

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Digital Utilities Ventures, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 71 Commercial Street

Address 2: : Boston, MA 02109

Phone: :(617) 588-0068

Email: info@duventures.com

Website(s): www.duventures.com

3) Security Information

Trading Symbol DUTV

Exact title and class of securities outstanding: Common Stock with a par value \$0.001 per share

CUSIP: 25400G 10 7

Par or Stated Value: .001

Total shares authorized: 7,000,000,000

as of: August 31, 2018

Total shares outstanding: 3,453,073,447

as of: August 31, 2018

Additional class of securities (if necessary):

Trading Symbol: N/A

Exact title and class of securities outstanding: Preferred

CUSIP: N/A

Par or Stated Value: .001

Total shares authorized: 250,000,000 as of: August 31 2018

Total shares outstanding: 0 as of: August 31, 2018

Transfer Agent

Name: Pacific Stock Transfer Co.

Address 1: 6725 Via Austi Pkwy, Suite 300

Address 2: : Las Vegas, NV 89119

Phone: (800) 785-7782

Is the Transfer Agent registered under the Exchange Act?*

Yes: ☒

No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders 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

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. Conversion of Series A Convertible Preferred Stock.

In accordance with the terms of the Series A Convertible Preferred Stock, the company this date April 24, 2018 converted each and every share of the Series A Convertible Preferred Stock into one (1) fully paid and non assessable share of the company's Common Stock. The total of 20,418, 649 restricted shares of Series A Convertible Preferred Stock has been converted to 20, 418, 649 restricted shares of Common Stock.

Three million 3,000,000 restricted common shares to Momentum Holding, LLC. for consulting services as of August 31, 2018

Consulting Services: The Company hereby engages and Consultant hereby accepts the engagement to become a consultant to the Company and to render such advice, consultation, information and services to the Company including (a) assistance with introducing the Company to prospective transaction parties; (b) assistance with identifying qualified funding sources; (c) assistance with business and financial matters relating to the foregoing; and (d) such other assistance as the Company shall deem necessary or appropriate for its business.

Twenty million 20,000,000 restricted common shares to SCI, Inc. for consulting services as of August 31, 2018

Consulting Services: The Company hereby engages and Consultant hereby accepts the engagement to become a consultant to the Company and to render such advice, consultation, information and services to the Company including (a) assistance with introducing the Company to prospective transaction parties; (b) assistance with identifying qualified funding sources; (c) assistance with business and financial matters relating to the foregoing; and (d) such other assistance as the Company shall deem necessary or appropriate for its business.

Two hundred thousand 200,000 restricted common shares to Keiji Valera the following shares were subscribed to and not issued as of this date.

Pursuant to the acquisition of the controlling interest in Nature Science Health, Inc. a South Dakota corporation.

Two hundred thousand 200,000 restricted common shares to Jamie Brown the following shares were subscribed to and not issued as of this date.

Pursuant to the acquisition of the controlling interest in Nature Science Health, Inc. a South Dakota corporation.

B. Any jurisdictions where the offering was registered or qualified;

None

C. The number of shares offered;

None

D. The number of shares sold;

None

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

N/A

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

N/A

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Digital Utilities Ventures, Inc. is working to be a formidable presence in the cannabis marketplace. We have identified strategic opportunities for acquisitions an joint venture with that allow us to capitalize on existing and emerging opportunities in the cannabis industry. Digital Utilities Ventures, Inc. has positioned itself to control these opportunities from seed to sale of not only the grown product but also the licensing of products that are ancillary to the cultivation and sale cannabis products of which there are over more then 25,000 products that can be made form cannabis.

B. Date and State (or Jurisdiction) of Incorporation:

1991 Delaware

C. the issuer's primary and secondary SIC Codes;

100 Agricultural Production Crops.

2870 Agricultural Chemicals

2833 Medicinal Chemicals and Botanical Products

D. the issuer's fiscal year end date;

May 31

E. principal products or services, and their markets;

The company's business target is medical segment of the cannabis market with estimated sales over \$20 Billion. Its core product line is CBD and its medical derivatives and line extensions. Through our worldwide markets.

CBD "Cannabidiol" is a cannabis non hallucinatory compound that has significant medical benefits for treatment of a wide range of conditions such as arthritis, diabetes, alcoholism. MS, chronic pain, schizophrenia, depression, antibiotic resistant infections, epilepsy, opioids and other neurological disorders.

