

Fearless Films, Inc.

State of Incorporation: Nevada

Company Address: 467 Edgeley Blvd, Unit 2

Concord, Ontario Canada L4K 4E9

Telephone: (416) 665-7297

Corporate Website: <http://www.fearlessent.com>

SIC Code: 7812 - Motion Picture and Video Tape Production

QUARTERLY Report

For the period ending March 31, 2019

(the "Reporting Period")

The number of shares outstanding of our Common Stock is 316,543,317 as of March 31, 2019

The number of shares outstanding of our Common Stock was 155,289 as of March 31, 2018

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No: (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes: No:

Disclosure Regarding Forward-Looking Statements

Any reference to “Fearless” (which also may be referred to as the “Company”, “we”, “us” or “our”) means Fearless Films, Inc. and its consolidated subsidiary. You should read the following discussion of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this annual report.

This annual report and certain other communications made by us contain “forward-looking statements.” Forward-looking statements include, but are not limited to, statements about our financial position, business strategy, competitive position, potential growth opportunities, future operating performance, effects of competition, the effects of future legislation or regulations and plans and objectives of our management for future operations. Any statement made herein that is not a statement of historical fact should be considered a forward looking statement. We have based our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. Use of the words “may,” “will”, “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “could,” “project” or variations of such words and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements.

These forward-looking statements rely on assumptions, estimates and predictions that could be inaccurate and that are subject to risks and uncertainties that could cause actual results to differ materially from expected results. Forward-looking statements speak only as of the date of this annual report. Except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain prior period information has been reclassified to conform to the current year presentation and to reflect the write-down of our wholly-owned subsidiary business unit as a discontinued operation. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Available Information

In 2004, the Company deregistered its shares of common stock with the U.S. Securities and Exchange Commission (“SEC”). By deregistering the Company’s common stock with the SEC, the Company is no longer required to file annual, quarterly and current reports with the SEC. In 2006, the Company was approved for quotation on the Pink Market by the NASD. On October 12, 2018 the company filed a Form S-1 registration statement with the SEC. This registration statement was amended January 4, 2019 and May 5, 2019.

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Part A General Company Information

Item 1 Exact name of the issuer and the address of its principal executive offices.

Exact name of the issuer: Fearless Films, Inc.

Exact names of predecessor entities in the past five years and dates of name changes: Paw4mance Pet Products International, Inc. - September 26, 2014

Principal Executive Offices: 467 Edgeley Blvd., Unit 2
Concord, ONT L4K 4E9 Canada
Telephone: (416) 665-7297
Facsimile: N/A
Corporate Website: <http://www.fearlessent.com>

Investor Relations Officer: Dennis dos Santos, Chief Executive Officer and Director
467 Edgeley Blvd., Unit 2
Concord, ONT L4K 4E9 Canada
Telephone: (416) 665-7297
Email Address: info.fearlessent@gmail.com

Item 2 Shares outstanding.

As of March 31, 2019

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (Public Float) (1)	Total Number of Beneficial Stockholders (2)	Total Number of Stockholders of Record
Common Stock	500,000,000	316,543,317	66,759	160	115
Series A Preferred Stock	10,000,000	1,000,000	—	1	1
Series B Preferred Stock	10,000,000	—	—	—	—

As of December 31, 2018

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (Public Float) (1)	Total Number of Beneficial Stockholders (2)	Total Number of Stockholders of Record
Common Stock	500,000,000	316,543,317	66,759	160	115
Series A Preferred Stock	10,000,000	1,000,000	—	1	1
Series B Preferred Stock	10,000,000	—	—	—	—

As of December 31, 2017

Class	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (Public Float) (1)	Total Number of Beneficial Stockholders (2)	Total Number of Stockholders of Record
Common Stock	500,000,000	155,289	66,759	153	107
Series A Preferred Stock	10,000,000	1,000,000	—	1	1
Series B Preferred Stock	10,000,000	—	—	—	—

1. For purposes of this calculation only, shares of common stock held by each of Fearless' directors and officers on the given date and by each person who Fearless knows beneficially owned outstanding common stock on that date have been excluded in that such persons may be deemed to be affiliates.
2. Estimate based on reports from Transshare Corporation. There are greater than 100 beneficial shareholders owning at least 1 share of the Company's common stock

Item 3 Interim financial statements.

