

SUPER ANNUAL REPORT OF
GME INNOTAINMENT, INC.

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

A FLORIDA CORPORATION

**102 South Tejon Street
Suite 1100
Colorado Springs CO 80903**

(408) 996-1010

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ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is GME Innotainment, Inc.

GME Innotainment, Inc. (the "Company," "we," "us," "our," or "GMEV") was incorporated in Florida on July 8, 1983 and adopted the current name on July 8, 2015. Prior to December 1, 2015, the Company owned twenty-one subsidiaries. On December 1, 2015, the Company entered into an agreement selling all assets and liabilities.

On September 17, 2017, the Company acquired 100% of the outstanding stock of Sustainable Resources, Inc. ("Sustainable") and assumed certain debt of sustainable in exchange for a promissory note for \$3,000,000, due in five years, bearing interest of 5%.

Sustainable was incorporated in Delaware on April 24, 2015. For purposes of financial reporting, we are treating Sustainable as the surviving entity and financial statements assume Sustainable had been acquired as of January 1, 2017.

Sustainable is the only operating entity of the Company.

ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters

Our principal executive and administrative offices are located at 102 South Tejon Suite, Suite 1100, Colorado Springs, CO 80903. Our telephone number is 408-410-1010.

ITEM 3. SECURITY INFORMATION

Trading symbol: GMEV

Exact title and class of securities outstanding:

As of the years ended December 31, 2017, 2016 and 2015 the capital stock of the company was as follows:

As of December 31, 2015

Class: Common stock, \$.01 par value;

Number of shares authorized: 375,000,000 shares;

Number of shares outstanding: 28,433,094 issued and outstanding;

As of December 31, 2016

Class: Common stock, \$.01 par value;
Number of shares authorized: 375,000,000 shares;
Number of shares outstanding: 28,433,094 issued and outstanding;

As of December 31, 2017

Class: Common stock, \$.01 par value;
Number of shares authorized: 375,000,000 shares;
Number of shares outstanding: 65,605,147 issued and outstanding;

As of the date of this report, the capital stock of the company was as follows:

Class: Common stock, \$ 0.0001 par value;
Number of shares authorized: 375,000,000 shares;
Number of shares outstanding: issued and outstanding; 72,417,788

Transfer Agent: TransShare Corp
15500 Roosevelt Boulevard, Suite 301
Clearwater, FL 33760

Telephone: (303) 606-1112

Is the transfer agent registered under the Exchange Act?
Yes.

List any restrictions on the transfer of security:
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:
None.

ITEM 4. ISSUANCE HISTORY

During the three year period ended December 31, 2017, the following issuances of securities occurred:

Issuance of Convertible Debt

- a) On April 1, 2016, the Company converted \$10,500 of payables to Edwin S. Jang ("Jang") into a convertible note payable, bearing interest of 12% per annum, with a maturity date of April 1, 2017 and was in default as of that date. The conversion price of the note is at \$0.01 per share, or 1,050,000 shares of common stock. As of December 31, 2017, the principal and accrued interest was \$12,711.
- b) On April 5, 2016, the Company executed a note payable to Michael Florman for \$5,000. The note carries an interest rate of 2%
- c) On April 5, 2016, the Company executed a note payable to Vincent Papa for \$5,000. The note carries an interest rate of 10%.
- d) On August 15, 2016, the Company executed a note payable to Leslie Kessler ("Kessler") for \$20,000. The note has interest of 5% and is due on August 31, 2017. The accrued interest as of December 31, 2016 was \$381.
- e) On September 21, 2016, the Company executed a note payable to Tarpon Bay Partners, LLC ("Tarpon Bay") for \$5,500. The note carries an interest rate of 10%.
- f) On December 30, 2016, the Company executed a note payable to Tarpon Bay LLC for \$10,000. The note carries an interest rate of 10% and is due on June 30, 2017.
- g) On December 31, 2016, the Company executed a note payable to Kessler for \$30,000. The note carries an interest rate of 5% and is due on December 31, 2017.
- h) On February 1, 2017, the Company executed a note payable with Russell Davenport for \$10,000. The note is non-interest bearing and is due on February 28, 2018. The imputed interest is immaterial.
- i) On May 22, 2017, the Company executed a convertible promissory note with Evolution Capital Partners LLC ("Evolution Capital Partners") for \$16,500. The note has a maturity date of November 23, 2017 and is in default. The note bears interest of 12% per annum and, in the case of default, at 24% per annum.
- j) On September 27, 2017, the Company executed a note payable with Gaye Bergstrom for \$10,000. The note carries an interest rate of 5% and is due on October 2, 2019.
- k) On October 17, 2017, the Company executed a note payable with Alpha Capital for \$50,000. The note carries an interest of 5% and is due on October 16, 2022.

- l) The Company executed a note payable with Robert Frome for \$10,000. The note carries an interest rate of 5%.
- m) On December 18, 2017, the Company executed a convertible note payable with Tarpon Bay for \$12,000. The note bears interest of 5%, payable quarterly and matures on December 17, 2022. The note is convertible at a 40% discount based on the closing bid prices for the five (5) trading days immediately preceding the date of conversion.

Issuance of Common stock

- a) On March 23, 2015, the Company issued to a consultant 1,000,000 shares of common stock in exchange for professional services rendered in 2014. Based on the share price of \$0.02 per share on the grant date, the fair value of these issued shares was \$20,000.
- b) On March 25, 2015, the Company issued to another consultant 1,000,000 shares of common stock in exchange for professional services rendered in 2014. Based on the share price of \$0.02 per share on the grant date, the fair value of these issued shares was \$20,000.
- c) On May 24, 2017, the Company issued 25,000,000 shares of common stock to Lisa Demmons for the purchase of the majority share in the Company;
- d) On June 1, 2017 the Company issued 2,300,000 shares of common stock to Joshua Hintzen for the extinguishment of \$26,854.80 of convertible debt;
- e) On June 1, 2017 the Company issued 2,300,000 shares of common stock to Ira Gaines for the extinguishment of \$26,854.80 of convertible debt;
- f) On June 6, 2017 the Company issued 2,666,000 shares of common stock to CDN Associates LLC for the extinguishment of \$50,000 of convertible debt.
- g) On June 12, 2017 the Company issued 2,358,491 shares of common stock to Bradley Shumpert for the extinguishment of \$30,000 of convertible debt.
- h) On June 12, 2017 the Company issued 1,572,327 shares of common stock to Charles Stiggins for the extinguishment of \$20,000 of convertible debt.
- i) On November 22, 2017 the Company issued 974,659 shares of common stock to Oscaleta Partners LLC for the extinguishment of \$10,000 of convertible debt.