The company's strategy is to develop acquisitions and joint ventures to vertically integrate our business that cover the entire spectrum of the Hemp/Cannabis business from cultivation through production and distribution.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

71 Commercial Street Boston, MA 02109 the office Is not owned and condition of the property is very good and is several hundred square feet primarily used for mail drop prosperous.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Maurice Stone CEO/Director Noemi Gil Espinal Secretary/Director Malcolm Nickerson Vice President/Director Member Dakota Max, LLC owns 2,133,517,000 and 147,067,037 direct.

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

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

None

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;

None

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

None

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

None

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Malcolm Nickerson Vice President/Director World Trade Center 53rd Street Marbella Panama City, Panama Member Dakota Max, LLC owns 2,133,517,000 and 147,067,037 direct. Resident Agent Wyoming Corporate Services, Inc.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Richard Jones
Jones & Haley, P. C.
750 Hammond Drive
Building 12 suite 100
Atlanta GA, 30328
770.804.0500
jones@corplaw.net

Accountant
Jonathan A. Shaw, EA, MPrA
Partner
80 N Main Street
Bountiful, UT 84010
(801) 928-2530

Auditor PCAOB
Robert A. Boyle
Boyle CPA, LLC
361 Hopedale Drive SE
Bayville, NJ 08721
(732)-822-4427

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I Maurice Stone, certify that:

1. I have reviewed this Annual report August 31, 2018 of Digital Utilities Ventures, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

October 20, 2018
/s/ Maurice Stone CEO
/s/ Maurice Stone CFO

DIGITAL UTILITIES VENTURES, INC.
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2018

DIGITAL UTILITIES VENTURES, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

	August 31, 2018	May 31, 2018
ASSETS		
Current assets		
Cash	\$ 717	\$ 18,233
Prepaid expenses	2,917	6,417
Total current assets	<u>3,634</u>	<u>24,650</u>
Investment	90,000	90,000
Total assets	<u><u>\$ 93,634</u></u>	<u><u>\$ 114,650</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 144,912	\$ 160,611
Accrued interest	1,436,459	1,398,783
Related party payables	904	904
Notes payable	1,538,918	1,532,668
Total current liabilities	<u>3,121,193</u>	<u>3,092,966</u>
Stockholders' deficit		
Common stock subscribed	167,075	167,075
Preferred stock, \$0.001 par; 250,000,000 shares authorized; 0 issued and outstanding	-	-
Common stock, \$0.001 par; 7,000,000,000 shares authorized; 3,453,073,447 and 3,430,078,447 shares issued and outstanding at August 31, 2018 and May 31, 2018, respectively	3,453,074	3,430,074
Additional paid-in capital	2,679,491	2,527,691
Accumulated deficit	(9,327,199)	(9,103,156)
Total stockholders' deficit	<u>(3,027,559)</u>	<u>(2,978,316)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 93,634</u></u>	<u><u>\$ 114,650</u></u>

See accompanying notes to the unaudited consolidated financial statements.

DIGITAL UTILITIES VENTURES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended August 31, 2018	2017
Revenue	\$ -	\$ -
Operating expenses		
General and administrative	186,367	857
Total operating expenses	186,367	857
Other expense		
Interest expense	(37,676)	(34,354)
Total other expense	(37,676)	(34,354)
Net loss	\$ (224,043)	\$ (35,211)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Basic and diluted weighted average shares outstanding	3,447,,573,447	3,409,654,798

See accompanying notes to the unaudited consolidated financial statements.

DIGITAL UTILITIES VENTURES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended August 31, 2017	2016
Cash flows from operating activities		
Net loss	\$ (224,043)	\$ (35,211)
Adjustments to reconcile net loss to net cash used in operating activities		
Shares issued for services	174,800	-
Changes in operating assets and liabilities:		
Prepaid expenses	3,500	-
Accounts payable and accrued expenses	(15,699)	842
Accrued interest payable	37,676	34,354
Net cash used in operating activities	<u>(23,766)</u>	<u>(15)</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from notes payable	6,250	
Net cash provided by financing activities	<u>6,250</u>	<u>-</u>
Net change in cash	(17,516)	(15)
Cash at beginning of period	18,233	54
Cash at end of period	<u>\$ 717</u>	<u>\$ 39</u>
Supplemental cash flows disclosures:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the unaudited consolidated financial statements.

