

# **GEO FINANCE CORPORATION**

FINANCIAL STATEMENTS

FOR PERIODS ENDED JULY 31, 2014 AND 2013

UNAUDITED

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## ITEM 1: FINANCIAL STATEMENTS

The financial information set forth below with respect to our statements of operations for the nine month period ended July 31, 2014 and 2013 is unaudited. This financial information, in the opinion of management, includes all adjustments consisting of normal recurring entries necessary for the fair presentation of such data. The results of operations for the nine months period ended July 31, 2014, are not necessarily indicative of results to be expected for any subsequent period. Our year end is October 31.

### GEO FINANCE CORPORATION CONSOLIDATED BALANCE SHEETS

	<b>July 31, 2014</b>	<b>October 31, 2013</b>
	<u>(Unaudited)</u>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 13,982	\$ 18,277
Marketable securities – related party	43,575	--
Marketable securities	57,000	--
Total current assets	<u>114,467</u>	<u>18,277</u>
Notes receivable	41,500	--
Total assets	<u>\$ 155,967</u>	<u>\$ 18,277</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable & accrued liabilities	\$ 28,800	\$ 25,355
Accrued consulting- related party	55,700	36,000
Notes payable-shareholders	--	226,718
Note payable	249,120	4,902
Convertible notes payable –related parties	--	25,000
Convertible notes payable	85,000	60,000
Total current liabilities	<u>418,620</u>	<u>377,976</u>
Total liabilities	<u>418,620</u>	<u>355,071</u>
Stockholders' deficit:		
Preferred stock, \$0.001 par value, 10,000,000 authorized none issued and outstanding	--	--
Common stock, \$0.001 par value 100,000,000 authorized 39,332,400 and 33,388,417 issued and outstanding, respectively	39,332	33,389
Additional paid in capital	592,934	416,876
Accumulated deficit	(894,919)	(809,963)
Total stockholders' deficit	<u>(262,653)</u>	<u>(359,698)</u>
Total liabilities and stockholders' equity(deficit)	<u>\$ 155,967</u>	<u>\$ 18,277</u>

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

**GEO FINANCE CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	July 31,		April 31	
	2014	2013	2014	2013
Revenue	\$ --	\$ --	\$ --	\$ 875
Operating expenses:				
General and administrative expense	160,475	12,057	185,034	41,356
Loss from operations	(160,475)	(12,057)	(185,034)	(40,481)
Other income(expense)				
Interest income	150	--	150	--
Realized gain on marketable securities	32,164	--	32,164	--
Unrealized loss on marketable securities	(29,105)	--	89,016	--
Investment expense	(3,543)	--	(16,751)	--
Interest expense	(1,500)	(1,500)	(4,500)	(23,250)
Total other income(expense)	(1,834)	(1,500)	100,079	(23,250)
Net income (loss)	\$ 162,309	\$ (13,557)	\$ (84,955)	\$ (63,731)
Net income (loss) per share, basic and diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)
Weighted average number of shares outstanding	39,332,400	33,894,805	36,831,015	34,895,539

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

**GEO FINANCE CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Nine Months Ended</b>	
	<b>July 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (84,955)	\$ (63,731)
Amortization of beneficial conversion feature		20,000-
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Unrealized (Gain) loss in marketable securities	(89,016)	--
Realized (Gain) loss in marketable securities	(32,164)	--
Changes in operating assets and liabilities:		
Accounts receivable	--	(875)
Accounts payable	(33,92)	(4,990)
Accrued interest	4,500	2,564
Consulting payable - related party	19,700	25,500
<b>Net cash used in operating activities</b>	<b>(185,327)</b>	<b>(21,532)</b>
<b>Cash flows used in investing activities</b>		
Investment in marketable securities	(17,500)	--
<b>Net cash used in investing activities</b>	<b>(17,500)</b>	<b>--</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the sale of common stock	182,001	--
Proceeds from convertible debt	--	47,195
Proceeds from notes payable	17,500	--
<b>Net cash provided by financing activities</b>	<b>199,501</b>	<b>47,195</b>
Net increase in cash	(3,326)	25,663
Cash – beginning of year	17,218	237
Cash – end of year	\$ 13,892	\$ 25,900

**SUPPLEMENT DISCLOSURES:**

Interest paid  
Income taxes paid

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

**GEO FINANCE CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**NOTE 1 – NATURE OF BUSINESS**

Geo Finance Corporation (GEFI) was organized on July 9, 2007 under the laws of the State of Florida, U.S.A. as part of a plan of reorganization by Stassi Interaxx, Inc., a Delaware corporation. Effective August 22, 2007 the Company acquired all of the issued and outstanding shares of Geo-Finance Corporation (incorporated under the laws of the government of Canada) which was established to finance and operate geothermal fields for the heating and cooling of commercial, industrial and residential buildings as well as examine the potential of alternative energy sources including waste to energy, solar heating, and coal bed methane production as well as conventional oil and gas production.