ITEM 5. FINANCIAL STATEMENTS

GME Innotainment, Inc.
Consolidated Condensed Balance Sheets
December 31,
(unaudited)

	2017	2016	2015
ASSETS			
Current assets:			
Cash	\$ 6,467	\$ 6,465	\$ 25,804
Accounts receivable	1,050	-	-
Total current assets	<u>7,517</u>	<u>6,465</u>	<u>25,804</u>
Goodwill	3,215,696	-	-
Total assets	<u>\$ 3,223,213</u>	<u>\$ 6,465</u>	<u>\$ 25,804</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current liabilities:			
Convertible notes payable, net of discounts	\$ 1,641,651	\$ 886,351	\$ 143,852
Note payable	3,000,000	-	30,127
Accrued expenses	528,174	151,122	-
Loan payable to ex-related parties	6,465	6,465	25,803
Derivative liabilities	58,244	-	-
Total current liabilities	<u>5,234,534</u>	<u>1,043,938</u>	<u>199,782</u>
Non-current liabilities:			
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	5,234,534	1,043,938	199,782
Shareholders' deficit:			
Common stock, \$0.01 par value, 375,000,000 shares authorized, 65,605,147, 28,433,094 and 28,433,094 shares issued, issuable, and outstanding			
at December 31, 2017, 2016 and 2015, respectively	656,052	284,331	284,331
Additional paid-in capital	9,283,188	9,492,446	9,492,446
Accumulated deficit	<u>(11,950,561)</u>	<u>(10,814,250)</u>	<u>(9,950,755)</u>
Total shareholders' deficit	<u>(2,011,321)</u>	<u>(1,037,473)</u>	<u>(173,978)</u>
Total liabilities and shareholders' deficit	<u>\$ 3,223,213</u>	<u>\$ 6,465</u>	<u>\$ 25,804</u>

See accompanying notes to financial statements.

GME Innotainment, Inc.
Statements of Operations
For the Years Ended December 31,
(unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenue, net	\$ 319,500	\$ -	\$ -
Operating expenses			
Direct costs of revenue	244,998	-	-
General and administrative expenses	<u>63,504</u>	<u>-</u>	<u>10,500</u>
Operating loss	10,997		(10,500)
Other income (expense)			
Amortization of original issue discount	(1,500)	-	-
Change in embedded value	12,916	-	28,899
Beneficial conversion feature	(12,827)	-	-
Interest expense	(376,897)	(131,495)	(81,311)
Financing fee penalty	<u>(769,000)</u>	<u>(732,000)</u>	<u>(60,000)</u>
Net income (loss) from continuing operations	(1,136,310)	(863,495)	(122,912)
Net income from discontinued operations	-	-	223,412
Net loss attributable to noncontrolling interests	<u>-</u>	<u>-</u>	<u>(66,959)</u>
Net income (loss)	<u>\$(1,136,310)</u>	<u>\$(863,495)</u>	<u>\$33,541</u>
Net income per share - basic and diluted	<u>\$(0.02)</u>	<u>\$(0.03)</u>	<u>\$0.00</u>
Weighted average number of shares			
outstanding - basic and diluted	<u>50,053,602</u>	<u>27,527,016</u>	<u>27,832,362</u>

See accompanying notes to financial statements.

**GME Innotainment, Inc.
and Subsidiaries
Consolidated Statement of Stockholders' Equity (Deficit)
December 31, 2017**

(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Compre- hensive Income (Loss)	Non- controlling Interest	Accumulated Deficit	Total Equity (Deficit)
	Quantity	Amount					
Balance, December 31, 2014	26,433,094	\$ 264,331	\$ 9,501,345	\$ 3,780	\$ (1,065)	\$(10,140,513)	\$ (372,122)
Debt discount			(28,899)	-			(28,899)
Disposition of assets and liabilities, net			-	-	926,241	156,216	1,082,457
Share-based payment	2,000,000	20,000	20,000	-	-		40,000
Net income for the period ended September 30, 2015					(925,176)		(925,176)
Net income for the period ended December 31, 2015	-	-	-	(139)	-	33,541	33,402
Balance, December 31, 2015	28,433,094	\$ 284,331	\$ 9,492,446	\$ 3,641	\$ -	\$ (9,950,756)	(170,338)
Transaction				(3,641)			(3,641)
Net income for the period ended December 31, 2016	-	-	-	-	-	(863,495)	(863,495)
Balance, December 31, 2016	28,433,094	\$ 284,331	\$ 9,492,446	\$ -	\$ -	\$(10,814,251)	\$ (1,037,474)
Issuance of common stock in regards to merger	25,000,000	250,000	\$ (250,000)	-	-		-
Debt discount		-	(2,023)	-	-		(2,023)
Consolidation of Sustainable Resources, Inc. Capital			(177)			-	(177)
contributions made at Sustainable Resources			953				953
Issuance of common stock for extinguishment of convertible debt	12,172,053	121,721	41,989	-	-		163,710
Net income for the period ended December 31, 2017	-	-	-	-	-	(1,136,310)	(1,136,310)
Balance, December 31, 2017	65,605,147	\$ 656,052	\$ 9,283,188	\$ -	\$ -	\$(11,950,561)	\$ (2,011,322)

See accompanying notes to financial statements.

**GME Innotainment, Inc.
and Subsidiaries**
Consolidated Condensed Statements of Cash Flows
For the years ended December 31,
(unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:			
Net loss	\$ (1,136,310)	\$ (863,495)	\$33,541
Adjustments to reconcile net loss to net cash used in operations:			
Discontinued operations	-	-	(156,463)
Cash received from merger with Sustainable Resources	19,294	-	-
Change in embedded fair value	(12,916)	-	28,890
Amortization of original issue discount	1,500	-	-
Amortization of deferred revenue into income	(154,500)	-	-
Beneficial conversion feature	12,827	-	-
Financing penalty fee	769,000	732,000	60,000
Changes in operating assets and liabilities:			
Accounts receivable	(1,050)	-	-
Prepaid expenses and other receivables	-	-	-
Accounts payable	-	-	-
Accrued expenses and other payables (net of liabilities assumed in Sustainable Resources purchase)	359,540	131,494	81,311
Derivative liability	58,244	(25,803)	-
Net cash used in operating activities	<u>(84,283)</u>	<u>(25,804)</u>	<u>-</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash flows from financing activities:			
Proceeds from related parties	-	6,465	-
Capital contributions	775	-	-
repayment of notes, net of debt discount	(23,490)	-	-
Proceeds from note payable	107,000	-	-
Net cash provided by financing activities	<u>84,285</u>	<u>6,465</u>	<u>-</u>
Net decrease in cash	2	(19,339)	-
Cash at beginning of period	<u>6,465</u>	<u>25,804</u>	<u>25,804</u>
Cash at end of period	<u>\$ 6,467</u>	<u>\$ 6,465</u>	<u>25,804</u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$-</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$-</u>
Accrued liabilities assumed in the acquisition of Sustainable Resources, Inc.	<u>\$ 4,991</u>	<u>\$ -</u>	<u>\$-</u>
Convertible debt assumed in the acquisition of Sustainable Resources, Inc.	<u>\$ 75,500</u>	<u>\$ -</u>	<u>\$-</u>
Note issued for the acquisition of Sustainable Resources, Inc.	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$-</u>

See accompanying notes to unaudited consolidated condensed financial statements.

