



True North Energy Corp. (TNEN)

A Nevada Corporation

Quarterly Report

Prepared in accordance with
OTC Pink Basic Disclosure Guidelines

***For Period ending
January 31, 2017***

True North Energy Corp.
24624 I-45 North, Suite 200
Spring, Texas 77386

1) The exact name of the issuer and its predecessor (if any)

The name of the Issuer is True North Energy Corp. (“True North”, the “Issuer” or “Company”). True North was originally incorporated as Ameriprint International, Ltd. in the state of Nevada on April 7, 2004.

2) The address of the issuer’s principal executive offices

The Issuer’s principal executive offices are located at 24624 I-45 North, Suite 200, Spring, Texas 77386. The Issuer’s telephone number is 281-719-1996.

3) Security Information

Trading Symbol: TNEN

Exact title and class of securities outstanding: Common

CUSIP: 89784T200

Par or Stated Value: \$0.0001

Total shares authorized: 2,500,000,000 as of January 31, 2017

Total shares outstanding: 10,042,699 as of: January 31, 2017

Exact title and class of securities outstanding: Preferred Series A

CUSIP: None

Par or Stated Value: \$0.0001

Total shares authorized: 1,000 as of: January 31, 2017

Total shares outstanding: 1,000 as of: January 31, 2017

Exact title and class of securities outstanding: Preferred Series B

CUSIP: None

Par or Stated Value: \$0.0001

Total shares authorized: 50,000 as of: January 31, 2017

Total shares outstanding: 50,000 as of: January 31, 2017

There are 20,000,000 authorized shares of preferred stock. Series A shares have the right to vote on all shareholder matters equal to 51% of the total vote. Series B shares are convertible into shares of the Company’s common stock and carry the right to vote 1/100th of one voting share.

Empire Stock Transfer Inc.

1859 Whitney Mesa Dr.

Henderson, NV 89014

Telephone (702) 818-5898

Facsimile (702) 974-1444

Empire Stock Transfer Inc. is registered with the Securities and Exchange Commission as a transfer agent pursuant to Section 17A(c) of the Exchange Act.

There are no restrictions on the transfer of our securities.

There have been no trading suspension orders issued by the SEC in the past 12 months.

On January 12, 2015 the current outstanding shares of common stock of the Company were reversed on a 1 for 500 basis. The reverse split was effective July 20, 2015.

4) Issuance History

On October 10, 2013, the Circuit Court of the Second Judicial District in and for Leon County, Florida (the "Court") entered an Order Granting Approval of Settlement Agreement and Stipulation (the "Order") in the matter titled ASC Recap, LLC ("ASC Recap") v. True North Energy Corporation. The Order and the Stipulation for Settlement of Claims, dated September 5, 2013, between the Company and ASC Recap (the "Stipulation"), provides for the full and final settlement of ASC Recap's \$1,124,000 claim against the Company in connection with past due amounts owed to creditors in connection with attorney's fees, consulting fees, unpaid wages, and acquisition services which ASC Recap purchased from third parties pursuant to Receivable Purchase Agreements, between July 19, 2013 and July 24, 2013 (the "Claim").

Pursuant to the terms of the Order, the Company has issued a total of 9,056,573 since October 10, 2013 in settlement of the Claim. The shares of common stock issued to ASC Recap, Tarpon Bay, and Black Arch were exempt from registration pursuant to an exemption provided by Section 3(a)(10) of the Securities Act of 1933, as amended, as the issuance of securities was in exchange for bona fide outstanding claims, where the terms and conditions of such issuance were approved by a court after a hearing upon the fairness of such terms and conditions. The shares were issued without a restrictive legend.

On December 12, 2013, in a transaction not involving a public offering, the Company issued 3,000,000 shares of common stock to Synergy Business Consultants, LLC for services provided. These shares are restricted securities and contain the appropriate legend.

5) Financial Statements

The Issuer has posted to www.otcm Markets.com the financial statements for the period ending January 31, 2017 which includes a Balance sheet, Statement of income, Statement of cash flows, and Financial notes. These financial statements are incorporated by reference herein and attached as Exhibit 1.

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

True North Energy Corporation (the "Company" or "True North"), formerly Ameriprint International, Ltd. ("Ameriprint"), was incorporated in the state of Nevada in April 2004. Ameriprint provided printing, advertising and graphic design services to commercial customers. During January 2006 Ameriprint underwent a change of control and operation of its prior business activities was discontinued. Immediately thereafter, Ameriprint was renamed True North and commenced operation as an independent oil and gas entity.