Starting in October, 2007, GEFI began negotiating the financing of installation and operation of ground source geothermal collection fields at various locations in Canada and the United States. Due to the collapse of the financial markets as well as the precipitous decline in the price of natural gas, and the cancellation or deferral of many of the projects the Company was not able to raise capital to develop the business. GEFI began to market alternative energy projects in Mexico and Central America when this occurred as the price and lack of availability of energy in these areas made the company's concepts attractive. The Company has written off the goodwill recorded on the original acquisition of Geo-Finance Inc., a Canadian company which has been dissolved.

As part of the initial reorganization plan in August 2007 the Company received 11,500,000 shares of its common stock that is held in escrow by an independent agent. Since inception of the escrow, the Company has either sold or released shares for services leaving a balance in the escrow account as of April 31, 2014 of shares. As of July 31, 2014 the Company held 3,112,498 shares of its common stock in the escrow and trading account with a value of \$43,575.

**NOTE 2- ACCOUNTING POLICIES**

**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 at the date of the balance sheet. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

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

**Revenue Recognition**

The Company does not have any revenue to report.

## Presentation

The Company has elected to early adopt Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. The adoption of this ASU allows the Company to remove the inception to date information and all references to exploration stage.

## General and Administrative Expenses

The Company's general and administrative expenses consisted of the following types of expenses during the periods ended July 31, 2014 and 2013: legal and accounting, web sites, office expenses, and other administrative related expenses

## Impairment of Long-Lived Assets

The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical-cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the asset by comparing the undiscounted future net cash flows expected to result from the asset to its carrying value. If the carrying value exceeds the undiscounted future net cash flows of the asset, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived asset. Fair value is estimated based upon either discounted cash flow analysis or estimated salvage value.

## Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The Company's significant estimates include the fair value of common stock issued for services. Actual results could differ from those estimates.

## Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for income taxes under the provisions of Financial Accounting Standards Board) Accounting Standards Codification 740, *Accounting for Income Taxes*. It prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result, the Company has applied a more-likely-than-not recognition threshold for all tax uncertainties. The guidance only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the various taxing authorities.

The Company classifies penalties and interest related to unrecognized tax benefits as income tax expense in the Statements of Operations.

#### Basic and diluted net loss per share

Basic and diluted net loss per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. Diluted loss per share calculations includes the dilutive effect of common stock. Basic and diluted net loss per share is the same due to the absence of common stock equivalents.

#### Fair Value of Financial Instruments

The Company's financial instruments consisting of accounts payable, accrued expenses and notes payable approximate their fair value due to their short term maturities.

#### Recent Accounting Pronouncements

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on their financial position, results of operations or cash flows.

### **NOTE 3 - GOING CONCERN**

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company, as shown in the accompanying balance sheets, has an accumulated deficit as of July 31, 2014 of \$894,919. The Company has not established any source of revenue to cover its operating costs. These factors raise substantial doubt about the company's ability to continue as a going concern. The Company will engage in very limited activities that must be satisfied in cash until a source of funding is secured. The Company will offer noncash consideration and seek equity lines as a means of financing its operations. If the Company is unable to obtain revenue producing contracts or financing or if the revenue or financing it does obtain is insufficient to cover any operating losses it may incur, it may substantially curtail or terminate its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.

### **NOTE 4 – NOTES RECEIVABLE**

On March 19, 2014 the Company entered into a stock purchase agreement with Revolution Lubricants, (RL), a North Carolina corporation whereas the Company was to purchase 510,000,000 shares of RL representing 51% of the outstanding stock of RL. Under the terms of the agreement the Company was to pay \$200,000 in cash, payable at \$20,000 per month for 10 months and 3,000,000 shares of restricted common stock of the Company. The Company advanced \$20,000 during the nine month period ended July 31, 2014 and the agreement was terminated. The Company now carries a non-interest demand note of \$20,000 subject to the final agreement on the terminated acquisition agreement.

During June 2014 the Company advanced an unrelated entity \$21,500 in a non-interest bearing demand note.