GME INNOTAINMENT , INC.
DECEMBER 31, 2017, 2016 AND 2015
NOTES TO FINANCIAL STATEMENTS

NOTE 1- NATURE OF OPERATIONS

Corporate History

GME Innotainment, Inc. (the “Company,” “we,” “us,” “our,” or “GMEV”) was incorporated in Florida on July 8, 1983 and adopted the current name on July 8, 2015. Prior to December 1, 2015, the Company owned twenty-one subsidiaries. On December 1, 2015, the Company entered into an agreement selling all assets and liabilities.

On September 17, 2017, the Company acquired 100% of the outstanding stock of Sustainable Resources, Inc. (“Sustainable”) the Company and assumed certain debt of the Company in exchange for a promissory note for \$3,000,000, due in five years, bearing interest of 5%. Sustainable was incorporated in Delaware on April 24, 2015. For purposes of financial reporting, we are treating Sustainable as the surviving entity and financial statements assume Sustainable had been acquired as of January 1, 2017.

Sustainable is the only operating entity of the Company.

Acquisition of Sustainable Resources

On September 25, 2017, the Company entered into a Securities Exchange Agreement with PureSafe Water Systems, Inc. (“Seller”) through which the Company purchased 100% of the outstanding common stock of Sustainable Resources Corporation, a Delaware corporation (“Sustainable”), in exchange for the issuance by the Company of a \$3,000,000 non-convertible promissory note bearing a 5% per annum interest rate with a five year term. As part of the Agreement, the Company granted to Seller a twelve (12) month option to purchase up to thirty percent (30%) of the Company’s then outstanding common stock (at time of exercise of option by Seller) at a price equal to seventy five percent (75%) of the average of trading prices during the first thirty (30) days following the closing. The Agreement constitutes a tax-free exchange. The parties also entered into a Royalty Agreement that provides for the delivery of a five percent royalty of the gross revenue earned by Sustainable beginning on July 1, 2018.

Please see our form 8-K filed on September 28, 2017 with the Securities and Exchange Commission for more detail.

Operations of Sustainable Resources

Sustainable holds licenses to produce a unique patented mobile and stationary water filtration system that was designed to be both an emergency response water filtration system, as well as, a permanent solution where drinkable water is not available for Government entities, companies and organizations. The self-contained and self-powered water filtration system can be mobilized to a site and within 30 minutes will produce drinking quality water from flood waters, surface

and fresh water, desalinating ocean and/or brackish waters. This mid-range, 30,000 gallon per day system has also found a huge application in known contaminated water sources where water clarity, water borne disease and high bacteria content exist, and where mobile, self-contained systems are applicable to bring clean water to the population wherever they are located. The system can dispense water in bulk, by container or in half liter plastic bags to suit the situation.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its consolidated financial statements are prepared in conformity with generally accepted accounting principles ("GAAP") as promulgated in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of GMEV and its subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the amortization period for intangible assets, valuation and impairment valuation of intangible assets, allowance for accounts receivable, depreciable lives of the web site, valuation of warrants and beneficial conversion feature debt discounts, valuation of derivatives, and valuation of share-based payments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Property, Equipment and Depreciation

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets of three years for computer equipment, five years for office furniture and fixtures, and the lesser of the lease term or the useful life of the leased equipment. Leasehold improvements, if any, would be amortized over the lesser of the lease term or the useful life of the improvements. Expenditures for maintenance and repairs along with fixed assets below our capitalization threshold are expensed as incurred.

Accounting for Derivatives

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for. The result of this accounting treatment is that under certain circumstances the fair value of the

derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is

marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under this accounting standard are reclassified to liability at the fair value of the instrument on the reclassification date.

Impairment of Long-Lived Assets

The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards ASC 360-10, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities in accordance with generally accepted accounting principles. For certain of our financial instruments, including cash, accounts payable, accrued expenses, deposits received from customers for layaway sales and short-term loans the carrying amounts approximate fair value due to their short maturities.

We follow accounting guidance for financial and non-financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Revenue Recognition

The Company, subsequent to March 31, 2016, does not have any operations. Prior to the discontinuation of the operations, the Company recognized revenue for our services in accordance with ASC 605-10, "Revenue Recognition in Financial Statements." Under these guidelines, revenue is recognized on transactions when all of the following exist: persuasive evidence of an arrangement did

exist, delivery of service has occurred, the sales price to the buyer is fixed or determinable and collectability is reasonably assured.

Stock-Based Compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees. The value of the portion of an award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method. The Company accounts for non-employee share-based awards in accordance with the measurement and recognition provisions ASC Topic 505-50. The Company estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, "Income Taxes". 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 carry-forwards and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income (loss) in the years in which those temporary differences are expected to be recovered or settled.

The effect of a change in tax rules on deferred tax assets and liabilities is recognized in operations in the year of change. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

Tax benefits of uncertain tax positions are recognized only if it is more likely than not that the Company will be able to sustain a position taken on an income tax return. The Company has no liability for uncertain tax positions as of December 31, 2017. Interest and penalties in any, related to unrecognized tax benefits would be recognized as interest expense. The Company does not have any accrued interest or penalties associated with unrecognized tax benefits, nor was any significant interest expense recognized during the years ended December 31, 2017, 2016 and 2015.