True North has been engaged in the acquisition, exploration, development and production of oil and gas properties in Alaska, Colorado and Texas since February of 2006. All of our oil and gas properties were divested through either foreclosure or sales between July 2009 and August 2011. On June 28, 2013, the Company changed control and the new management intends to revive more extensive oil and gas activities. Recently, True North has undergone exciting changes, which complement its core philosophy to build an energy company by continuously evaluating the bottom line. From bedrock to barrels: phase projects, establish positive earnings, and move methodically forward.

True North's strategy is to continue to build its operations under a two Phased approach. Phase I includes acquiring assets to establish positive earnings and underpin operating expenses with low risk producing assets. Phase II focuses on acquiring production and leasehold in low risk proven fields and implement workover and drilling programs including activating behind pipe, "stranded," reserves; increasing operational efficiency; and drilling infill locations on proven fields.

With the appointment of Nicolo' Golia Bedendo as CEO and President, the Company will continue promote its interest in the fashion industry, specifically to identify acquisition candidates and investment opportunities.

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

True North is engaged in the acquisition, exploration, development and production of oil and gas and focused on Colorado, Oklahoma and Texas. The Company first became an oil and gas exploration and development company in February 2006, and until September 2007 had no developed reserves or production, nor revenues from its operations. Our producing properties acquired from September of 2007 were foreclosed upon in July of 2009, and we had not held any producing properties until the purchase of a .051416% royalty interest in Oklahoma effective August 2014.

Colorado Properties

In June 2007 True North acquired certain non-producing oil and gas interests and properties in northwest Colorado in an area covering more than 17,000 acres. The Company held a 100% working interest in the underlying oil and gas leases, which expire in 2016. On April 27, 2010, four of the eleven leases were suspended by the U.S. Department of the Interior Bureau of Land Management pending an Environmental Assessment which has not yet been completed. On June 20, 2010, the Company sold these leases for total proceeds of \$350,000, resulting in a loss of \$1,074,235 on the sale during the year ended April 30, 2011. The Company retained an Overriding Royalty Interest of 0.375% on the leasehold interests.

Oklahoma Properties

On September 1, 2014, the Company, through its TN Energy, Inc. subsidiary, purchased a .051416% royalty interest in the producing wellbore of the K Farm 9-18N-1W #1WH located in Section 9-T18N-R1W, Payne County, Oklahoma. Operated by Devon Energy Corporation of Oklahoma City, Oklahoma.

Marco Capital Limited

On June 4, 2014, the Company acquired all of the outstanding shares of a recently formed and inactive corporation, Marco Capital Limited, which was organized pursuant to the Hong Kong Companies Ordinance. Headquartered in Hong Kong, Marco Capital Limited plans to explore emerging markets with opportunities in various industries, including China. On October 30, 2015, the Marco Capital Limited executed a letter of intent with LeCrown Ltd., a Hong Kong company. On November 26, 2015 Marco Capital Limited would acquire 70% of the total outstanding shares of LeCrown. The purpose of the transaction is to fund the operations of LeCrown in the areas of Italian fashion design, hand-made shoes, e-commerce, trademark commercialization, and merchandising. Effective April 30, 2016, Marco Capital issued additional shares to other parties and effectively diluting the Company's ownership to 9%.

On July 30, 2014, the Company formed a wholly owned subsidiary, TN Energy, Inc., in the state of Texas, for the purpose of acquiring, owning and/or operating oil and gas properties. On July 30, 2014, the Company's overriding royalty interests in its Colorado properties were assigned to this subsidiary.

- B. Date and State (or Jurisdiction) of Incorporation: Incorporated on April 7, 2004 in Nevada.
- C. The issuer's primary SIC code is 1311; there is no secondary SIC code.
- D. The issuer's fiscal year end date: April 30th
- E. Principal products or services, and their markets: Since the Company is not currently engaged in production or sales of oil and gas it does not offer products or services. As such, there is no market.

7) Describe the Issuer's Facilities

Not applicable.

8) Officers, Directors, and Control Persons

- A. Names of Officers, Directors, and Control Persons.