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 1 - Nature and Continuance of Operations

Organization

Digital Utilities Ventures, Inc. (the Company) was incorporated under the laws of the State of Delaware on June 13, 1991. The Company's business plan indicates that it has designed an efficient real time video transport system for the internet as well as for television and mobile phones. The key features of the system include 1) IMPEG-\$DMIF based terminal architecture; 2) combination of an end to end feedback control mechanism and a rate-adaptive encoding algorithm for the best use of the Internet3) a robust and efficient packetization scheme for the IMPEG-4 bit standard and 4) efficient error control algorithms adopted at the end systems for visual quality enhancement. On January 14, 2013, the Company entered into an agreement to merge with TORQ Communications, LLC to further execute this plan.

On August 31, 2010 the Company liquidated its subsidiary American Telepath International, Inc. Additionally, on January 1, 2016, the Company existed the wholesale telecom business. The financial statements have been restated to reflect for all periods presented the loss on discontinued operations.

Going Concern

These financial statements have been prepared on a going concern basis. The Company's ability to continue as a going concern is dependent upon the ability of it to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. These factors raise substantial doubt that the company will be able to continue as a going concern. Management plans to continue to provide for its capital needs by the issuance of common stock and related party advances. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America for interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with the Company's annual report for the year ended May 31, 2018. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for the fair presentation of the accompanying financial statements have been made. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that (1) recorded transactions are valid; (2) all valid transactions are recorded and (3) transactions are recorded in the period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the company for the respective periods being presented.

Use of Estimates

The preparation of financial statements in accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A change in managements' estimates or assumptions could have a material impact on the Company's financial condition and results of operations during the period in which such changes occurred.

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Use of Estimates (continued)

Actual results could differ from those estimates. The Company's financial statements reflect all adjustments that management believes are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

Impairment of Long-lived Assets

The Company reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable. The Company reviews long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Basic and diluted earnings per share

Basic earnings per share are based on the weighted-average number of shares of common stock outstanding. Diluted Earnings per share is based on the weighted-average number of shares of common stock outstanding adjusted for the effects of common stock that may be issued as a result of the following types of potentially dilutive instruments:

- Warrants,
- Employee stock options, and
- Other equity awards, which include long-term incentive awards.

The FASB ASC Topic 260, *Earnings per Share*, requires the Company to include additional shares in the computation of earnings per share, assuming dilution.

Diluted earnings per share are based on the assumption that all dilutive options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options are assumed to be exercised at the time of issuance, and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

The Company has not issued warrants or entered into any agreements requiring the Company to do so at a future date. Therefore, dilutive and basic losses per common share are equal.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with FASB ASC Topic 740. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carryforwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company's valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Stock Based Compensation

For purposes of determining the variables used in the calculation of stock compensation expense under the provisions of FASB ASC Topic 505, “*Equity*” and FASB ASC Topic 718, “*Compensation — Stock Compensation*,” we perform an analysis of current market data and historical company data to calculate an estimate of implied volatility, the expected term of the option and the expected forfeiture rate. With the exception of the expected forfeiture rate, which is not an input, we use these estimates as variables in the Black-Scholes option pricing model. Depending upon the number of stock options granted, any fluctuations in these calculations could have a material effect on the results presented in our statement of operations and other comprehensive income. In addition, any differences between estimated forfeitures and actual forfeitures could also have a material impact on our financial statements. The Company has not issued stock options since its inception.

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not, or are not believed by management to, have a material impact on the Company’s present or future consolidated financial statements.

Property and Equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

	<u>Estimated Useful Lives</u>
Furniture and Fixtures	5 - 10 years
Computer Equipment	2 - 5 years
Vehicles	5 - 10 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For audit purposes, depreciation is computed under the straight-line method. We have not purchased property or equipment since inception.

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of Digital Utilities Ventures, Inc. for the periods ended August 31, 2018 and 2017 consolidated with the financial statements of Torq Communications, Inc, (formerly Digital Utilities, Inc.) for the periods ended August 31, 2018 and 2017. All intercompany transactions and balances have been eliminated in the consolidation.

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 3 – Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company does not have significant cash or other current assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading, or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the Business paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

During the next year, the Company's foreseeable cash requirements will relate to continual development of the operations of its business, maintaining its good standing and making the requisite filings with the Securities and Exchange Commission, and the payment of expenses associated with research and development. The Company may experience a cash shortfall and be required to raise additional capital.

