FERNHILL CORPORATION

(Formerly "Global Gold Corp.")

Financial Statements and Footnotes
For the periods ended
September 30, 2014 & December 31, 2013
(Unaudited)

Prepared by
GA Consulting LLC
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FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2014	**September 30, 2013**	**September 30, 2014**	**September 30, 2013**
REVENUE	$ -	$ -	$ -	$ -
OPERATING EXPENSES				
Professional fees, related party	1,020	211,895	3,285	214,453
General and administrative	2,100	3,467	7,005	8,052
Total Operating Expenses	3,120	215,362	10,290	222,504
NET LOSS FROM OPERATIONS	(3,120)	(215,362)	(10,290)	(222,504)
OTHER (INCOME) EXPENSE				
Interest expense	-	-	-	-
Other income	-	-	-	-
TOTAL OTHER INCOME (EXPENSE)	-	-	-	-
NET LOSS BEFORE INCOME (LOSS) TAXES	(3,120)	(215,362)	(10,290)	(222,504)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME (LOSS) FOR THE PERIOD	$ (3,120)	$ (215,362)	$ (10,290)	$ (222,504)
BASIC AND DILUTED (LOSS) PER COMMON SHARE	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	151,059,216	134,259,216	146,520,021	64,259,216

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

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
BALANCE SHEETS
(Unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets	$ -	$ -
Other assets		
Loan to shareholder	1,492	1,492
Investment in mining property	250,000	250,000
Total other assets	251,492	251,492
Total assets	$ 251,492	$ 251,492
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 21,296	$ 21,296
Shareholder advance	7,584	7,584
Current portion of agreement	-	-
Total current liabilities	28,880	28,880
Other liabilities		
Loans from shareholders	-	-
Notes payable	25,112	15,622
Agreement payable, less current portion	-	-
Demand notes payable	53,000	69,000
Total other liabilities	78,112	84,622
Total liabilities	106,992	113,502
STOCKHOLDERS' EQUITY		
Common stock; par value $0.001, 1,000,000,000 shares authorized, 151,059,216 and 134,259,216 issued and outstanding at September 30, 2014 and December 31, 2013, respectively	151,059	134,259
Common stock payable	-	-
Additional paid-in capital	8,941,578	8,941,578
Retained Deficit	(273,432)	(273,432)
Deficit accumulated during exploration stage	(8,790,141)	(8,779,851)
Accumulated other comprehensive income	115,436	115,436
Total stockholders' equity	144,500	137,990
Total liabilities and stockholders' equity	$ 251,492	$ 251,492

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

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
From December 31, 2005 through March 31, 2014
(Unaudited)