On December 22, 2017, the United States Government passed new tax legislation that, among other provisions, will lower the corporate tax rate from 35% to 21%. In addition to applying the new lower corporate tax rate in 2018 and thereafter to any taxable income we may have, the legislation affects the way we can use and carry forward net operating losses previously accumulated and results in a revaluation of deferred tax assets recorded on our balance sheet. Given that the deferred tax assets are offset by a full valuation allowance, these changes will have no net impact on the Company's financial position and net loss. However, if and when we become profitable, we will receive a reduced benefit from such deferred tax assets. Had this legislation passed prior to our September 30, 2017, fiscal year-

end, the effect of the legislation would have been a reduction in deferred tax assets and the corresponding valuation allowance.

Net Earnings (Loss) Per Share

In accordance with ASC 260-10, "Earnings Per Share," basic net earnings (loss) per common share is computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period.

Segment Information

In accordance with the provisions of ASC 280-10, "Disclosures about Segments of an Enterprise and Related Information", the Company is required to report financial and descriptive information about its reportable operating segments. The Company does not have any operating segments as of June 30, 2017 and December 31, 2016.

Effect of Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 ("ASU No. 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. The new standard is effective for annual reporting periods beginning after December 15, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements (Topic 205) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The guidance requires management to perform an evaluation each annual and interim reporting period of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within the one-year period after the date that the financial statements are issued. If such conditions are identified, the guidance requires an entity to provide certain disclosures about the principal conditions or events that gave rise to the substantial doubt about the entity's ability to continue as a going concern, management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations and management's plans to alleviate or mitigate substantial doubt about the entity's ability to continue as a going concern. The guidance is currently effective. The Company currently does not expect the adoption of ASU 2014-15 to have a material impact on its financial statements.

In November 2014, the FASB issued ASU No. 2014-16, Derivatives and Hedging (Topic 815) Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or Equity. This update amends existing guidance with the objective to eliminate the use of different methods in practice with respect to the consideration of redemption features in relation to other features when determining whether the nature of a host contract is more akin to debt or equity and thereby reduce existing diversity under GAAP in accounting for hybrid financial instruments issued in the form of a share. The amendments clarify how current GAAP should be interpreted in

evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share.

The amendments clarify that no single term or feature would necessarily determine the economic characteristics and risks of a host contract, but rather, the nature of the host contract depends upon the economic characteristics and risks of the entire hybrid financial instrument. In addition, the amendments in this update clarify that, in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features when considering how to weight those terms and features. The guidance applies to all entities that are issuers of, or investor in, hybrid instruments that are

issued in the form of a share. The effects of initially adopting the amendments in this update should be applied on a modified retrospective basis to existing hybrid financial instruments issued in the form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. The updates in this pronouncement are effective for public entities for fiscal years, and interim periods within those years, beginning after December 15, 2016. The Company is currently evaluating the adoption of ASU 2014-16 and the impact of the updates upon the Company. The Company plans on adopting the pronouncement for periods beginning after December 15, 2016 and does not anticipate early adoption of this pronouncement.

The Company has evaluated all other recent accounting pronouncements and believes that none of them will have a significant effect on the Company's financial statement.

NOTE 3 – DISCONTINUED OPERATIONS

On December 1, 2015, the Company and Kwong Kwan Roy (the “Buyer”) for its predecessor entered into a Contract for Purchase of Assets and Liabilities, whereas the Buyer acquired all assets and assumed all liabilities as of September 30, 2015. The purchase price was \$0. The net of the acquisition was a liability of \$156,216, as reflected below:

Assets	
Cash	\$ 1,265,717
Accounts receivable	370,968
Due from related parties	36,659
Prepaid expenses and other receivables	5,062,923
PP&E	112,372
Goodwill	40,634
Total assets	<u>6,889,273</u>
Liabilities and equity	
Accounts payable	1,302,145
Accrued expenses & other payables	180,031
Due to related parties	5,547,227
Unearned revenue	929,188
Convertible notes payable	9,745
Accumulated other comprehensive loss	3,641
Non-controlling interest	(926,241)
Total liabilities and equity	<u>7,045,736</u>
Net acquisition	<u>\$ (156,463)</u>

The discontinued operations are reflected in the consolidated statements of income and consolidated statements of cash flows.

NOTE 4 – GOING CONCERN

The Company has not generated substantial revenues, has recurring net losses, a working capital deficiencies as of December 31, 2017, 2016 and 2015 of \$5,227,019, \$1,037,473, and \$173,978, respectively. and used cash in operations of \$84,283, \$25,804 and \$-0-for the years ended December 31,

2017, 2016 and 2015. In addition, as of December 31, 2017, the Company had an accumulated deficit and stockholders' deficit of \$11,950,561 and \$2,011,321, respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The ability of the Company to continue its operations is dependent on the execution of management's plans, which include the raising of capital through the debt and/or equity markets, until such time that funds provided by operations are sufficient to fund working capital requirements. If the Company were not to continue as a going concern, it would likely not be able to realize its assets at values comparable to the carrying value or the fair value estimates reflected in the balances set out in the preparation of the consolidated financial statements.

There can be no assurances that the Company will be successful in generating additional cash from the equity/debt markets or other sources to be used for operations. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary. Based on the Company's current resources, the Company will not be able to continue to operate without additional immediate funding. Should the Company not be successful in obtaining the necessary financing to fund its operations, the Company would need to curtail certain or all operational activities and/or contemplate the sale of its assets, if necessary.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is attempting to commence explorations and generate revenue; however, the Company's future cash position may not be sufficient to support its daily operations. While the Company believes in the viability of its strategy in the exploration and development of its unproved properties and the Company's ability to raise additional funds, until such time it is able to generate sufficient revenue to support its operations, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and in its ability to raise additional funds, until such time the Company can generate sufficient revenues to support its operations.

In the event the Company is unable to raise funding in the near term, we will not be able to pay our liabilities. In the event we are unable to raise adequate funding in the future for our operations and to pay our outstanding debt obligations, and if our current creditors elect to foreclose on the outstanding debts then owed, we would be forced to liquidate our assets or may be forced to seek bankruptcy protection, which could result in the value of our outstanding securities declining in value or becoming worthless.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 5 – ENTRY INTO A DEFINITIVE AGREEMENT AND GOODWILL

Sustainable Resources

On September 25, 2017, the Company entered into a Securities Exchange Agreement with PureSafe Water Systems, Inc. (“Seller”) through which the Company purchased 100% of the outstanding common stock of Sustainable Resources Corporation, a Delaware corporation (“Sustainable”), in exchange for the issuance by the Company of a \$3,000,000 non-convertible promissory note bearing a 5% per annum interest rate with a five year term. As part of the Agreement, the Company granted to Seller a twelve (12) month option to purchase up to thirty percent (30%) of the Company’s then outstanding common stock (at time of exercise of option by Seller) at a price equal to seventy five percent (75%) of the average of trading prices during the first thirty (30) days following the closing. The Agreement constitutes a tax-free exchange. The parties also entered into a Royalty Agreement that provides for the delivery of a five percent royalty of the gross revenue earned by Sustainable beginning on July 1, 2018.

