and Director
Pam Pennoyer	55	Shareholder (owning approx. 21.5% of Company's outstanding common shares and 25% of the Series 2014A Preferred Shares)
Ronald Henthorn		Shareholder (owning approx. 21.5% of Company's outstanding common shares and 25% of the Series 2014A Preferred Shares)
Capital Consulting, Inc.		Shareholder (owning approx. 8.2% of Company's outstanding common shares and 25% of the Series

		2014 Preferred Shares). This is a corporation controlled by Mark Schaftlein, CEO and Director.
RYOX Corporation		Shareholder (owning approx. 8.2% of Company's outstanding common shares and 25% of the Series 2014A Preferred Shares) This is a corporation controlled by Murray Fleming, former Director.
Nacel Energy Corporation	--	Shareholder (owning approx. 7.5% of Company's outstanding common shares).

B. Legal/Disciplinary History. At no time in the last five years, has any officer or member of the board of directors, or any control person, been the subject of any of the following:

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

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;

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; or

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.

C. Beneficial Shareholders. The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 24, 2017, by each person who, to our knowledge, owns more than 10% of any class of our common stock. Unless otherwise indicated in the footnotes to the following tables, each person named in the table has sole voting and investment power, except to the extent such power may be shared with a spouse.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class [+]**
Pam Pennoyer 20024 106th SE Kent, WA 98031	31,062,500	21.1 %

Ronald Henthorn 4511 Lake Washington Blvd. NE, Suite 3 Kirkland, WA 98033	31,062,500	21.1 %

+ Based on 146,787,615 shares of common stock issued and outstanding as of March 24, 2017.

The following table sets forth certain information regarding the beneficial ownership of our 2014A preferred stock as of March 15, 2017, by each person who, to our knowledge, owns more than 10% of any class of our preferred stock. Unless otherwise indicated in the footnotes to the following tables, each person named in the table has sole voting and investment power, except to the extent such power may be shared with a spouse.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class +**
Pam Pennoyer 20024 106th SE Kent, WA 98031	250	25.0%
Ronald Henthorn 4511 Lake Washington Blvd. NE, Suite 3 Kirkland, WA 98033	250	25.0%
Capital Consulting, Inc.(1) 335 E. Linton Blvd. B14, Box 2085 Delray Beach, FL 33483	250	25.0%
RYOX Corporation(2) 1574 Gulf Road, #135 Point Roberts, WA 98281	250	25.0%

* Based on 1,000 shares of Series 2014A preferred stock issued and outstanding as of March 24 2017.

(1) This entity is solely owned and controlled by Mark Schaftlein, being an officer and director of the Company.

(2) This entity is solely owned and controlled by Murray Fleming, being a former director of the Company.

Item 9. Third Party Providers

1. Counsel: Patrick J. Russell, Esq.
Allen Vellone Wolf Helfrich & Factor, P.C.
1600 Stout Street, Suite 1100
Denver, Colorado 80202
Phone no.: (303) 534-4499

2. Accountant: Rick Basse, CPA
Rick Basse Consulting, PLLC
244 Majestic Oak Drive
New Braunfels, Texas 78132
Phone no.: (210) 347-0374

3. Auditor: None

4. Investor Relations Consultant: None

5. Other Advisors: None

Item 10. Issuer's Certifications.

I, Mark Schaftlein, certify that:

1. I have reviewed this Annual Report of Canna Consumer Goods 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 statement, 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.

Dated the 24th day of March, 2017.

CANNA CONSUMER GOODS INC.

By________________________
Mark Schaftlein, Chief Executive Officer and
Chief Financial Officer

Exhibit A

CANNA CONSUMER GOODS, INC.
40 Easthampton B
West Palm Beach, FL 33417

Financial Statements and Notes
For the Years ended December 31, 2016 and 2015

CANNA CONSUMER GOODS, INC.