	Common Stock		Additional	Subscriptions Payable		Retained	Deficit Accumulated During	Accumulated Other Comprehensive	Total Stockholders'
	Shares	**Amount**	**Paid-in Capital**	**Shares**	**Amount**	**Deficit**	**Exploration Stage**	**Income**	**Deficit**
Balance at December 31, 2005	**158**	**$ 0**	**$ 2,422,415**	**-**	**$ -**	**$ (273,432)**	**$ (2,962,512)**	**$ -**	**$ (813,529)**
April 9, 2006, Stock Issued ECSP -Debt	4	0	291,174						291,174
May 9, 2006 Beneficial Conversion	5	0	498,573						498,573
June 24, 2006, Stock Option Exercise	1	0	29,619						29,619
June 30, 2006, Stock options issued	-	-	344,824						344,824
October 17, 2006, Debenture Conversion	1	0	67,688						67,688
Funds received for private placement	1	0	49,999						49,999
Share Issue Costs			(6,157)						(6,157)
Foreign currency translation adjustment								24,623	24,623
Net Loss							(1,510,441)		(1,510,441)
Balance at December 31, 2006	**170**	**$ 0**	**$ 3,698,135**	**-**	**$ -**	**$ (273,432)**	**$ (4,472,953)**	**$ 24,623**	**$ (1,023,627)**
February 27, 2007 Stock Issued for Debt	5	0	274,070						274,070
February 27, 2007 Private Placement	3	0	150,000						150,000
March 28, 2007 Private Placement	1	0	11,000						11,000
April 19, 2007 Private Placement	1	0	35,000						35,000
April 19, 2007 Stock Issued for Debt	1	0	15,000						15,000
June 18, 2007 Stock Issued for Debt	1	0	9,140						9,140
September 6, 2007 Stock Issued for Debt	1	0	24,932						24,932
December 14, 2007 Private Placement	1	0	30,001						30,001
Foreign currency translation adjustment								111,977	111,977
Net Loss							(1,829,308)		(1,829,308)
Balance at December 31, 2007	**183**	**$ 0**	**$ 4,247,278**	**-**	**$ -**	**$ (273,432)**	**$ (6,302,261)**	**$ 136,600**	**$ (2,191,815)**
February 4, 2008 Stock Issued for Debt	10	0	336,973						336,973
December 31, 2008 Stock Issued for Debt	22	0	21,586						21,586
Foreign currency translation adjustment								84,020	84,020
Net Loss							1,653,005		1,653,005
Balance at December 31, 2008	**216**	**$ 0**	**$ 4,605,837**	**-**	**$ -**	**$ (273,432)**	**$ (4,649,256)**	**$ 220,620**	**$ (96,231)**
March 15, 2009 Stock Issued for Debt	5,000	5	49,995						50,000
Net Loss							(65)	-	(65)
Balance at March 31, 2009	**5,216**	**$ 5**	**$ 4,655,832**	**-**	**$ -**	**$ (273,432)**	**$ (4,649,321)**	**$ 220,620**	**$ (46,296)**
April 15, 2009 Stock Issued to Director	4,000	4	39,996						40,000
Net Loss							(40,000)		(40,000)
Balance at June 30, 2009	**9,216**	**$ 9**	**$ 4,695,828**	**-**	**$ -**	**$ (273,432)**	**$ (4,689,321)**	**$ 220,620**	**$ (46,296)**
Net Loss									
Balance at September 30, 2009	**9,216**	**$ 9**	**$ 4,695,828**	**-**	**$ -**	**$ (273,432)**	**$ (4,689,321)**	**$ 220,620**	**$ (46,296)**

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
From December 31, 2005 through March 31, 2014
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Subscriptions Payable Shares	Subscriptions Payable Amount	Retained Deficit	Deficit Accumulated During Exploration Stage	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
Net Loss							-		
Balance at December 31, 2009	**9,216**	**$ 9**	**$ 4,695,828**	**-**	**$ -**	**$ (273,432)**	**$ (4,689,321)**	**$ 220,620**	**$ (46,296)**
February 10, 2011 shares payable issuance persuant to asset purchase agreement			99,991	9,000	9				100,000
Foreign currency translation adjustment								(1,890)	(1,890)
Net Income							49,055		49,055
Balance at March 31, 2010	**9,216**	**$ 9**	**$ 4,795,819**	**9,000**	**$ 9**	**$ (273,432)**	**$ (4,640,266)**	**$ 218,730**	**$ 100,869**
April 14, 2010 Stock Split 100 to One								-	
April 16, 2010 shares payable issued	900,000	900	(891)	(9,000)	(9)				-
April 24, 2010 Stock issued for conversion of debt	400,000	400	39,600						40,000
Foreign currency translation adjustment								(4,096)	(4,096)
Net Income							-		-
Balance June 30, 2010	**1,309,216**	**$ 1,309**	**$ 4,834,528**	**-**	**$ -**	**$ (273,432)**	**$ (4,640,266)**	**$ 214,634**	**$ 136,773**
Foreign currency translation adjustment								2,655	2,655
Net Income							-		-
Balance September 30, 2010	**1,309,216**	**$ 1,309**	**$ 4,834,528**	**-**	**$ -**	**$ (273,432)**	**$ (4,640,266)**	**$ 217,289**	**$ 139,428**
Foreign currency translation adjustment								4,245	4,245
Net Income							-		-
Balance December 31, 2010	**1,309,216**	**$ 1,309**	**$ 4,834,528**	**-**	**$ -**	**$ (273,432)**	**$ (4,640,266)**	**$ 221,534**	**$ 143,673**
March 31, 2011 certificates returned to the treasury	(50,000)	(50)	50						-
Foreign currency translation adjustment								4,277	4,277
Net Income							(30,585)		(30,585)
Balance March 31, 2011	**1,259,216**	**$ 1,259**	**$ 4,834,578**	**-**	**$ -**	**$ (273,432)**	**$ (4,670,851)**	**$ 225,811**	**$ 117,365**
Foreign currency translation adjustment								(901)	(901)
Net Income							-		-
Balance June 30, 2011	**1,259,216**	**$ 1,259**	**$ 4,834,578**	**-**	**$ -**	**$ (273,432)**	**$ (4,670,851)**	**$ 224,910**	**$ 116,464**
Foreign currency translation adjustment								(11,120)	(11,120)
Net Income							-		-
Balance September 30, 2011	**1,259,216**	**$ 1,259**	**$ 4,834,578**	**-**	**$ -**	**$ (273,432)**	**$ (4,670,851)**	**$ 213,790**	**$ 105,344**
Foreign currency translation adjustment								2,440	2,440
Net Income							-		-
Balance December 31, 2011	**1,259,216**	**$ 1,259**	**$ 4,834,578**	**-**	**$ -**	**$ (273,432)**	**$ (4,670,851)**	**$ 216,230**	**$ 107,784**