Since Sustainable is considered the surviving entity for both legal and accounting purposes, the date of acquisition is deemed to be January 1.

Sustainable’s assets, acquired liabilities assumed and residual goodwill at their respective acquisition dates are summarized as follows:

Liabilities assumed	
Note payable	\$3,000,000*
Deferred revenue	154,500
Notes payable	75,500
Accrued expenses	<u>4,900</u>
Total liabilities	3,234,990
Assets attached	
Cash	<u>19,294</u>
Goodwill	<u>\$3,215,696</u>

*- Included in the Note payable to Seller are various liabilities that Seller assigned to some of their creditors. These liabilities then became a part of a Liabilities Purchase Agreement. See NOTE 15-SUBSEQUENT EVENTS for more detail

NOTE 6 – CONVERTIBLE NOTES PAYABLE

The balances of convertible notes payable at December 31 was as follows:

Date	Issuer	2017	2016	2015
4/23/13	Evolution Capital	\$1,451,395	\$875,851	\$143,852
4/1/16	Edwin Jang	10,500	10,500	-
4/5/16	Michael Florman	5,000	-	-
4/5/16	Vincent Papa	5,000	-	-
8/15/16	Leslie Kessler	20,000	-	-
9/21/16	Tarpon Bay Partners LLC	5,500	-	-
12/30/16	Tarpon Bay Partners LLC	10,000	-	-
12/31/16	Leslie Kessler	30,000	-	-
2/1/17	Russell Davenport	10,000	-	-
5/22/17	Evolution Capital	55,500	-	-
9/27/17	Gaye Bergstrom	10,000	-	-
10/17/17	Alpha Capital	50,000	-	-
11/15/17	Robert Frome	10,000	-	-
11/21/17	Oscaleta Partners, LLC	15,000	-	-
12/18/17	Tarpon Bay Partners LLC	12,000	-	-
	Total	\$1,699,895	\$886,351	\$143,852
	Less; derivative liability	(58,244)	-	-
	Total debt	<u>\$1,641,651</u>	<u>\$886,351</u>	<u>\$143,852</u>

Evolution note- April 23, 2013

On April 23, 2013, the Company executed a convertible promissory note with Evolution Capital Fund I, LP ("Evolution Capital Fund") for \$50,000. The note has a maturity date of January 22, 2014. The note bears interest of 12% per annum and, in the case of default, at 24% per annum. Additionally, the note has a penalty fee of \$2,000 per day, effective December 1, 2015. The conversion price for the note is at a discount of 40% for the average closing price of the Company's common stock during the five-trading day period ending one trading day prior to the date of the conversion notice. On December 1, 2015, the Company and Evolution Capital Fund modified the conversion price to a fixed price of \$0.01 per share. The Company initially recorded a debt discount of \$62,235, which was amortized accordingly. As of December 31, 2017, 2016, and 2015, the balance of the note, with the financing penalty fee, was \$1,451,395, \$875,851 and \$143,852, respectively. The financing penalty fee which reflects the \$2,000 per day charge, was \$730,000, \$732,000 and \$60,000 for the years ended December 31, 2017, 2016 and 2015, respectively.

Edwin Jang Note- April 1, 2016

On April 1, 2016, the Company converted \$10,500 of payables to Edwin S. Jang ("Jang") into a convertible note payable, bearing interest of 12% per annum, with a maturity date of April 1, 2017 and was in default as of that date. The conversion price of the note is at \$0.01 per share, or 1,050,000 shares of common stock. As of December 31, 2017, 2016, and 2015, the principal was \$10,500, \$10,500 and \$0.

Michael Florman Note- April 5, 2016

On April 5, 2016, the Company executed a note payable to Michael Florman for \$5,000. The note carries an interest rate of 2%. As of December 31, 2017, 2016, and 2015, the principal was \$5,000, \$5,000 and \$0.

Vincent Papa Note- April 5, 2016

On April 5, 2016, the Company executed a note payable to Vincent Papa for \$5,000. The note carries an interest rate of 10%. As of December 31, 2017, 2016, and 2015, the principal was \$5,000, \$5,000 and \$0

Leslie Kessler Note -August 15, 2016

On August 15, 2016, the Company executed a note payable to Leslie Kessler ("Kessler") for \$20,000. The note has interest of 5% and is due on August 31, 2017. As of December 31, 2017, 2016, and 2015, the principal was \$20,000, \$20,000 and \$0.

Tarpon Bay Partners, LLC Note- September 21, 2016

On September 21, 2016, the Company executed a note payable to Tarpon Bay Partners, LLC ("Tarpon Bay") for \$5,500. The note carries an interest rate of 10%. As of December 31, 2017, 2016, and 2015, the principal was \$5,500, \$5,500 and \$0.

Tarpon Bay Partners, LLC Note- December 30, 2016

December 30, 2016, the Company executed a note payable to Tarpon Bay Partners LLC for \$10,000. The note carries an interest rate of 10% and is due on June 30, 2017.

Leslie Kessler Note – December 31, 2016

On December 31, 2016, the Company executed a note payable to Kessler for \$30,000. The note carries an interest rate of 5% and is due on December 31, 2017. As of December 31, 2017, 2016, and 2015, the principal was \$30,000, \$30,000 and \$0.

Russell Davenport Note- February 1, 2017

On February 1, 2017, the Company executed a note payable with Russell Davenport for \$10,000. The note is non-interest bearing and is due on February 28, 2018. As of December 31, 2017, 2016, and 2015, the principal was \$10,000, \$310,000 and \$0.

Evolution note- May 24, 2017

On May 22, 2017, the Company executed a convertible promissory note with Evolution Capital Partners LLC ("Evolution Capital Partners") for \$16,500. The note has a maturity date of November 23, 2017 and is in default. The note bears interest of 12% per annum and, in the case of default, at 24% per annum. The default interest rate is \$1,000 per day. The amount of default interest accrued for the years ended December 31, 2017, 2016, and 2015; the principal was \$39,000, \$0 and \$0. As of December 31, 2017, 2016, and 2015, the principal was \$55,500, \$0 and \$0.

Gaye Bergstrom Note- September 27, 2017

On September 27, 2017, the Company executed a note payable with Gaye Bergstrom for \$10,000. The note carries an interest rate of 5% and is due on October 2, 2019. As of December 31, 2017, 2016, and 2015, the principal was \$10,000, \$0 and \$0.