Consolidated Balance Sheets (Unaudited)

	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash	$ -	$ 118
Total current assets	-	118
Other assets		
Investment in Canna and Canna Inc.	-	-
Property and equipment, net of a accumulated depreciation of $35,411 and $34,486	-	2,950
Intangible Assets	54,900	91,500
Goodwill	110,257	110,257
Total other assets	165,157	204,707
Total Assets	$ 165,157	$ 204,825
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable	$ 279,262	$ 262,357
Accrued expenses	299,528	222,203
Stockholders loans payable	129,967	129,967
Due to stockholder	364,052	364,052
Convertible notes, net of discount of $-0- and $8,458	231,500	228,042
Total current liabilities	1,304,309	1,206,621
Commitments and contingencies		
Stockholders' Deficiency:		
Preferred stock, $0.001 par value; 25,000,000 shares authorized, 1,000 Series 2014A Preferred stock shares issued and outstanding as of December 31, 2016 and 2015	1	1
Common stock, $0.001 par value, 500,000,000 shares authorized 146,787,615 and 144,144,055 issued and outstanding as of December 31, 2016 and 2015, respectively	146,788	144,144
Additional paid-in capital	6,654,351	6,650,386
Accumulated deficit	(7,940,292)	(7,796,327)
Total stockholders' deficiency	(1,139,152)	(1,001,796)
Total Liabilities and Stockholders' Deficiency	$ 165,157	$ 204,825

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

CANNA CONSUMER GOODS, INC.

Consolidated Statements of Operations (unaudited)
For the years ended December 31, 2016 and 2015

	For the Years Ended	
	December 31, 2016	December 31, 2015
Revenue	$ -	1,764
Cost of Revenue	-	-
Gross margin	-	1,764
Operating expenses:		
General and administrative expenses	$ 47,023	$ 164,896
Impairment Expense	2,025	14,241
Depreciation and amortization expense	37,525	59,076
Total operating expenses	86,573	238,213
Net operating loss	(86,573)	(236,449)
Other income (expense):		
Interest expense	(57,392)	(170,571)
Loss on conversion of debt	-	(336,422)
Total other income (expense)	(57,392)	(506,993)
Net loss	$ (143,965)	$ (743,442)
Basic & diluted loss per share	$ (0.001)	$ (0.005)
Weighted average number of common shares outstanding - basic & diluted	144,555,757	142,093,789

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

CANNA CONSUMER GOODS, INC.

Statements of Cash Flow (Unaudited)

For the years ended December 31, 2016 and 2015

	For the Years Ended			
	December 31, 2016		December 31, 2015	
Cash flows from operating activities:				
Net loss	$	(143,965)	$	(743,442)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation expense		925		3,477
Amortization of Intangibles		36,600		61,000
Stock issued for services		-		45,333
Impairment expense		2,025		8,840
Non-cash interest		57,392		170,571
Loss on conversion of debt		-		336,422
Changes in operating assets and liabilities:				
Accounts payable		16,905		36,659
Accrued expenses and other current liabilities		30,000		30,001
Net cash used in operating activities		(118)		(51,139)
Cash flows from financing activities				
Proceeds from convertible notes payable		-		45,000
Net cash provided by financing activities		-		45,000
Net increase (decrease) in cash		(118)		(6,139)
Cash - beginning of the year		118		6,257
Cash - end of the year	$	-	$	118
Supplemental disclosures:				
Interest paid	$	-	$	-
Supplemental disclosure for non-cash financing activities:				
Discount on Notes Payable	$	-	$	29,000
Conversion of notes payable to common stock	$	6,609	$	386,455

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

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS

Nature of organization & business

i) Organization

Crownbutte Wind Power LLC ("Crownbutte ND") was founded on May 11, 1999 with the strategy of addressing the requirements of regional utility companies to satisfy increasing renewable energy demands. Crownbutte ND was formed as a limited liability company (LLC) in the State of North Dakota and elected to be taxed as an S corporation effective January 1, 2001. On March 11, 2008, Crownbutte ND no longer met the requirements to be treated as an S corporation. As a result, effective March 11, 2008, Crownbutte ND has been taxed like a C corporation. On May 19, 2008, Crownbutte ND filed with the Secretary of State of North Dakota to convert from an LLC to a C corporation becoming "Crownbutte Wind Power, Inc." On July 2, 2008, Crownbutte ND became a wholly owned subsidiary of Crownbutte Wind Power, Inc. ., a Nevada corporation, formerly ProMana Solutions, Inc. as described below. Thereafter, having obtained shareholder approval, Crownbutte Wind Power, Inc. filed a Certificate of Amendment, effective on September 22, 2014, which changed its name to "Canna Brands, Inc." Thereafter, having obtained shareholder approval, Canna Brands, Inc. filed a Certificate of Amendment, effective on June 10, 2015, which changed its name to "Canna Consumer Goods, Inc." ("Canna" or the "Company").