FERNHILL CORPORATION
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STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
From December 31, 2005 through March 31, 2014
(Unaudited)

	Common Stock		Additional	Subscriptions Payable			Deficit	Accumulated	Total
			Paid-in			Retained	Accumulated During	Other Comprehensive	Stockholders'
	Shares	**Amount**	**Capital**	**Shares**	**Amount**	**Deficit**	**Exploration Stage**	**Income**	**Deficit**
March 31, 2012 Reverse split 100 to one									
Foreign currency translation adjustment								4,460	4,460
Net Income							50,135		50,135
Balance March 31, 2012	**1,259,216**	**$ 1,259**	**$ 4,834,578**	**-**	**$ -**	**$ (273,432)**	**$ (4,620,716)**	**$ 220,690**	**$ 162,379**
April 13, 2012 Shares issued for services	40,000,000	40,000	3,960,000						4,000,000
June 19, 2012 Shares issued for debt conversion	8,000,000	8,000							8,000
Foreign currency translation adjustment							-	(104,800)	(104,800)
Net Income							(3,912,000)		(3,912,000)
Balance June 30, 2012	**49,259,216**	**$ 49,259**	**$ 8,794,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,532,716)**	**$ 115,890**	**$ 153,579**
July 10, 2012 Shares issued for debt conversion	15,000,000	15,000							15,000
Foreign currency translation adjustment							-	3,716	3,716
Net Income							(13,684)		(13,684)
Balance September 30, 2012	**64,259,216**	**$ 64,259**	**$ 8,794,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,546,400)**	**$ 119,606**	**$ 158,611**
Foreign currency translation adjustment							-	2,389	2,389
Net Income							(8,880)		(8,880)
Balance December 31, 2012	**64,259,216**	**$ 64,259**	**$ 8,794,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,555,280)**	**$ 121,995**	**$ 152,120**
Foreign currency translation adjustment								(5,243)	(5,243)
Net Income							(4,466)		(4,466)
Balance March 31, 2013	**64,259,216**	**$ 64,259**	**$ 8,794,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,559,746)**	**$ 116,752**	**$ 142,411**
Foreign currency translation adjustment							-	(8,239)	(8,239)
Net Income							(2,542)		(2,542)
Balance June 30, 2013	**64,259,216**	**$ 64,259**	**$ 8,794,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,562,288)**	**$ 108,513**	**$ 131,630**
August 29, 2013 shares issued for services	70,000,000	70,000	147,000						217,000
Foreign currency translation adjustment							-	(1,285)	(1,285)
Net Income							(215,363)		(215,363)
Balance September 30, 2013	**134,259,216**	**$ 134,259**	**$ 8,941,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,777,651)**	**$ 107,228**	**$ 131,982**
Foreign currency translation adjustment							-	8,208	8,208
Net Income							(2,200)		(2,200)
Balance December 31, 2013	**134,259,216**	**$ 134,259**	**$ 8,941,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,779,851)**	**$ 115,436**	**$ 137,990**