<u>Name</u>	<u>Position</u>	<u>Share Ownership</u>
Nicolo Golia Bedendo	CEO, President, Director	1,000 Series A Preferred

On September 20, 2016, Mr. William M. Simmons appointed Mr. Bedendo to service as the Chief Executive Officer, President, and Director of the Company. Mr. Williams then tendered his resignation as Officer and Sole Director of the Company on September 21, 2016. Mr. Bedendo entered into an executive employment agreement for a period from September 20, 2016 to September 20, 2019 in exchange for an annual compensation of \$1.

- B. Legal/Disciplinary History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses)
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None of the above applies to the Company's sole officer and Director.

C. Beneficial Shareholders.

None.

9) Third Party Providers

Legal Counsel

The McGeary Law Firm, P.C.
1600 Airport Fwy., Suite 300
Bedford, Texas 76022

Accountant or Auditor

Turner, Stone & Company, LLP
12700 Park Central Drive, Suite 1400
Dallas, Texas 75251

10) Issuer Certification

I, Nicolo Golia Bedendo, certify that:

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

Date: March 17, 2017

/s/ Nicolo Golia Bedendo
Nicolo Golia Bedendo

EXHIBIT 1

**TRUE NORTH ENERGY CORPORATION
AND SUBSIDIARIES**

**Consolidated Financial Statements
as of January 31, 2017 and April 30, 2016
and for the Three and Nine Months Ended January 31, 2017 and 2016
(Unaudited)**

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True North Energy Corporation and Subsidiaries
Consolidated Balance Sheets
January 31, 2017 and April 30, 2016
(unaudited)

	January 31, 2017	April 30, 2016
Assets		
Current assets:		
Cash	\$ 16	\$ 1,771
Accounts receivable	144	62
Advances receivable	9,750	9,750
Prepaid expenses	275	5,351
Total current assets	10,185	16,934
Property:		
Oil and gas properties at cost, net of depletion of \$2,035 and \$1,457 at January 31, 2017 and April 30, 2016, respectively	5,667	6,245
Other:		
Investments (Note 1)	1	1
Total Assets	\$ 15,853	\$ 23,180
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 73,569	\$ 59,947
Advances payable	2,725	93,525
Accrued expenses	287,688	258,657
Accrued expenses, related parties	-	21,800
Convertible settlements payable	624,012	645,163
Convertible notes payable, net of discount of \$89,405 at January 31, 2017 and \$0 at April 30, 2016	675,957	611,812
Convertible notes payable, related parties net of discount of \$0 at January 31, 2017 and April 30, 2016	-	26,750
Notes payable	212,150	212,150
Derivative liabilities	1,701,628	1,014,049
Total current liabilities	3,577,729	2,943,853
Commitments and contingencies (Note 8)		
Stockholders' Deficit:		
Preferred stock, \$0.0001 par value, 20,000,000 shares authorized: Series A shares, \$0.0001 par value, 1,000 and 1,000 shares issued and outstanding at January 31, 2017 and April 30, 2016	-	-
Series B shares, \$0.0001 par value, 50,000 and 50,000 shares issued and outstanding at January 31, 2017 and April 30, 2016	5	5
Common stock, \$0.0001 par value, 2,500,000,000 shares authorized; 10,042,699 shares issued and outstanding at January 31, 2017 and April 30, 2016	1,004	832
Additional paid in capital	24,293,933	24,265,903
Accumulated deficit	(27,856,818)	(27,187,413)
Total Stockholders' Deficit	(3,561,876)	(2,920,673)
Total Liabilities and Stockholders' Deficit	\$ 15,853	\$ 23,180

See accompanying notes to consolidated financial statements.

True North Energy Corporation and Subsidiaries
Consolidated Statements of Operations
For the Three and Nine Months Ended January 31, 2017 and 2016
(unaudited)