In cooperation with a local utility, Crownbutte ND, developed and constructed the first utility-scale wind facility in either of the Dakotas in 2001, consisting of two turbines near Chamberlain, South Dakota.

ProMana Solutions, Inc. (or "ProMana")

ProMana was incorporated in the State of Nevada on March 9, 2004, under the name ProMana Solutions, Inc. ProMana's business was to provide web-based, fully integrated solutions for managing payroll, benefits, human resource management and business processing outsourcing to small and medium sized businesses. Following the merger described below, ProMana is no longer in that web services business. On July 2, 2008, ProMana amended its Articles of Incorporation to change its name to Crownbutte Wind Power, Inc.

Merger

On July 2, 2008, pursuant to a Merger Agreement entered into on the same date, Crownbutte Acquisition Sub Inc., a North Dakota corporation formed on June 6, 2008, and a wholly owned subsidiary ("Acquisition Sub"), merged with and into Crownbutte ND, with Crownbutte ND being the surviving corporation (the "Merger"). As a result of the Merger, Crownbutte ND became a wholly-owned subsidiary of Crownbutte Wind Power, Inc.

Pursuant to the Merger, ProMana ceased operating as a provider of web-based, fully integrated solutions for managing payroll, benefits, human resource management and business processing outsourcing, and acquired the business of Crownbutte ND to develop wind parks from green field to operation and has continued Crownbutte ND's business operations as a publicly-traded company. See "Split-Off Agreement" below.

At the closing of the Merger, each share of Crownbutte ND's common stock issued and outstanding immediately prior to the closing of the Merger was converted into one share of the Company's common stock. As a result, an aggregate of 18,100,000 shares of common stock were issued to the holders of Crownbutte ND's common stock, 17,000,000 of which were issued to the original members of Crownbutte Wind Power LLC and 1,100,000 to investors in Crownbutte ND who purchased shares in a private placement prior to the merger. In addition, warrants to purchase an aggregate of 10,600,000 shares of Crownbutte ND's outstanding at the time of the Merger became warrants to purchase an equivalent number of shares of the Company's common stock.

Split-Off Agreement

Upon the closing of the Merger, under the terms of a Split-Off Agreement, ProMana transferred all of its pre-Merger operating assets and liabilities to its wholly-owned subsidiary, ProMana Technologies, Inc., a New Jersey corporation ("ProMana NJ"). Simultaneously, pursuant to the Split-Off Agreement, ProMana transferred all of the outstanding shares of capital stock of ProMana NJ to two stockholders prior to the Merger (the "Split-Off"), in consideration of and in exchange for (i) the surrender and cancellation of an aggregate of 144,702 shares of the common stock and warrants to purchase 19,062 shares of common stock held by those stockholders and (ii) certain representations, covenants and indemnities.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS (Cont.)

For accounting purposes, the Merger was treated as a recapitalization of the Company. Crownbutte ND formerly Crownbutte Wind Power LLC is considered the acquirer for accounting purposes, and the Company's historical financial statements before the Merger have been replaced with the historical financial statements of Crownbutte ND before the Merger in all subsequent filings with the Securities and Exchange Commission (the "SEC").

As used herein, unless the context otherwise requires, the "Company" and "Crownbutte" refer to Crownbutte ND for periods prior to the merger and to Crownbutte Wind Power, Inc., , a Nevada corporation, formerly ProMana Solutions, Inc., and its wholly-owned subsidiary, Crownbutte ND, for periods after the Merger and prior to July 2, 2014.