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
From December 31, 2005 through March 31, 2014
(Unaudited)

	Common Stock		Additional	Subscriptions Payable		Retained	Deficit Accumulated	Accumulated Other	Total
	Shares	Amount	Paid-in Capital	Shares	Amount	Deficit	During Exploration Stage	Comprehensive Income	Stockholders' Deficit
January 14, 2014 shares issued for conversion of note payable	10,800,000	10,800	-	-	-	-	-	-	10,800
March 19, 2014 shares returned to the treasury	(4,000,000)	(4,000)	-	-	-	-	-	-	(4,000)
Net loss for three months ended March 31, 2014	-	-	-	-	-	-	(5,170)	-	(5,170)
Balance March 31, 2014	**141,059,216**	**$ 141,059**	**$ 8,941,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,785,021)**	**$ 115,436**	**$ 139,620**
May 20, 2014 shares issued for conversion of note payable	10,000,000	10,000	-	-	-	-	-	-	10,000
Net loss for three months ended June 30, 2014	-	-	-	-	-	-	(2,000)	-	(2,000)
Balance June 30, 2014	**151,059,216**	**$ 151,059**	**$ 8,941,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,787,021)**	**$ 115,436**	**$ 147,620**
Net loss for three months ended September 30, 2014	-	-	-	-	-	-	(3,120)	-	(3,120)
Balance September 30, 2014	**151,059,216**	**$ 151,059**	**$ 8,941,578**	**-**	**$ -**	**$ (273,432)**	**$ (8,790,141)**	**$ 115,436**	**$ 144,500**

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
STATEMENTS OF CASH FLOWS
(unaudited)

	For the Nine Months Ended	
	September 30, 2014	September 30, 2013
OPERATING ACTIVITIES		
Net income (loss)	$ (10,290)	$ (222,504)
Adjustments to reconcile net loss from operations:		
Convertible debt issued for services	-	-
Stock based compensation	-	217,000
Gain on debt extinguishment	-	-
Change in operating assets and liabilities:		
Decrease in prepaid expenses	-	-
Increase in shareholder advances	-	-
Increase in accounts payable and accrued liabilities	800	-
Net cash used in operating activities	(9,490)	(5,504)
INVESTING ACTIVITIES		
Fixed asset (additions) dispositions	-	-
Net cash used in investing activities	-	-
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	-
Agreement payable for mineral property purchase	-	-
Shares payable for mineral property purchase	-	-
Proceeds from Notes payable	-	5,500
Proceeds from convertible notes payable	9,490	-
Proceeds from issuance of common shares	-	-
Proceeds from Shareholder advances	-	7,621
Additional paid-in capital	-	-
Net cash provided by financing activities	9,490	13,121
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	7,617
CASH AND CASH EQUIVALENTS -BEGINNING OF PERIOD	-	-
FOREIGN CURRENCY TRANSLATION EFFECT ON CASH	-	(6,137)
CASH AND CASH EQUIVALENTS -END OF PERIOD	$ -	$ 1,480
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for:		
Taxes	$ -	$ -
Interest	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Shares issued for debt conversion	$ 20,800	$ -
Shares returned to treasury	$ 4,000	$ -

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

FERNHILL CORPORATION
(Formerly "Global Gold Corp.")
NOTES TO UNAUDITED FINANCIAL STATEMENTS
(Unaudited)
NINE MONTHS ENDED SEPTEMBER 30, 2014

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

The interim financial statements of Fernhill Corporation (formerly “Global Gold Corporation”) (the “Company” or “FERN”) have been prepared by management and are unaudited. In the opinion of management, these financial statements reflect all adjustments of a normal recurring nature necessary for a fair presentation of the results for the interim periods presented.

Basis of Presentation

The Company is considered to be a development stage company and has not generated significant revenues from operations. There is no bankruptcy, receivership, or similar proceedings against our company.

These financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles.