	For the three months January 31,		For the nine months January 31,	
	2017	2016	2017	2016
Revenue, consulting services	\$ -	\$ -	\$ -	\$ -
Revenue, royalty interests	27	36	95	178
Total revenues	<u>27</u>	<u>36</u>	<u>95</u>	<u>178</u>
Cost of operations:				
Oil and gas expenses	4	4	13	21
Distribution rights	-	1,250	-	3,750
Total cost of operations	<u>4</u>	<u>1,254</u>	<u>13</u>	<u>3,771</u>
Gross Margin	<u>23</u>	<u>(1,218)</u>	<u>82</u>	<u>(3,593)</u>
Expenses:				
Depletion	326	93	578	508
Depreciation and amortization	-	-	-	-
General and administrative	29,424	52,641	34,653	82,003
Officer and director compensation	-	7,500	-	22,500
Total operating expenses	<u>29,750</u>	<u>60,234</u>	<u>35,231</u>	<u>105,011</u>
Loss from operations	<u>(29,727)</u>	<u>(61,452)</u>	<u>(35,149)</u>	<u>(108,604)</u>
Other income (expense):				
Loss on debt extinguishment	(3,142)	(12,739)	(7,051)	(14,674)
Loss on derivative liability	-	10,119	(534,313)	(235,497)
Amortization of debt discount	(38,317)	(23,458)	(63,861)	(142,909)
Gain on deconsolidation of subsidiary	-	-	-	-
Adjustment for non controlling subsidiary net loss	-	-	-	-
Interest expense	<u>(14,225)</u>	<u>(24,911)</u>	<u>(29,031)</u>	<u>(70,779)</u>
Net loss	<u>\$ (85,411)</u>	<u>\$ (112,441)</u>	<u>\$ (669,405)</u>	<u>\$ (572,463)</u>
Weighted average number of common shares outstanding - basic and fully diluted	<u>9,138,699</u>	<u>5,017,362</u>	<u>8,808,014</u>	<u>3,840,587</u>
Net loss per share - basic and fully diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.08)</u>	<u>\$ (0.15)</u>

See accompanying notes to consolidated financial statements.

True North Energy Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended January 31, 2017 and 2016
(unaudited)

	2016	2016
Cash flows from operating activities		
Net loss	\$ (669,405)	\$ (572,463)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion expense	578	508
Amortization of debt discount	63,861	142,909
Loss on debt extinguishment	7,051	14,674
Change in fair value of derivative liability	534,313	235,497
Decrease (increase) in assets:		
Accounts receivable	(82)	17
Prepaid expenses	5,076	3,750
Increase (decrease) in liabilities:		
Accounts payable	13,622	32,990
Accrued expenses	29,031	54,171
Accrued expenses, related parties	(21,800)	22,000
Net cash used in operating activities	(37,755)	(65,947)
Cash flows from investing activities		
Investment in oil and gas properties	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Common stock subscribed	-	200,000
Advances from others	-	129
Repayment of convertible notes payable	-	(18,151)
Repayment of advances to others	(90,800)	-
Proceeds from convertible notes payable	126,800	-
Net cash provided by financing activities	36,000	181,978
Net increase (decrease) in cash	(1,755)	116,031
Cash, at beginning of period	1,771	209
Cash, at end of period	\$ 16	\$ 116,240
Supplemental disclosures:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash investing and financing activities:		
Common stock shares issued in payment of the convertible settlements payable obligation	\$ 21,145	\$ 58,696
Discounts recognized for embedded derivative on convertible notes payable	\$ 153,266	\$ -
Accrued expenses exchanged for convertible notes payable	\$ 21,800	\$ -

See accompanying notes to consolidated financial statements.

True North Energy Corporation & Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Nine Months Ended January 31, 2017 and 2016
(unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies

Organization and Basis of Presentation

The accompanying interim unaudited consolidated financial statements and footnotes of True North Energy Corporation and its subsidiaries (the “Company”), have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company’s Annual Report filed on the OTC Markets. The accompanying unaudited financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results for any subsequent quarter or the entire year ending April 30, 2017. On June 28, 2013, True North Energy Corporation (the “Company” or “True North”) had a change of control and management. The Company’s common stock is traded on the Over the Counter Pink Sheets (“OTC PK”) under the symbol, (“TNEN”).

On June 4, 2014, the Company acquired all of the outstanding shares of a recently formed and inactive corporation, Marco Capital Limited (MCL), organized pursuant to the Hong Kong Companies Ordinance. Headquartered in Hong Kong, MCL is exploring emerging market opportunities in various industries, including those in China. On or about November 20, 2015, MCL acquired shares in LeCrown Ltd., a newly organized Hong Kong Company for the purpose of operating in the fashion industry centralized in Milan, Italy. LeCrown designs and produces handmade Italian fashion shoes, with a heritage from the 1940’s. All significant inter-company transactions were eliminated in the preparation of these consolidated financial statements.