Shareholders Approve Name Change and Increase Authorized Shares of Common Stock

On September 19, 2014, the shareholders of Crownbutte approved of a name change and approved an increase in the number of authorized common stock from 200,000,000 shares to 500,000,000 shares. Thereafter, Crownbutte Wind Power, Inc. filed a Certificate of Amendment, effective on September 22, 2014, changing its name to "Canna Brands, Inc." and increasing its authorized common stock from 200,000,000 shares to 500,000,000 shares.

On June 3, 2015, the shareholders of the Company approved a name change. Thereafter, Canna Brands, Inc. filed a Certificate of Amendment, effective on June 10, 2015, changing its name to "Canna Consumer Goods, Inc." (the "Company" or "Canna").

ii) Business

In mid-2011, the Company concentrated its efforts on developing the Gascoyne I Wind Park located in North Dakota which required that it obtain necessary construction financing and negotiate and enter into a wind turbine supply agreement. After approximately 8 months in pursuing such efforts, the Company was not able to finance the project.

Based on the foregoing, as of January 31, 2012, the Company ceased and terminated any further efforts related to the development of the Gascoyne I Wind Park and thereafter proceeded to request the return of its deposits with MISO (Midwest Independent System Operator) totaling $213,000. These deposits were returned to the Company during the period from March, 2012 through June, 2012. These deposits were utilized by the Company to repay its outstanding indebtedness.

Due to unfavorable financing conditions, inability to finance, lack of success in connection with the Gascoyne I Wind Park and general uncertainty and lack of commercial progress throughout the wind energy industry, the Company has determined that it will cease further efforts to develop, by itself, its various wind projects. Thus, the Company has been pursuing an orderly transfer, termination and liquidation of its various wind project assets.

As of December 31, 2016, the Company has terminated its investment in various wind projects. The remaining assets were written-off the books during the fourth quarter of 2016.

On July 14, 2014, the Company entered into an Agreement and Plan of Reorganization (the "Agreement") with Canna & Canna Inc., a Washington corporation which was consummated on July 15, 2014. As a result, the Company acquired all of the 12,425,000 issued and outstanding shares of Canna & Canna, Inc. in exchange for issuing 62,125,000 restricted shares of the Company's common stock and 500 restricted shares of the Company's Series 2014A preferred stock. Canna & Canna Inc. became a wholly owned subsidiary of the Company. Additionally, on September 22, 2014, the Company changed its name to Canna Brands Inc. reflecting its new business plan and changed its CUSIP and ticker symbol. On June 10, 2015, the Company changed its name to Canna Consumer Goods, Inc. The Company plans to provide turnkey branded consumer goods for infusion and distribution by licensed cannabis processors and producers, dispensaries and retail outlets for medical and recreational use in the States of Washington and Oregon where the medical and recreational use and consumption of marijuana, by persons 21 years or older, is legal for state law purposes only. We sell branding and intellectual property solutions to licensed processors, producers, retail outlets and dispensary owners. We do not sell marijuana infused products.

During the fourth quarter of 2014, the company entered into a marketing and branding agreement with Washington based Nana's Secret Soda. That agreement was subsequently terminated in the first quarter of 2015.

Effective July 16, 2014, the Company filed a Certificate of Designation which established the rights, preferences and other provisions applicable to 1,000 shares of Series 2014A, $.001 par value, preferred stock.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS (Cont.)

During August 2014, the Company amended its Bylaws to increase the numbers Board of Directors from two to three members and appointed Alison Baird to the board of directors. Effective September 22, 2014, the Company filed a Certificate of Amendment to its Articles of Incorporation which increased the number of authorized shares of common stock from 200,000,000 shares to 500,000,000 shares.

On January 15, 2015, the Company amended its Bylaws to decrease the numbers Board of Directors from three to one member and accept the resignation of Alison Baird from the board of directors. Murray Fleming had previously resigned from the Board of Directors.

On June 8, 2015, the board appointed Giselle Serrano as the Company's Secretary. A position held by Murray Fleming who previously resigned.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America.

Use of Estimates

In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenue and expenses in the statement of expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Risk

Cash and cash equivalents deposited with financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Company did not hold cash in excess of FDIC insurance coverage at a financial institution as of December 31, 2016 and 2015.