Alpha Capital Anstalt Note- October 17, 2017

On October 17, 2017, the Company executed a note payable with Alpha Capital Anstalt for \$50,000. The note carries an interest of 5% and is due on October 16, 2022. As of December 31, 2017, 2016, and 2015, the principal was \$50,000, \$0 and \$0.

Robert Frome Note- November 2, 2017

The Company executed a note payable with Robert Frome for \$10,000. The note carries an interest rate of 5%. As of December 31, 2017, 2016, and 2015, the principal was \$10,000, \$0 and \$0.

Tarpon Bay Partners, LLC Note- December 18, 2017

On December 18, 2017, the Company executed a convertible note payable with Tarpon Bay for \$12,000. The note bears interest of 5%, payable quarterly and matures on December 17, 2022. The note is convertible at a 40% discount based on the closing bid prices for the five (5) trading days immediately preceding the date of conversion. As of December 31, 2017, 2016, and 2015, the principal was \$12,000, \$0 and \$0.

NOTE 7- NOTE PAYABLE

On September 17, 2017, the Company acquired 100% of the outstanding stock of Sustainable Resources, Inc. ("Sustainable") and assumed certain debt of sustainable in exchange for a promissory note for \$3,000,000, due in five years, bearing interest of 5%.

Balances are as follows for the years ended December 31 as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Note payable	<u>\$3,000,000</u>	<u>\$-0-</u>	<u>\$-0-</u>

NOTE 8- ACCRUED EXPENSES

Accrued expenses at December 31, 2017, 2016 and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Accrued Expenses	<u>\$528,174</u>	<u>\$151,122</u>	<u>\$-0-</u>

A summary of accrued expenses is as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest on Evolution note of April 23, 2013	\$513,943	\$150,172	\$-0-
Accrued expenses at Sustainable	7,552		
Other	<u>6,679</u>	<u>950</u>	<u>-</u>
Total accrued expenses	<u>\$528,174</u>	<u>\$151,122</u>	<u>\$-0-</u>

NOTE 9 – NOTE PAYABLE TO EX-RELATED PARTY

Amounts owed to related parties are for beginning sums to commence operations at our Sustainable Resources subsidiary.

Balances are as follows for the years ended December 31 as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Due to related parties	<u>\$6,465</u>	<u>\$6,465</u>	<u>\$25,803</u>

On October 6, 2015, a related party provided the Company with a short-term loan of \$25,803. The terms of the loan were undefined. On March 18, 2016, the Company made a payment of \$19,339. The balance as of December 31, 2017, 2016 and 2015 was \$6,465, \$6,465 and \$25,804, respectively. The imputed interest is immaterial.

NOTE 10 - DERIVATIVE LIABILITY

The Company's derivative liabilities as of December 31, 2017, 2016 are as follows:

- The debt conversion feature embedded in the various Convertible Promissory Notes which contain "down round" provisions that would be triggered if the Company issued instruments with rights to the Company's common stock at prices below this exercise price.

The fair value of the derivative liabilities as of December 31 for the years 2017, 2016 and 2015 are as follows:

	2017	2016	2015
Note conversion feature liabilities	<u>\$58,244</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total	<u>\$58,244</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The following is the Company's derivative liability measured at fair value on a recurring basis at September 30, 2017 and December 31, 2016:

	2017	2016	2015
Level One	\$ -0-	\$ -0-	\$ -0-
Level Two	\$ -0-	\$ -0-	\$ -0-
Level Three	\$ 58,244	\$ -0-	\$ -0-

As a result of the application of ASC No. 815, the fair value of the conversion feature is summarized as follows:

Derivative liability balance at December 31, 2016

Derivative liability Fair value at the commitment date for convertible notes issued	\$ -0-
Fair value mark to market adjustment – September 30, 2017	58,244
Elimination of derivative liability upon conversion of debt	<u>(-0-)</u>

Derivative liability balance at December 31, 2017 \$58,244

NOTE 11 – STOCKHOLDERS' EQUITY

As of December 31, 2017, 2016 and 2015, the Company had 65,605,147, 28,433,094 and 28,433,094 shares outstanding respectively. Common shares authorized are 375,000,000.

Share issuance for the three year period ended December 31, 2017 follow below.

On March 23, 2015, the Company issued to a consultant 1,000,000 shares of common stock in exchange for professional services rendered in 2014. Based on the share price of \$0.02 per share on the grant date, the fair value of these issued shares was \$20,000.

On March 25, 2015, the Company issued to another consultant 1,000,000 shares of common stock in exchange for professional services rendered in 2014. Based on the share price of \$0.02 per share on the grant date, the fair value of these issued shares was \$20,000.

On May 24, 2017, the Company issued 25,000,000 shares of common stock to Lisa Demmons for the purchase of the majority share in the Company;

On June 1, 2017 the Company issued 2,300,000 shares of common stock to Joshua Hintzen for the extinguishment of \$26,854.80 of convertible debt;

On June 1, 2017 the Company issued 2,300,000 shares of common stock to Ira Gaines for the extinguishment of \$26,854.80 of convertible debt;

On June 6, 2017 the Company issued 2,666,000 shares of common stock to CDN Associates LLC for the extinguishment of \$50,000 of convertible debt.

On June 12, 2017 the Company issued 2,358,491 shares of common stock to Bradley Shumpert for the extinguishment of \$30,000 of convertible debt.

On June 12, 2017 the Company issued 1,572,327 shares of common stock to Charles Stiggins for the extinguishment of \$20,000 of convertible debt.

On November 22, 2017 the Company issued 974,659 shares of common stock to Oscaleta Partners LLC for the extinguishment of \$10,000 of convertible debt.

NOTE 12 – CONTINGENCIES AND COMMITMENTS

Legal Matters

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of January 21, 2019, there were no pending or threatened lawsuits.

NOTE 13 – INCOME TAX

For the years ended December 31, 2017, 2016, and 2015 there was no provision for income taxes and deferred tax assets have been entirely offset by valuation allowances.

As of December 31, 2017, 2016 and 2015, the Company due to the acquisition of the operations, has net operating loss carry forwards.