The financial statements for the period ended March 31, 2019 are incorporated by reference and available at <https://backend.otcmarkets.com/otcapi/company/financial-report/223011/content> and include:

- 1) Consolidated Balance Sheets
- 2) Consolidated Statements of Operations and Comprehensive Income (Loss).
- 3) Consolidated Statements of Stockholders' Deficiency
- 4) Consolidated Statements of Cash Flows; and

Notes to Consolidated Financial Statements.

Item 4 Management's discussion and analysis or plan of operation.

Business Overview

Our company was organized as MYG Corp. under the laws of the State of Nevada on July 6, 2000 and underwent name changes to BisAssist, Inc. on December 21, 2000 and to Cody Ventures Corporation on October 11, 2004. On April 7, 2011, the company changed its name to Paw4mance Pet Products International, Inc. to reflect the business of distributing natural based pet foods and treats. On September 26, 2014, the company changed its name to Fearless Films, Inc. in anticipation of the acquisition of Fearless Films (Canada). On November 14, 2014, the company completed the acquisition of Fearless Films (Canada), which became a wholly-owned subsidiary of the company. The intent of the acquisition was to engage in the business of providing professional services for short film and full-length feature film productions and related services under the guidance of the founder of Fearless Films (Canada), Victor Altomare.

Our subsidiary, Fearless Films (Canada), is an independent full service production company and has been positioning itself to ultimately produce top quality entertainment. We intend to specialize in short film and feature film production in addition to script writing, copywriting, fulfillment and distribution. Because of a lack of adequate funding, we have not realized revenues since our acquisition, but management believes we are in a position to become fully operational with the infusion of new capital. We currently do not have definite plans for securing adequate funding, but are working diligently to be able to fund our operations. Since inception and prior to our acquisition, Fearless Films (Canada) has produced more than ten films and also a pilot for a series, The My Ciccio Show.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this prospectus.

Our independent auditors have expressed a going concern modification to their report to our financial statements. To date we have incurred substantial losses and will require financing for working capital to meet future obligations. We anticipate needing additional financing on an ongoing basis for the foreseeable future unless our operations provide adequate funds, of which there can be no assurance. We most likely will satisfy future financial needs through the sale of equity securities, although we could possibly consider debt securities or promissory notes. We believe the most probable source of funds will be from existing stockholders and/or management, although there are no formal agreements to do so. If we are unable to sustain a public trading market for our shares, it will be more difficult to raise funds through the sale of common stock. We cannot assure you that we will be able to obtain adequate financing, achieve profitability, or to continue as a going concern in the future.

Results of Operations

For the three months ended March 31, 2019 compared to the three months ended March 31, 2018.

We did not realize revenues from operations during the three months ended March 31, 2019, nor during fiscal years ended December 31, 2018 and 2017. We have been working towards developing our business as a provider of video production services to professional video production companies. However, we have not had sufficient capital to begin full activities or to complete projects that have been initiated. We are hopeful that with the restructuring of our debt we will be able to attract new financing that will enable us to complete our existing projects and to the marketing stage.

During the first three months of 2019, total operating expenses were \$54,281, compared to \$37,590 in the first three months of 2018. Operating expenses were broken into four categories. (i) General and administrative expenses decreased 50% in the three months ended March 31, 2019 from \$7,189 in the first three months of 2018 to \$3,594 in the first three months of 2019. This was due primarily to a decrease in expenses related to developing our business plan and projects. (ii) Management fees increased to \$39,516 during the first three months of 2019 versus \$24,600 in the first three months of 2018, a result of the effect of new management contracts entered into in 2019. (iii) Professional fees during the first three months of 2019 increased 44% to \$11,171, compared to \$5,801 in the first three months of 2018. This net increase is a result of higher consulting services fees and relevant professional services, including accounting and legal fees.