Property and equipment

Property and equipment is recorded at cost and depreciated on the straight-line method over the estimated useful lives. Expenditures for normal repairs and maintenance are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in operations. The Company recorded impairment charges $2,025 and $14,241 for the years ended December 31, 2016 and 2015, respectively, based on the fair market value of the assets to fully write-off the assets related to the wind power business at December 31, 2016.

Valuation of Long-Lived and Intangible Assets

We assess the impairment of long-lived and intangible assets periodically, or at least annually, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important, which could trigger an impairment review, include the following: significant underperformance relative to historical or projected future cash flows; significant changes in the manner of use of the assets or the strategy of the overall business; and significant negative industry trends. When management determines that the carrying value of long-lived and intangible assets may not be recoverable, impairment is measured as the excess of the assets' carrying value over the estimated fair value. During the year ended December 31, 2015, the Company reduced the value of intangible assets by $5,401 based on the fair market value of the assets and recorded an impairment charge. Management is not aware of any other impairment changes that may currently be required; however, we cannot predict the occurrence of events that might adversely affect the reported values in the future.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS (Cont.)

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. For option-based derivative financial instruments, The Company uses the Black-Scholes option-pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Fair Value Measurements

In September 2006, the FASB issued ASC 820 (previously SFAS 157) which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 were effective January 1, 2008.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observations of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS (Cont.)

Income taxes

The Company was organized as a limited liability company for the year ended December 31, 2007 and the Company's members elected to be taxed as an S corporation. An S corporation is not a taxpaying entity for federal and state income tax purposes; thus, no income tax expenses have been recorded in the financial statements. It is the responsibility of the members to report their proportionate share of the Company's income or loss on the members' individual income tax returns.

Since March 11, 2008, the Company is being taxed as a C corporation. A short year S corporation tax return and a short year C corporation tax return were filed. Income tax liability is $0 at December 31, 2016 and 2015.

The Company has adopted the provisions of FASB ASC Topic 740, "Income Taxes" ("ASC 740"). As required under ASC 740, the Company accounts for income taxes using an asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statements and tax bases of assets and liabilities at the applicable tax rates. A valuation allowance is utilized when it is more likely than not, that some portion of, or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Under ASC 740, the Company recognizes tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards.

Basic and diluted net income per share

Basic net loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options warrants and convertible notes. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be anti-dilutive for periods presented. The Company has not issued any options to date. On December 31, 2016, the total shares issuable upon conversion of convertible notes payable would be approximately 61,312,000 shares of the Company's common stock.

The warrants to purchase shares of common stock that were outstanding for the twelve months ended December 31, 2016 and 2016 were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive are as follows:

	Twelve Months Ended December 31,	
	2016	2015
Weighted average anti-dilutive warrants outstanding	-0-	19,075,863

Stock Compensation

The Company follows Financial Accounting Standard No. 123R (ASC 718), "Share-Based Payment" as interpreted by SEC Staff Accounting Bulletin No. 107 for financial accounting and reporting standards for stock-based employee compensation plans. It defines a fair value based method of accounting for an employee stock option or similar equity instrument.

The Company uses the Black-Scholes option valuation model for estimating the fair value of traded options. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. There were no options outstanding for the years ended December 31, 2016 and 2015.

The Company recorded stock-based compensation of $-0- and $45,333 for the twelve months ended December 31, 2016 and 2015, respectively.

NOTE 2 - INTANGIBLES

Intangibles consist of domain names and other items of $152,500 and goodwill of $110,257 acquired in the purchase of the assets of Canna and Canna Inc. on July 14, 2014. The fair value of the domain names and other items was calculated using the net present value of the projected gross profit to be generated by the customer list over the next 48 months beginning in January 2015 with annual amortization of $38,125. The Company recorded amortization of intangible assets of $36,600 and $55,599 for the twelve months ended December 31, 2016 and 2015, respectively. The company recorded an inception-to-date adjustment in the three months ended June 30, 2015 of $19,428 for the amortization of intangible assets. In addition, the Company reduced the value of intangible assets by $5,401 on December 31, 2015 based on the fair market value of the assets and recorded an impairment charge in the accompanying consolidated statement of operations which adjusted the annual amortization to $36,600.

Goodwill was determined based on the purchase price paid over the assets acquired and has an indefinite life which will be tested for impairment annually.