The Company's tax expense differs from the "expected" tax expense for Federal income tax purposes (computed by applying the United States Federal tax rate of 35% to loss before taxes), as follows:

The benefit for income taxes consists of the following:

	2017	2016	2015
Net income	\$(1,136,310)	\$(863,495)	\$33,541
Change in embedded value	(12,916)	-	(28,899)
Beneficial conversion feature	12,827	-	-
Financing fee penalty	769,000	732,000	60,000
Net income from discontinued operations	-	-	(223,412)
Net loss attributable to noncontrolling interests	-	-	66,959
Net taxable income	(367,399)	(131,495)	(91,811)
Statutory rate	35%	35%	35%
Tax accrual	(128,590)	(46,023)	(32,134)
Valuation reserve	128,590	46,023	32,134
Deferred tax asset	\$ -	\$ -	\$ -

Change in Federal income tax

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "TCJA"), which among other changes reduces the federal corporate tax rate to 21%. The Company is currently evaluating the impact of the TCJA on its consolidated financial statements.

NOTE 14 – NON-CONTROLLING INTEREST

During the calendar year ended December 31, 2015, related parties held 40% of one of the operating subsidiaries, 49% of four of the operating subsidiaries, and 80% of one operating subsidiary. The income associated with the non-controlling interest has been segregated as required. In the disposition of assets and liabilities, this was assumed by the acquiring party.

NOTE 15 – SUBSEQUENT EVENTS

Management has reviewed and evaluated subsequent events through the date on which the current financial statements were issued and did not have any material recognizable subsequent events after December 31, 2017, except as follows.

Issuance of Convertible debt

On February 5, 2018, the Company executed a convertible promissory note with Oscaleta for \$10,000. The note bears interest of 5% and matures on February 4, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

On March 2, 2018, the Company executed a convertible promissory note with Oscaleta for \$10,000. The note bears interest of 5% and matures on March 1, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

On April 6, 2018, the Company executed a convertible promissory note with Oscaleta for \$10,000. The note bears interest of 5% and matures on April 1, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

On June 22, 2018, the Company executed a convertible promissory note with Oscaleta for \$9,000. The note bears interest of 5% and matures on June 22, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

On August 2, 2018, the Company executed a convertible promissory note with Oscaleta for \$6,000. The note bears interest of 5% and matures on August 1, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

On September 17, 2018, the Company executed a convertible promissory note with Oscaleta for \$3,000. The note bears interest of 5% and matures on September 16, 2023. The note has an exercise feature of 40% discount for the average lowest prior five trading days' closing price.

Issuance of Common stock

On February 15, 2018 the Company issued 3,394,414 shares of common stock to Judith Dorman for the extinguishment of \$100,000 of convertible debt, which had been assigned to her by Evolution Capital, LLC.

On March 6, 2018 the Company issued 1,335,470 shares of common stock to Oscaleta Partners, LLC for the extinguishment of \$7,500 of convertible debt.

On April 23, 2018 the Company issued 2,083,333 shares of common stock to Oscaleta Partners, LLC for the extinguishment of \$7,500 of convertible debt.

Liabilities Purchase Agreement and Accounts Payable

On December 17, 2018, the United States District Court for the S District of Maryland, Northern Division (the "Court") entered an Order Granting Approval of Settlement Agreement and Stipulation (the "Order") in the matter titled Livingston Asset Management LLC ("Livingston") vs GME Innotainment, Inc. (the "Company"). The Order Granting Approval of Settlement Agreement and Stipulation between the Company and Livingston (the "Stipulation"), provides for settlement of claims against the Company in the aggregate amount of \$2,803,896 for past due amounts owed to creditors in connection with attorney's fees, consulting fees, unpaid wages, and acquisition services which Livingston acquired from third party claim holders by means of the issuance by the Company of Settlement Shares sufficient to pay down such claims.

. These liabilities were all included in the \$3 million note given to PureSafe Water Systems, Inc. ("PureSafe") for the purchase of Sustainable Resources, Inc. PureSafe then assigned the Note to the following creditors and retained approximately \$200,000 for itself. The amounts assigned to each creditor were as follows:

	<u>Negotiated Amount</u>
Creditor One	\$ 928,770
Creditor Two	671,013
Creditor Three	500,000
Creditor Four	374,233
Creditor Five	204,337
Creditor Six	68,000
Creditor Seven	24,000
Creditor Eight	18,543
Creditor Nine	10,000
Creditor Ten	<u>5,000</u>
Total	<u>\$2,803,896</u>

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.

Status of Water filtration market

According to a new study from Reportbuyer indicates that the global liquid filtration market will reach \$31.74 billion by 2024. Factors driving growth include technological advancement in wastewater treatment, rapid industrialization, and stringent regulations by the government to implement standard filtration techniques.

Another recent report showed that the market for industrial water treatment technologies geared to managing wastewater is expected to grow 50% by 2020 as water resources become increasingly strained, according to UN Water and published by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Market Changes

The liquid filtration industry has been observing drastic change, specifically over the past two decades:

- Progressively prohibitive environmental regulations by governments, advancing the utilization of cleaner powers;
- Consistent interest for filtration crosswise over on-street and rough terrain applications;
- Development of the power generation sector;
- Prerequisite of higher effectiveness execution among mechanical equipment and manufacturing plant processes.

B. DATE AND STATE OF INCORPORATION

The Company was incorporated in the State of Florida in 1983. The Sustainable subsidiary was incorporated in Delaware in 2015.

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary SIC code is 4959 (Sanitary systems- not elsewhere classified) at the Balance sheet date.

D. THE COMPANY'S FISCAL YEAR END DATE

The Company's fiscal year ends on December 31.

E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS

Sustainable's product is the Water Purification Unit.

The self-contained and self-powered water filtration system can be mobilized to a site and within 30 minutes will produce drinking quality water from flood waters, surface and fresh water, desalinating ocean and/or brackish waters. This mid-range, 30,000 gallon per day system has also found a huge application in known contaminated water sources where water clarity, water borne disease and high bacteria content exist, and where mobile, self-contained systems are applicable to bring clean water to the population wherever they are located. The system can dispense water in bulk, by container or in half liter plastic bags to suit the situation.

F. RESULTS OF OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2017 COMPARED TO THE YEAR ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015:

Material Changes in Financial Condition

At December 31, 2017, we had a working capital deficit of (\$5,227,019), compared to a working capital deficit of (\$1,037,473), at December 31, 2016 and a working capital deficit of (\$173,978), at December 31, 2015. The approximate \$4.2 million increase in the working capital deficit during the year ended December 31, 2017 was due to the following:

Issuance of the note for the purchase of Sustainable Resources	\$3,000
Financing penalty on notes to Evolution Capital	769
Accrued interest on Evolution Capital note	364
Other	<u>62</u>
Total	<u>\$4.195</u>

We believe our cash balance at December 31, 2017 of \$6,467 is insufficient to carry out normal operations over the next six months, and it is likely additional financing will need to be secured. Our short and long-term survival is dependent on funding from sales of securities as necessary or from shareholder loans, and thus, to the extent that we require additional funds to support our operations or the expansion of our business, we may attempt to sell additional equity shares or issue debt. Any sale of additional equity securities will result in dilution to our stockholders. There can be no assurance that additional financing, if required, will be available to us or on acceptable terms.