Management may raise additional capital through future public or private offerings of the Company's stock or through loans from private investors, although there can be no assurance that it will be able to obtain such financing. The Company's failure to do so could have a material and adverse affect upon it and its shareholders.

Since inception, the Company has funded operations by the issuance of common shares in exchange for services. For the coming year, the Company plans to continue to fund the Company through debt and securities sales and issuances until the company generates enough revenues through the operations as stated above.

Note 4- Stockholders' Equity

The total number of common shares authorized that may be issued by the Company is 57,000,000,000 shares with a par value of \$0.001 per share. The total number of preferred shares authorized that may be issued by the Company is 250,000,000 shares with no par value.

On June 22, 2018, the Company issued 20,000,000 shares to SCI, Inc. for services which were earned upon issuance. The Company recorded an expense of \$152,000, or \$0.0076 per share, the market price on the issuance date.

On June 22, 2018, the Company issued 3,000,000 shares to Momentum Holdings, LLC for services which were earned upon issuance. The Company recorded an expense of \$22,800, or \$0.0076 per share, the market price on the issuance date.

There were no preferred or common shares issued during the three months ended August 31, 2017.

There were 3,453,073,447 and 3,430,078,447 shares of common stock and 0 shares of preferred stock issued and outstanding at August 31, 2018 and May 31, 2018, respectively.

Note 5 – Income Taxes

We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation

allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

Digital Utilities Ventures, Inc.
Notes to Unaudited Consolidated Financial Statements
August 31, 2018

Note 5 – Income Taxes (continued)

The Company has not taken a tax position that, if challenged, would have a material effect on the financial statements for the periods ended August 31, 2018 and 2017 or during the prior three years applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the consolidated balance sheet. All tax returns for the Company remain open.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the “Act”) resulting in significant modifications to existing law. The Company’s financial statements for the three months ended August 31, 2018 reflect certain effects of the Act which includes a reduction in the corporate tax rate from 34% to 21% as well as other changes.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences for the periods presented are as follows:

Income tax provision at the federal statutory rate	21%
Effect on operating losses	(21%)
	-

The net deferred tax assets consist of the following:

	August 31, 2018	May 31, 2018
Net operating loss carry forward	\$ 9,152,399	\$ 9,103,156
Valuation allowance	(9,152,399)	(9,103,156)
Net deferred tax asset	\$ -	\$ -

A reconciliation of income taxes computed at the statutory rate is as follows:

	Three months ended August 31, 2018	2017
Tax at statutory rate	\$ 10,341	\$ 12,324
Increase in valuation allowance	(10,341)	(12,324)
Net deferred tax asset	\$ -	\$ -

The net federal operating loss carry forward will begin to expire in 2021. This carry forward may be limited upon the consummation of a business combination under IRC Section 381.

Note 6 – Common Stock Subscribed

On January 14, 2013, the Company entered into an agreement with TORQ Communications, LLC ("TORQ") to acquire all of its assets and certain liabilities in exchange for 167,074,500 shares of common stock. The net value of the assets acquired totaled \$222,951 and consisted of cash, accounts receivable, notes receivable, notes payable and accounts payable. The common stock had yet to be issued and was shown as subscribed at August 31, 2017 and May 31, 2017 as a result of \$167,075.

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Note 7 – Subsequent Events

The Company entered into a joint venture agreement on September 17, 2018 with two individuals to form an entity Nature Science Health which was incorporated in the state of South Dakota on September 7, 2018. Nature Science Health will manufacture and distribute CBD products for the Company and the two individuals. Nature Science Health is authorized to have 1,00,000 Common Shares and 100,000 Preferred Shares.

Nature Science Health will issue a total of 600,000 Common Shares and will be issued as following: 400,000 Common Shares equaling two-thirds of the Nature Science Health to Digital Utilities Ventures for an aggregate investment into Nature Science Health over the next two years totaling up to \$5,000,000. 200,000 Common Shares equaling one-thirds of Nature Science Health, split up 100,000 Common Shares to Jamie L Brown and 100,000 Common Shares to Keiji D Varela for their knowledge, manufacturing knowhow, formulas and CBD products.

The Company evaluated all other events or transactions that occurred after August 31, 2018 through the date of this filing. The Company determined that it does not have any other subsequent event requiring recording or disclosure in the financial statements for the period ended August 31, 2018.