NOTE 3 - GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has incurred material recurring losses from operations. The Company has not generated revenues since inception and has generated losses totaling $7,940,292 since inception. In addition, the Company is experiencing a continuing operating cash flow deficiency. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The Company is relying on investor funding to maintain operations. The Company will continue to pursue additional equity financing and/or debt financing while managing cash flow in an effort to provide funds and cash flow to meet its obligations on a timely basis and to complete the final efforts which will terminate and otherwise liquidate our prior business of developing wind power generation facilities and develop the Cannabis business which uniquely positions the Company in the emerging and fast growing marijuana consumer goods industry.

The consolidated financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liability that may result should the Company be unable to continue as a going concern.

NOTE 4 – ACCRUED EXPENSES

Accrued expenses consist of the following:

		December 31, 2016		December 31, 2015
Accrued Compensation	$	82,500	$	52,500
Credit Cards Payable		30,071		30,071
Accrued Interest		186,957		139,632
	$	299,528	$	222,203

NOTE 5 – CONVERTIBLE NOTES PAYABLE

On November 20, 2013, the Company issued a $5,000 convertible promissory note to our CEO and director. The loan bears interest at 3% and has a maturity date of November 20, 2014. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. During November 2016, our CEO and director converted $6,609 including accrued interest due under the convertible promissory note into 2,643,560 unregistered shares of the Company's common stock at $.0025 per share. The unpaid balance including accrued interest was $5,919 at December 31, 2015.

On November 20, 2013, the Company issued a $5,000 convertible promissory note to a former director. The loan bears interest at 3% and has a maturity date of November 20, 2014. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The note funded on February 3, 2014. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $1,200, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,588 and $5,838 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On March 26, 2014, the Company issued a $2,500 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of March 26, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $3,282 and $2,907 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On April 14, 2014, the Company issued a $2,500 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of April 14, 2015. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $3,266 and $2,891 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On May 27, 2014, the Company issued a $2,500 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of May 27, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The note funded on April 14, 2014. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $3,219 and $2,844 December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On May 27, 2014, the Company issued a $2,500 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of May 27, 2015. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $3,219 and $2,844 at December 31, 2016 and December 31, 2015, respectively. December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

NOTE 5 – CONVERTIBLE NOTES PAYABLE (Cont.)

On June 19, 2014, the Company issued a $2,000 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of June 19, 2015. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $2,562 and $2,262 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On June 25, 2014, the Company issued a $2,000 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of June 25, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0025 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $2,550 and $2,250 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On July 16, 2014, the Company issued a $12,500 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of July 16, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $12,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $15,859 and $13,984 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On July 18, 2014, the Company issued a $12,500 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of July 16, 2015. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $12,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $15,859 and $13,984 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On July 16, 2014, the Company issued a $25,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of July 16, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $25,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $31,825 and $28,075 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On July 21, 2014, the Company issued a $12,500 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of July 21, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $12,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $15,859 and $13,984 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

NOTE 5 – CONVERTIBLE NOTES PAYABLE (Cont.)

On July 22, 2014, the Company issued a $12,500 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of July 21, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $12,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $15,859 and $13,984 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 10, 2014, the Company issued a $5,000 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of September 10, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,219 and $5,469 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 10, 2014, the Company issued a $5,000 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of September 10, 2015. In addition, at any time, the Company's director may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,219 and $5,469 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 10, 2014, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of September 10, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,219 and $5,469 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 12, 2014, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of September 12, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,219 and $5,469 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 29, 2014, the Company issued a $10,000 convertible promissory note to our CEO and director. The loan bears interest at 5% and has a maturity date of September 29, 2015. In addition, at any time, the Company's CEO may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $10,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $12,375 and $10,875 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

NOTE 5 – CONVERTIBLE NOTES PAYABLE (Cont.)