During the first three months of 2019 we recorded an Interest expense of \$1,450, compared to \$0 in the same period one year earlier. The interest expense reflects the fact that implied interest at the rate of 5% per annum has been accrued on all loans outstanding as of March 31, 2019.

During the first three months of 2019 we recorded a gain on exchange of \$22,835 compared to nil in the first three months of 2018. The gain is the result of the translation of amounts denominated in

Canadian dollars for the subsidiary in Canada, into the reporting currency (US dollars) of the company.

As a result of the above, we reported a net loss of \$32,896 for the three months ended March 31, 2019 compared to a net loss of \$37,590 for the 2018 period. We also recorded a foreign currency translation adjustment amounting to a loss of \$23,310 for the first three months of 2019 and compared to a gain of 14,36 for the first three months of 2018. Because the functional currency of our parent, Fearless Films, is United States dollars and the functional currency of our subsidiary, Fearless Films (Canada), is Canadian dollars, an adjustment is necessary. Thus, after the foreign currency translation adjustment, our comprehensive loss for the first three months of 2019 was \$56,206 (\$0.00 per share), compared to a comprehensive loss for the first three months of 2018 of \$23,221 (\$0.00 per share). Comprehensive income and loss per share calculations are diluted and made giving effect to the share amounts of common stock to be issued.

Liquidity and Capital Resources

At three months ended March 31, 2019 compared to fiscal year ended December 31, 2018.

At March 31, 2019, we had total current assets of \$20,495, comprised of \$3,012 in cash and \$17,483 in prepaid expenses. At December 31, 2018, we had total current assets of \$23,863, comprised of \$3,700 in cash and \$20,163 in prepaid expenses. The decrease in cash during the first three months of 2018 is due to the reduction of \$5,264 in accrued expenses, offset by a decrease in prepaid expenses of \$3,095. Total current liabilities at March 31, 2019 were \$256,429, compared to \$203,591 at December 31, 2018. Included in current liabilities are accounts payable that increased from \$101,119 at December 31, 2018 to \$133,946 at March 31, 2019, and loans payable that increased from \$91,000 at December 31, 2018 to \$116,000 at March 31, 2019. The increase in accounts payable was due to additional services that were not paid in cash. The increase in loans payable during the first three months of 2019 was attributed to the company entering into loan agreements with third parties raising total gross proceeds of \$25,000 during the period. Additionally, accrued liabilities decreased from \$11,472 at December 31, 2018 to \$6,483 at March 31, 2019.

At March 31, 2019 we had a working capital deficit of \$235,934 compared to a working capital deficit of \$179,728 at December 31, 2018. The Company has incurred recurring losses from operations and as at March 31, 2019 and December 31, 2018 had an accumulated deficit of \$3,495,468 and \$3,462,572, respectively. We continue to seek additional funding, most likely through the sale of securities or securing additional debt, although currently we have no definite agreement of arrangement for additional funding. The debt ranged in age from four months to nearly four years. We continue to seek additional funding, most likely through the sale of securities or securing

additional debt, although currently we have no definite agreement of arrangement for additional funding.

Foreign Currency Translation

The functional currency of our parent company is United States dollars and the functional currency of our subsidiary, Fearless Films (Canada), is Canadian dollars. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net loss for the year. In translating financial statements of the company's Canadian subsidiary from its functional currency into the company's reporting currency of United States dollars, balance sheet accounts are translated using the closing exchange rate in effect at the balance sheet date. Income and expense accounts are translated using an average exchange rate prevailing during the reporting period. Adjustments resulting from the translation, if any, are included in cumulative other comprehensive income (loss) in stockholders' equity. To date, we have not entered into derivative instruments to offset the impact of foreign currency fluctuations.

Business Trends and Forecast

Management believes that consumption of video is increasing due to the rapid expansion of streaming video. This trend is a result of more and more people augmenting their use of, or replacing broadcast television with, streaming video to watch their favorite content on services like Netflix, Amazon Prime, Hulu Plus, HBO Now and Gaia. The streaming video market includes various free, ad-supported and subscription service offerings focused on various genres, including films, broadcast and original series, fitness and educational content.