Certain information or footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The interim results for the three and nine months ended September 30, 2014 are not necessarily indicative of results for the full fiscal year. It is suggested that these financial statements be read in conjunction with the annual financial statements and notes thereto included in the Company’s annual report on for the year ended December 31, 2013.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assume that the Company will continue in operation for at least one year and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions and events cast doubt about the Company’s ability to continue as a “going concern”. The Company has incurred net losses of approximately $8,790,141 for the period from inception, (April 7, 1997 through September 30, 2014, has a liquidity problem, and requires additional financing and or sales in order to finance its business activities on an ongoing basis. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained.

The Company’s ability to survive will depend on numerous factors including, but not limited to, the Company’s receiving continued financial support, completing public equity financing, or generating profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the Company were unable to continue as a “going concern”. While management believes that the actions already taken or planned, will mitigate the adverse conditions and events which raise doubt about the validity of the “going concern” assumption used in preparing these financial statements, there can be no assurance that these actions will be successful.

NOTE 2 – GOING CONCERN – (CONTINUED)

If the Company were unable to continue as a “going concern”, then substantial adjustments would be necessary to the carrying values of assets, the reported amounts of its liabilities, the reported revenues and expenses, and the balance sheet classifications used.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Per Share Data

Net loss per common share is computed by dividing net loss by the weighted average common shares outstanding during the period as defined by Financial Accounting Standards, ASC Topic 260, "Earnings per Share". Basic earnings per common share (“EPS”) calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Use of Estimates

The preparation of financial statements in conformity with 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 liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Management believes that the estimates used are reasonable.

In Management's opinion all adjustments necessary for a fair statement of the results for the interim periods have been made. All adjustments are normal and recurring other than the impairment of the Software development intangible as described in Note 5 of these footnotes.

Revenue Recognition

The Company recognizes revenue on an accrual basis. Revenue is generally realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an arrangement exists between the Company and our customer(s); 2) services have been rendered; 3) our price to our customer is fixed or determinable; and 4) collectability is reasonably assured.

Fair value of financial instruments

The carrying value of cash equivalents and accrued expenses approximates fair value due to the short period of time to maturity.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Stock-based Compensation

The Company recognizes stock-based compensation in accordance with ASC Topic 718 “Stock Compensation”, which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values.

Recent Accounting Pronouncements

Management has evaluated all recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC through the issuance date of these financials and they are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

NOTE 4 – COMMITMENTS

As of September 30, 2014, the Company has a “virtual office” in the United States contracted on a month-to-month basis. Currently, there are no outstanding debts owed by the company for the use of these facilities and there are no commitments for future use of the facilities.

NOTE 5 – ASSET PURCHASE AGREEMENT

On February 11, 2010 the Company entered into an Asset Purchase Agreement to acquire 13 mining claims comprising of 414.14 hectares in the Montauban and Chavigny Townships near Grondines-West, in the Portneuf County, Quebec, for the purpose of exploration for gold and silver mineralization deposits.

The Company acquired the mining claims for a total of approximately $250,000 consisting of an initial deposit of Fifty Thousand Canadian dollars on the signing of this Agreement, US$100,000 of the Company common shares at its fair market value on February 11, 2010, CAD$50,000 on or before February 10, 2011, and CAD$50,000 on or before February 11, 2012. An agreement was reached to extend this due date to December 31, 2013.

The Company issued 90,000,000 common shares with a deemed value of US$100,000 on April 16, 2010, in partial consideration for this acquisition.

NOTE 6 – DEMAND NOTES PAYABLE

On February 27, 2006, the Company entered into a Settlement Agreement with one of its creditors. Under the terms of the Settlement Agreement, the Company issued an 8% Promissory Note for $123,615 due on December 31 2007. Since the Promissory Note is in default, the holder has the right to convert the Promissory Note into shares of the Company at par value according to the agreement. On December 31, 2008, the Company issued 21,586,735 pre-reverse split shares. On March 15, 2009, the Company converted $50,000 of the balance of the Promissory Note into 50,000,000 shares of the Company. On April 24, 2010 the company converted the $40,000 balance of the Promissory Note into 40,000,000 shares of the Company.