On September 29, 2014, the Company issued a $10,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of September 29, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $10,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $12,375 and $10,875 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On September 30, 2014, the Company issued a $10,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of December 31, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $10,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $12,375 and $10,875 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On October 2, 2014, the Company issued a $15,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of October 2, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $15,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $18,563 and $16,313 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On October 3, 2014, the Company issued a $2,500 convertible promissory note to a former director. The loan bears interest at 5% and has a maturity date of October 3, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,500, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $3,094 and $2,719 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On October 9, 2014, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of October 9, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,177 and $5,427 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On October 14, 2014, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of October 14, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,177 and $5,427 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

NOTE 5 – CONVERTIBLE NOTES PAYABLE (cont.)

On October 14, 2014, the Company issued a $10,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of October 14, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $10,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $12,354 and $10,854 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On October 22, 2014, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of October 22, 2015. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0175 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $6,156 and $5,406 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On January 23, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of January 23, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,969 and $5,240 at December 31, 2016 and December 31, 2015, respectively. . The Company is not compliant with the repayment terms of the note.

On January 26, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of January 26, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,937 and $5,229 at December 31, 2016 and December 31, 2015, respectively. . The Company is not compliant with the repayment terms of the note.

On January 28, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of January 28, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,937 and $5,229 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On March 19, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of March 19, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $0. The unpaid balance including accrued interest was $5,844 and $5,198 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

NOTE 5 – CONVERTIBLE NOTES PAYABLE (cont.)

On March 19, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of March 19, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0125 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $0. The unpaid balance including accrued interest was $5,844 and $5,198 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On April 22, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of April 22, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.005 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,781 and $5,177 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On April 29, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of April 29, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.005 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $2,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,750 and $5,167 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

On August 10, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of August 10, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0015 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,532 and $5,094 at December 31, 2016 and December 31, 2015, respectively.

On August 25, 2015, the Company issued a $5,000 convertible promissory note to an individual. The loan bears interest at 5% and has a maturity date of August 25, 2016. In addition, at any time, the individual may convert the note into shares of the Company's common stock at an exercise price of $.0015 per share. After the due date, the interest rate on the convertible note increases to 15%. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated $5,000, and was recorded as debt discount. The debt discount is amortized through the term of the note. The unpaid balance including accrued interest was $5,500 and $5,083 at December 31, 2016 and December 31, 2015, respectively. The Company is not compliant with the repayment terms of the note.

As of December 31, 2016, the total short-term loans - convertible amounted to $286,563 which includes $55.063 of accrued interest. The conversion price of the notes were fixed and determinable on the date of issuance and as such in accordance with ASC Topic 815 "*Derivatives and Hedging*" ("ASC 815"), the embedded conversion options of the note were not considered derivative liabilities. The beneficial conversion features of certain convertible notes are at a price below fair market value. The Company recorded interest expense on the debt discount of $8,458 and $136,146 for the twelve months ended December 31, 2016 and 2015, respectively, in the accompanying consolidated statement of operations.

NOTE 6 – EQUITY TRANSACTIONS

The Company was established with two classes of stock, common stock – 500,000,000 shares authorized at a par value of $0.001 and preferred stock 25,000,000 shares authorized at a par value of $0.001.

On January 13 2015, three individuals converted $10,000 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 for an aggregate of $30,000 into 7,500,000 unregistered shares of the Company's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of the Company's common stock at an exercise price of $.004 per share. The fair market value of the stock was $232,500 or $.031 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $202,500.

On February 5, 2015, an individual converted $3,333 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 833,250 unregistered shares of the Company's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of the Company's common stock at an exercise price of $.004 per share. The fair market value of the stock was $33,330 or $.04 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $29,997.

On February 18, 2015, an individual converted $10,000 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 2,500,000 unregistered shares of the Company's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of the Company's common stock at an exercise price of $.004 per share. The fair market value of the stock was $112,250 or $.0449 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $102,250.

On October 15, 2015, an entity converted $6,700 due under the Amended and Restated $100,000 Convertible Note issued on July 14, 2014 into 1,675,000 shares of the Company's common stock at $.004 per share. The conversion was in accordance with the terms of the Amended and Restated $100,000 Convertible Note which permits the holder to convert amounts due under the note into shares of Canna's common stock at an exercise price of $.004 per share. The fair market value of the stock was $8,375 or $.005 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $1,675.

On November 4, 2016, the Company's CEO and director converted $6,609 including accrued interest due under the convertible promissory note dated November 20, 2013, into 2,643,560 unregistered shares of the Company's common stock at $.0025 per share to fully satisfy the obligation.