Our goal is to position Fearless Films in the streaming video landscape to offer a wide variety of exclusive and unique content. This would provide a complementary offering to other mostly entertainment-based streaming video services. Our original content is developed and produced in-house in our production studios in Concord, Ontario. By offering exclusive and unique content over a streaming service, we believe we will be able to significantly expand our target subscriber base.

While the shift to streaming delivery is strong, Fearless Films also intends to develop content that appeals to more traditional outlets, such as movie theatre chains.

Inflation

In the opinion of management, inflation has not and will not have a material effect on our operations in the immediate future. Management will continue to monitor inflation and evaluate the possible future effects of inflation on our business and operations.

Recent Accounting Pronouncements

The company has evaluated recent accounting pronouncements and their adoption has not had nor is not expected to have a material impact on the company's financial position or statements.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

JOBS Act

The JOBS Act provides that, so long as a company qualifies as an "emerging growth company," it will, among other things:

- Be exempted from the provisions of Section 404(b) of the Sarbanes-Oxley Act, requiring its independent registered public accounting firm to provide an attestation report on the effectiveness of its internal control over financial reporting;
- be exempted from the "say on pay" and "say on golden parachute" advisory vote requirements of the Dodd-Frank Wall Street Reform and Customer Protection Act (the "***Dodd-Frank Act***"), and certain disclosure requirements of the Dodd-Frank Act relating to compensation of its chief executive officer, and be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Securities Exchange Act of 1934; and
- instead provide a reduced level of disclosure concerning executive compensation, and be exempted from any rules that may be adopted by the Public company Accounting Oversight Board requiring mandatory audit firm rotations, or a supplement to the auditor's report on the financial statements.

It should be noted that notwithstanding our status as an emerging growth company, we would be eligible for these exemptions because of our status as a "smaller reporting company" as defined by the Exchange Act.

Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We

have irrevocably elected not to take advantage of the benefits of this extended transition period and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Item 5 **Legal proceedings.**

Not applicable

Item 6 **Defaults upon senior securities**

Not Applicable

Item 7 **Other information.**

During the three months ended March 31, 2019, the Company entered into a loan agreement with a third party and raised in total gross proceeds of \$25,000 (March 31, 2018: \$41,553).

Subsequent to the period end, on May 8, 2019, the Company entered into new loan agreements with a third party and raised in total gross proceeds of \$50,000 denominated in Canadian dollars.

All loans are unsecured, interest free and repayable on demand within 180 days of written notice of such demand. Implied interest at the rate of 5% per annum has been accrued on all loans outstanding as of March 31, 2019.

Item 8 **Exhibits.**

On April 1, 2017, the company entered into a consulting agreement with Dennis dos Santos, President, Chief Executive Officer and director of the company. The consulting agreement has an indefinite term. Under the terms of the consulting agreement, the company has agreed to pay Mr. dos Santos \$8,200 per month and reimburse Mr. dos Santos for out-of-pocket business expenses. The consulting agreement also contains standard confidentiality and non-interference provisions. Due to the limited cash resources of the company, the difference between the contracted amount and cash payments made by the company has been accrued under accounts payable.

The company has entered into a consulting agreement with Victor Altomare, President of its subsidiary Fearless Films (Canada), which was effective as of January 1, 2019. The consulting agreement has an indefinite term, which can be terminated by either party with a requisite 180 days' written notice to the other party, or at any time by mutual agreement. Under the terms of the consulting agreement, the company has agreed to pay Mr. Altomare \$5,000 per month and reimburse Mr. Altomare for out-of-pocket business expenses. The consulting agreement also contains standard confidentiality and non-interference provisions.

Item 9 Certifications.

I, [Dennis dos Santos], certify that:

1. I have reviewed this quarterly disclosure statement of Fearless Films, 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.

Date: May 23, 2019

[Dennis dos Santos]

[CEO and CFO]