Effective April 30, 2016 MCL issued additional common shares to new investors which reduced the Company’s ownership to 9.1% of the then outstanding shares of MCL. As of April 30, 2016, MCL and its subsidiary, LeCrown were deconsolidated from the reporting of the Company.

On July 30, 2014, the Company formed a wholly owned subsidiary, TN Energy, Inc., under the laws of the state of Texas for the purpose of acquiring, owning and/or operating oil and gas properties. On July 30, 2014, the Company’s overriding royalty interests in its Colorado properties were assigned to this subsidiary (Note 4). All significant inter-company transactions have been eliminated in the preparation of these consolidated financial statements.

True North Energy Corporation & Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Nine Months ended January 31, 2017 and 2016
(unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basic and Diluted Loss Per Share

Basic earnings per share (EPS) are computed by dividing net income (the numerator) by the weighted average number of common shares outstanding for the period (the denominator). Diluted EPS is computed by dividing net income by the weighted average number of common shares and potential common shares outstanding (if dilutive) during each period. Potential common shares include stock options, warrants and restricted stock. The number of potential common shares outstanding relating to stock options, warrants and restricted stock is computed using the treasury stock method. For the nine months ended January 31, 2017 and 2016, approximately 155,000,000 and 568,500,000 potentially dilutive securities, respectively, were excluded from the EPS calculation because they would have had an anti-dilutive effect.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Recently Issued Accounting Pronouncements

During the nine months ended January 31, 2017 and through March 17, 2017, several new accounting pronouncements were issued by the Financial Accounting Standards Board and/or the Securities and Exchange Commission. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

Note 2 – Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred recurring losses from operations resulting in an accumulated deficit of approximately \$27,871,818, and as of January 31, 2017, the Company's current and total liabilities exceeded its current and total assets by approximately \$3,567,544. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new ventures to recommence operations, set up an operating subsidiary, in addition to holding its over-riding royalty interests in oil and gas assets. In addition, the Company currently seeks additional sources of capital to fund short term operations.

True North Energy Corporation & Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Nine Months ended January 31, 2017 and 2016
(unaudited)

Note 2 – Going Concern (continued)

Management plans to raise additional capital through loans, private offerings, and potentially through public offerings of its common stock.

The consolidated financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These consolidated financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Related Parties

On June 20, 2016, Mr. Gilbert Steedley, our CEO, President, Secretary, Treasurer, Chief Financial Officer and Sole Director tendered his resignation as Officer and Sole Director of the Company and its Subsidiary. Mr. William M. Simmons was appointed to act as interim CEO, President and Sole Director for an initial term of June 20, 2016 through September 30, 2016, renewable monthly. Mr. Simmons entered into an executive employment agreement in exchange for a fee of Two Thousand Dollars (\$2,000) monthly and warrants to purchase 100,000 shares of the Company's common stock, which was terminated upon his resignation.

On September 20, 2016, Mr. Simmons appointed Mr. Nicolo' Bedendo, to serve as the Chief Executive Officer, President and Director of the Company. Mr. Bedendo entered into an executive employment agreement with the Company for the period from September 20, 2016 through September 20, 2019. This Agreement supersedes and replaces the Consulting Agreement the Parties entered into approximately January 27, 2016 for the Executive to act as True North's Team Leader in the Fashion Sector. The agreement shall auto-renew for one month terms until either party terminates the agreement. Mr. Bedendo's agreement provides for annual compensation of One Dollar (\$1) and a warrant to purchase 10% of the Company's then outstanding common stock in exchange for \$15,000, should he continue to serve at the end of his three-year term.

Note 4 – Convertible Settlements Payable

On October 10, 2013, the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida approved a Settlement Agreement entered into between the Company and ASC Recap LLC (Recap) whereby a total of \$1,124,000 of outstanding debts that were acquired by Recap from various creditors. In satisfaction of the outstanding debts acquired by Recap, we agreed to issue Recap shares of our common stock (Settlement Shares) in various tranches and from which 75% of the proceeds from the sale of these shares by Recap would be used to satisfy the outstanding debts until such time as the debts are satisfied. The exact number of Settlement Shares to be issued pursuant to the Settlement Agreement is indeterminable, and Recap is precluded from owning more than 9.99% of the Company's common stock in aggregate at any given time. Recap does not bear the risk of market loss. The difference between the amount of proceeds used to satisfy the outstanding debts and the fair value of the common stock shares issued will result in a gain or loss on debt settlement.