NOTE 7 – WARRANTS

During the twelve months ended December 31, 2016 and 2015, the Company did not issued any warrants.

A reconciliation of warrant activity is as follows:

	Warrants		Weighted-Average Exercise Price	Weighted Average Remaining Contract Life (Years)		Aggregate Intrinsic Value
Balance at January 1, 2015	25,510,000	$	0.053	0.82	$	-
Granted	-		-	-		-
Exercised	-		-	-		-
Expired	15,010,000		0.074	-		-
Balance at December 31, 2015	10,500,000	$	0.023	0.41	$	-
Granted	-		-	-		-
Exercised	-		-	-		-
Expired	10,500,000		0.023	-		-
Balance at December 31, 2016	-	$	-	-	$	-

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, the Company borrowed funds from a stockholder totaling $475,959 to assist with daily operations. On May 31, 2011, the Company agreed to allow $111,687 of these advances to be convertible into shares of the Company stock at $0.0225 per share. As a result of the addition of a conversion option, the modification qualifies for debt extinguishment accounting under ASC 470-50 "Debtor's Accounting for a Modification or Exchange of Debt Instruments". The fair value of the conversion option exceeded the carrying value of the convertible advances resulting in a full discount to the note. As the advances are due on demand, the entire discount of $111,687 was amortized to interest expense during year ended December 31, 2011. The unpaid balance was $364,052 at December 31, 2016 and December 31, 2015.

On March 29, 2010 the Company borrowed $100,000 from a stockholder. Terms of the loan is $100,000 payable on June 7, 2010. The Company issued 200,000 shares of common stock in lieu of interest. The loan was not repaid upon maturity, therefore are in default. They now bear an interest rate of 12%. The unpaid balance including accrued interest was $174,827 and $162,992 at December 31, 2016 and December 31, 2015, respectively.

On March 29, 2010 the Company borrowed $100,000 from a stockholder. Terms of the loan is $100,000 payable on June 7, 2010. The Company issued 200,000 shares of common stock in lieu of interest. The loan was not repaid upon maturity, therefore are in default. They now bear an interest rate of 12%. On July 14, 2014, the Company issued an amended and restated $100,000 promissory note payable to one its stockholders which consolidated, amended and restated the terms of the original $100,000 promissory note dated March 29, 2010 payable to the stockholder. The amended and restated note bears interest at 12% and has a new maturity date of December 31, 2015. In addition, at any time, the holder of the subject note may convert the note into shares of the Company's common stock at an exercise price of $.004 per share. After the due date, the interest rate on the amended note increases to 15%. During October 2014, $25,000 principle was converted into 6,250,000 unregistered shares of the Company's company stock at $.004 per share. The fair market value of the stock was $375,000 or $.06 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $350,000 which is included in the accompanying statements of operations. During January and February 2015, $43,333 principle was converted into 10,833,250 unregistered shares of the Company's company stock at $.004 per share. The fair market value of the stock was $378,080 or $.035 per share on the dates of conversion which resulted in the Company recording a loss on conversion of debt of $334,747 which is included in the accompanying statements of operations. On October 15, 2015, an entity converted $6,700 into 1,675,000 shares of Canna's common stock at $.004 per share. The fair market value of the stock was $8,375 or $.005 per share on the date of conversion which resulted in the Company recording a loss on conversion of debt of $1,675. The unpaid balance including accrued interest was $82,034 and $79,079 at December 31, 2016 and December 31, 2015, respectively.

On May 21, 2010 the Company borrowed $5,000 from StarInvest Group, Inc., one of the Company's stockholders. Terms of the loan are non-interest bearing and payable upon demand. The principal balance as of December 31, 2016 and December 31, 2015 was $5,000.

The Company's CEO has directly paid to vendors certain expenditures of the Company. The balance due the Company's CEO is $13,083 and recorded as account payable in the accompanying consolidated balance sheet and charged to operating expense in the accompanying consolidated statement of operations.

NOTE 9 – SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after December 31, 2016 up through the date these financial statements were available for issuance. During this period, the Company did not have any material recognizable subsequent events.