NOTE 6 – DEMAND NOTES PAYABLE – (CONTINUED)

On January 31, 2011, the Company entered into a note payable with an unrelated party in the amount of $82,000. The note is unsecured, bears an interest rate of 8% per annum and was due on January 31, 2012. The note is currently in default and as a provision of the note is convertible into common shares of the Company. Accordingly, as of June 30, 2014 $29,000 in principal has been converted into common shares leaving a balance of $53,000, (see Note 8).

During the nine months ended September 30, 2014, the Company entered into a note payable with an unrelated party in the amount of $9,490. The note is convertible, unsecured, bears an interest rate of 8% per annum, and is due in 1 year from the date of consummation.

NOTE 7 – RELATED PARTY ADVANCES

During the year ended December 31, 2013, the Company received advances to fund operations from a related party in the amount of $15,622. The note is unsecured, bears an interest rate of 8% per annum and is due on February 10, 2014. Upon default of the note, the entire balance including any interest accrued is convertible into common shares of the Company. The balance on the note as of September 30, 2014 is $7,584.

NOTE 8 - COMMON STOCK TRANSACTIONS

In April 2007, the Company received $15,000 pursuant to a private placement and issued 300,000 shares and 300,000 warrants to purchase shares at $.10 for a period of two years.

In April, 2007, the Company issued 1 share to extinguish a debt of $15,000 owed to an arms-length party.

In June, 2007, the Company issued 1 share to extinguish a debt of $9,140 owed to an arms length party.

In September 2007, the Company issued 1 share to extinguish a debt of $24,932 owed to a director.

In December 2007, the Company received $30,000 pursuant to a private placement and issued 1 shares and 7,500 two year warrants to purchase shares at $5.00.

In accordance with EITF 00-19, the issuance of the warrants described above is considered permanent equity and thus no value has been assigned to the warrants.

In February 2008, the Company issued 10 shares to extinguish debts of $336,973 to non-arm lengths parties.

On December 31, 2008, the Company issued 22 shares for $21,371 pursuant to convertible promissory note.

On March 15, 2009, the Company issued 5,000 shares for $50,000 pursuant to a convertible promissory note to arms-length parties.

On April 15, 2009, the Company issued 4,000 shares for services at $10 per share for a value of $40,000.

On April 16, 2010, the Company issued 900,000 shares for a value of $100,000 pursuant to an Asset Purchase Agreement, see Note 4 above.

NOTE 8 - COMMON STOCK TRANSACTIONS – (CONTINUED)

On April 24, 2010, the Company issued 400,000 shares upon conversion of a $40,000 promissory note (see Note 6).

On March 31, 2011, 50,000 shares were returned to the Company's Treasury for a value of $50.

On March 31, 2012, the Company reverse split its common shares on the basis of one new share for every 100 old shares. At the same time the authorized share capital of the Company was increased from 100,000,000 shares to 1,000,000,000.

On April 13, 2012, the Company issued 40,000,000 shares to an officer as compensation for services valued at $4,000,000.

On June 19, 2012, the Company issued 8,000,000 shares upon conversion of an $8,000 promissory note (see Note 6).

On July 10, 2012, the Company issued 15,000,000 shares upon conversion of a $15,000 promissory note (see Note 6).

On August 29, 2013, the Company issued 70,000,000 shares to an officer as compensation for services valued at $217,000 or $0.0031 per share.

During the three months ended March 31, 2014 $10,000 of debt was extinguished along with $800 in interest through the issuance of 10,800,000 shares at a value of $0.001 per share (see Note 7).

During the three months ended March 31, 2014 4,000,000 shares were canceled and returned to the corporate treasury. Additional paid-in capital was credited for the par value of the shares returned at $0.001 per share or $4,000.

On May 20, 2014, $10,000 in notes payable were extinguished through the issuance of 10,000,000 shares valued at $0.001 per share (see Note 6).

NOTE 9 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to the balance sheet date through the issuance date of these financial statements in accordance with FASB ASC 855 and has determined there are no such events that would require adjustment to, or disclosure in, the financial statements.