True North Energy Corporation & Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Nine Months ended January 31, 2017 and 2016
(unaudited)

Note 5 – Convertible Notes Payable

On varying dates between August 1, 2014 and April 30, 2016 the Company issued convertible promissory notes to unrelated parties totaling \$521,272 in exchange for cash advances, settlement of accounts payable and services provided to the Company. The notes bear interest at a rate of 6% per annum and are due on various dates from September 1, 2014 through April 1, 2016. The principal balance and any accrued interest associated with these notes is convertible at the option of the holder at the lesser of \$0.00001 per share and 50% of the lowest closing bid price of the Company's common stock for the previous twenty days. As of April 30, 2016, it was reported that \$68,782 of principal and \$8,778 of accrued interest was repaid by the Company in exchange for advances from its previous subsidiary MCL. The notes were purchased from unrelated parties by MCL. These notes were in default and carried an interest rate of 15% upon default. On August 31, 2016, the noteholder agreed to a one year extension of the note until August 31, 2017.

On January 20, 2014, the Company granted an unrelated party a convertible promissory note in the amount of \$117,290 bearing interest at 6.0% and maturing on July 30, 2015. The notes were assumed from the unrelated parties by MCL. The note was in default and carried an interest rate of 6% upon default. On August 31, 2016, the noteholder agreed to a one year extension of the note until August 31, 2017.

Effective August 31, 2016 the Company successfully renegotiated all of its outstanding convertible promissory notes to extend the due date for one year, with all expiring August 31, 2017. In some cases, the Company was also granted a waiver of all interest accrued to date and future interest accrual. This resulted in the reversal of \$29,062 of interest accrued in prior periods.

On August 31, 2016, the Company issued a convertible promissory note to our former Chief Executive Officer and President, Gilbert Steedley in settlement of the outstanding liability for his services during his tenure in the amount of \$21,800. The note carries an interest rate of 1% and is convertible into shares of the Company's common stock at a rate of the lesser of 50% of the Market Price for twenty days prior to conversion or \$0.0145 per share.

On October 25, 2016, the Company issued a four year \$105,000 convertible promissory note to an unrelated party carrying no interest and maturing on October 25, 2020. The note is convertible at maturity only, except for certain acceleration events, into shares of the Company's common stock at a price of 80% of the closing price of the stock on October 25, 2020; or shares of LeCrown Holdings, Ltd, and the holder shall be entitled to no more than 15 shares of LeCrown Holdings, Ltd.

Note 6 – Stockholders' Deficit

Between November 15, 2013 and October 31, 2016, the Company has issued ASC Recap (RECAP) a total of 7,504,615 shares of common stock pursuant to the October 23, 2013, Settlement Agreement and subsequent Court Order on November 7, 2013 (Note 5). The shares are being sold by ASC and 75% of the net proceeds will be used to settle the outstanding debts as ordered by the court. RECAP and an unrelated party were issued an aggregate of 2,374,958 shares of common stock in settlement of convertible notes payable in the amount of \$69,350.

True North Energy Corporation & Subsidiaries
Notes to Consolidated Financial Statements
For the Three and Six Months ended October 31, 2016 and 2015
(unaudited)

Note 6 – Stockholders’ Deficit (continued)

On July 20, 2015, the Company affected a reverse stock split whereby every 500 shares of common stock issued and outstanding were automatically reclassified and combined into one share of common stock (“Reverse Stock Split”). The Reverse Stock Split was reflected retroactively in the financial statements for all periods.

Other than the shares to Recap, Tarpon and Black in satisfaction of the Convertible Settlements Payable and related Convertible Notes (Notes 7 and 14), no other shares of common stock were issued during the nine months ended January 31, 2017 and 2016.

On July 3, 2013, the Company granted 1,000 shares of Series A Preferred Stock to the Company’s then CEO, Gilbert Steedley. On September 20, 2016 in a private transaction, Mr. Steedley assigned and transferred these shares to our newly appointed CEO, Nicolo’ Bedendo. The preferred stock is not entitled to dividends or liquidation preferences and has no conversion rights. The Holder of the Preferred Stock has voting rights. For so long as any shares of the Preferred Stock remain issued and outstanding, the Holder thereof, voting separately as a class, has the right to vote on all shareholder matters (including, but not limited to, at every meeting of the stockholders of the Company and upon any votes actually taken by stockholders of the Company with or without a meeting) equal to fifty-one percent (51%) of the total vote.