Material Changes in Results of Operations

Results of Operations for the year ended December 31, 2017, 2016 and 2015

Revenue, net and Operating Expenses

Revenue, net for the three years ended December 31, 2017, 2016 and 2015 were \$319,500, -0- and \$-0-. The Company had its first sale of the Water Purification Unit product in 2017.

Operating Expenses were as follows

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Direct Cost of revenue	\$244,998	\$ -	\$ -
General and Administrative	<u>63,504</u>	<u>-</u>	<u>10,500</u>
Total Operating expenses	<u>\$308,502</u>	<u>\$ -</u>	<u>\$ 10,500</u>

Direct cost of revenues represent the cost of building the Water Purification Unit. Direct costs of revenue were 77% of revenues, net. Cost of revenues include components plus design costs. We expect this percentage to be lower as we expand our operations and economies of scale occur.

General and administrative expenses in 2017 and represent the costs associated with running our Sustainable Resources unit operation. They are mostly for insurance, travel and legal fees.

Other Income (Expense)

Other income (expenses) were as follows

Amortization of Original Issue Discount was \$1,500 in 2017 for a note that was issued above par value:

Change in embedded value was as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Change in embedded value	<u>\$12,916</u>	<u>\$-0-</u>	<u>\$28,899</u>

The change in embedded value represents the change in the derivative liability on outstanding debt. Changes in embedded value come from changes in the underlying price of the Company's common stock. These are non-cash items

Beneficial conversion feature was as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Beneficial conversion feature	<u>\$(12,827)</u>	<u>\$-0-</u>	<u>\$-0-</u>

The change in embedded value relates to derivative liability issued on new debt. There was no new debt issued at the parent level in 2015 and 2016.

Interest expense was as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest expense	<u>\$(376,897)</u>	<u>\$(131,495)</u>	<u>\$(81,311)</u>

Interest expense increased predominately due to the default features associated with the Evolution note. Interest is compute, once the note is in default based on the default rate plus the financing penalty, which is described below.

Financing penalty was as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Financing penalty	<u>\$(769,000)</u>	<u>\$(732,000)</u>	<u>\$(60,000)</u>

The financing penalty relates to the note from Evolution Capital. Default rates are \$2,000 per day on the 2013 note and \$1,000 per day on the 2017 note:

Financing penalty was as follows

	<u>2017</u>	<u>2016</u>	<u>2015</u>
2013 note	\$(730,000)	\$(732,000)	\$(60,000)
2017 note	(39,000)	-	-
Total financing penalty	<u>\$(769,000)</u>	<u>\$(732,000)</u>	<u>\$(60,000)</u>

Net income from discontinued operations, net of non-controlling interest was \$-0-, \$-0-\$156,463. See footnote 2 for detailed explanation.

Net income from continuing operations was

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net income from discontinued operations	\$ -	\$ -	\$223,412
Non-controlling interest	-	-	(66,959)
Total financing penalty	<u>\$(-)</u>	<u>\$(-)</u>	<u>\$156,463</u>

Liquidity and Capital Resources

Operating Activities

The Company utilized net cash of \$(84,283), (\$25,804) and \$-0- in operating activities during the years ended December 31, 2017, 2016 and 2015, respectively. Cash flow decreased in 2017 due to the commencement of the operations of Sustainable Resources in 2017.

Financing Activities

The Company generated net cash of \$84,285, \$6,465 and \$-0- in financing activities during the years ended December 31, 2017, 2016 and 2015, respectively. Increased debt financings accounted for the funds.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the three years ended December 31, 2017, 2016 and 2015.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

The Company does not have any facilities and runs its operations through a small office.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers as of September 30, 2018. There is no familial relationship between or among the nominees, directors or executive officers of the Company.

<u>NAME(1)</u>	<u>AGE</u>	<u>POSITION</u>	<u>OFFICER AND/OR DIRECTOR SINCE</u>
Yves Michel	53	CEO,CFO, Director	September 2017

The Company's directors serve in such capacity until the first annual meeting of the Company's shareholders and until their successors have been elected and qualified. The Company's officers serve at the discretion of the Company's board of directors, until their death, or until they resign or have been removed from office.

There are no agreements or understandings for any director or officer to resign at the request of another person and none of the directors or officers is acting on behalf of or will act at the direction of any other person. The activities of each director and officer are material to the operation of the Company. No other person's activities are material to the operation of the

Company.

Mr. Yves Michel, Chief Executive Officer and Director

Yves R. Michel (53) as Chief Executive Officer, Chief Financial Officer and Director of the Company Prior to that, Mr. Michel was the President and Chief Operating Officer for PureSafe™ Water Systems, Inc., as well as the President of Sustainable. Mr. Michel joined the organization in 2015 as the Director of Global Sales & Marketing and subsequently became the President and COO. He was responsible for overseeing the daily operations of the organization. Mr. Michel was also the former Commissioner of Economic Development and Workforce Housing for the County of Suffolk, New York, which is the ninth largest County in the United States that spans 900 square miles and has a population of 1.5 million people. Mr. Michel was also the Chief Executive Officer of the Brookhaven Industrial Development Agency and Deputy Director of Economic Development for the Town of Brookhaven. With more than 25 years of private sector experience, Mr. Michel was Vice President of Sales and Distribution for the Americas with REALVIZ Corporation, and also held executive positions at Hewlett-Packard, Autodesk and Silicon Graphics, Inc

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the existing officers or directors 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):

NO.

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:

NO.

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:

NO.

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:

NO

C. BENEFICIAL SHAREHOLDERS

Beneficial Owners of Common stock are as follows;

Yves Michel owns 43,755,932 shares of common stock

ITEM 9. THIRD PARTY PROVIDERS

A. Legal Counsel

None

B. Accountant or Auditor

None

C. Investor Relations Consultant

None

D. Other Advisor(s)

None

ITEM 10. OTHER INFORMATION

N/A

ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, Yves Michel, certify that:

1. I have reviewed this annual disclosure statement of GME INNOTAINMENT, 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.

/s/Yves Michel

Yves Michel, Chief Executive Officer

Dated: January 21, 2019