Note 7 – Warrants

Costs attributable to the issuance of stock options and share purchase warrants are measured at fair value at the date of issuance and offset with a corresponding increase in ‘Additional Paid in Capital’ at the time of issuance. When the options or warrants are exercised, the receipt of consideration is an increase in stockholders’ equity.

On June 20, 2016, in connection with an employment agreement with its interim CEO, the Company granted its CEO a warrant to purchase up to 100,000 common stock shares at a purchase price of \$0.01 per share. The warrant expires June 20, 2018. On September 20, 2016, the CEO resigned and terminated his contract which included the warrant. Mr. Nicolo’ Bedendo was appointed to serve for a three-year term as the CEO and granted a warrant to purchase up to 10% of the Company’s then outstanding stock at the completion of the three-year term in exchange for \$15,000. An estimated 1,004,270 warrants to Nicolo’ Bedendo were outstanding as of January 31, 2017 and 500,000 specified warrants were outstanding as of January 31, 2016.

Note 8 – Commitments and Contingencies

Although the Company is unaware of any legal matters, the Company may be involved in various inquiries, administrative proceedings and litigation relating to matters arising from our operations prior to the change in management on June 28, 2013. The Company is not currently a defendant in any litigation and is not aware of any threatened litigation that could have a material effect on the Company. Management is not able to estimate the minimum loss to be incurred, if any, as a result of the final outcome of these matters but believes they are not likely to have a material adverse effect upon the Company’s financial position or results of operations and, accordingly, no provision for loss has been recorded.

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Notes to Consolidated Financial Statements
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Note 8 – Commitments and Contingencies (continued)

On January 1, 2014, the Company entered into an employment agreement with its former CEO, Gilbert Steedley. The agreement provided for monthly compensation of \$2,500 and expired December 31, 2014 and automatically renewed annually unless terminated by either party pursuant to the agreement. On June 20, 2016, Mr. Steedley submitted his resignation effective immediately.

Effective February 1, 2016 the Company entered into a consulting agreement with Nicolo' Golia Bedendo ("Consultant") to serve as the Company's Team Leader in the Fashion Sector, for the purpose of promoting the Company's interest in the fashion industry, specifically to identify acquisition candidates and investment opportunities. In exchange for these services the Company agreed to issue and sell to the Consultant 250,000 newly-issued shares of Common Stock in the Company in consideration for a purchase price of \$1,000. Additional compensation for the Consultant's services were in the form of the assignment to the Consultant, five percent of any equity interest acquired by the Company in any investment. The agreement was for a term of one year. The Consultant did not exercise any right to purchase the agreed upon shares and the agreement was replaced on September 20, 2016.

On June 20, 2016, the Company entered into an employment agreement with its CEO, William M. Simmons. The agreement provides for monthly compensation of \$2,000 and warrants to purchase 100,000 shares of the Company's common stock. The agreement terminated with the September 20, 2016 resignation of Mr. Simmons.

On September 20, 2016, Mr. Nicolo' Bedendo was appointed to serve as CEO, President and Director. We entered into an executive employment agreement providing for annual compensation of One Dollar (\$1), a five percent (5%) cash bonus for any investor capital raised on behalf of the Company and a warrant to purchase 10% of the Company's then outstanding common stock in exchange for \$15,000, should he continue to serve at the end of his three-year term. The agreement expires September 20, 2019 and automatically renews for monthly periods unless terminated by either party. This Agreement supersedes and replaces the Consulting Agreement the Parties entered into effective February 1, 2016 for the Executive to act as True North's Team Leader in the Fashion Sector.

Terms of the convertible promissory note dated October 25, 2016 specify that the holder may convert the note into shares of LeCrown Holdings Ltd, a British Virgin Island entity. In the event this payment is elected; the Company will be required to obtain the designated shares in satisfaction of the note. The note specifies that the maximum value of such shares will be the principal value of the note of \$105,000.

Note 9 – Subsequent Events

On February 28, 2017, in accordance with the convertible liabilities settlement program, Tarpon Bay submitted a request for the issuance of 994,000 shares of the Company's common stock and the shares were issued on March 3, 2017.