### **NOTE 5 – RELATED PARTY TRANSACTIONS**

On February 18, 2013 the Company appointed Brian Keasberry as President and Director. Under terms of the agreement he will receive \$3,000 per month as compensation. As of July 31, 2014 \$55,700 in compensation has been accrued.

#### **NOTE 6 – NOTES PAYABLE**

On April 19, 2013 the Company issued a \$20,000 convertible demand note bearing no interest. The note is convertible by the holder at \$0.005 per share from the date of issuance. On July 23, 2013 the note was repaid.

In connection with the issuance of the above convertible notes, the Company evaluated the conversion options for derivative treatment under ASC 815-15, “Embedded Derivatives”, and determined the notes and their conversion features did not qualify as derivatives. The Company also evaluated the note for a beneficial conversion feature under ASC 470-20, “Debt with Conversion and Other Options”, and determined a beneficial conversion feature existed. The intrinsic value of the beneficial conversion features of the convertible note above which totaled \$20,000 for period ended October 31, 2013 and was recorded as a debt discount that was fully amortized and charged to interest expense during the period ended October 31, 2013

As the convertible notes are convertible by the note holder, the interest is expensed each reporting quarter.

On April 17, 2014 the Company received an advance from one individual of \$17,500. The advance is non-interest bearing and payable on demand.

#### **NOTE 7 – EQUITY**

During the period ended July 31, 2014 the Company sold 4,260,692 shares of common stock from its escrow account for \$182,000 in cash. The Company has a balance of 2,558,000 shares of common stock that has been released from its escrow account plus an additional 554,498 shares of common stock in its escrow account. The market value of the shares, as of July 31, 2014, was \$43,575.

#### **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

On March 19, 2014 the Company agreed to acquire 51% of the outstanding shares of Revolution Lubricants, Inc a North Carolina corporation. Under the terms of the agreement the Company is to pay \$200,000 plus 3,000,000 shares of common stock for the purchase. On May 13, 2014 the agreement was amended increasing the issuance of shares in the Company from 3,000,000 shares to 20,000,000 shares of common stock. The Company was committed to pay \$20,000 per month until the total \$200,000 has been paid. The Company has terminated the agreement and carries the \$20,000 advanced as a note receivable.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The Securities and Exchange Commission (“SEC”) encourages companies to disclose forward-looking information so that investors can better understand future prospects and make informed investment decisions. This report contains these types of statements. Words such as “may,” “expect,” “believe,” “anticipate,” “estimate,” “project,” or “continue” or comparable terminology used in connection with any discussion of future operating results or financial performance identify forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. All forward-looking statements reflect our present expectation of future events and are subject to a number of important factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS**

The Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) for Geo Finance Corporation (“GEFI” or the “Company”) is intended to supplement and complement the accompanying unaudited financial statements and notes thereto for the nine months ended July 31, 2014. GEFI’s management has prepared these financial statements in accordance with generally accepted accounting principles. There has not been an independent review of the financial statements.

Except for historical information, this MD&A may contain forward-looking statements. These statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, and performance to differ from any future levels of activity, results and performance implied by these forward-looking statements. Although GEFI believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties outlined elsewhere in this MD&A, actual events may differ materially from current expectations. GEFI disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

The Company reports the results of operations, assets and liabilities in U.S. dollars unless otherwise stated.

### **Results from Operations**

The Company recorded no revenue during the three months period ended July 31, 2014 but recorded \$875 in revenue for the nine month period in 2013.

During the three and nine months ended July 31, 2014, the Company incurred net losses of \$162,309 and \$84,955 compared to net losses of \$13,557 and \$63,731 for the same periods in 2013. The loss for the nine month period resulted from a loss from operations of \$160,475 offset by other income of \$100,079, compared to \$40,481 loss from operations plus other expense of \$23,250 for the corresponding period in 2013. The significant difference in other income during the nine months periods consisted of realized gains on marketable securities of \$32,164 plus unrealized gains on marketable securities of \$89,016 offset

by investment costs of \$16,751 and interest of \$4,500 in 2014 compared with only interest expense of \$23,250 in the same nine month period in 2013.

### **Liquidity and Capital Resources**

As of July 31, 2014 the Company had current assets of \$114,467 and current liabilities of \$418,620 with a negative working capital of \$304,153. Stockholders' deficit as of July 31, 2014 was \$262,653.

Net cash used in operations for the nine months ending July 31, 2014 was \$185,327 compared to net cash used of \$21,532 for the same period in 2013, a net increase of \$163,795.

Net cash used in investing activities was \$17,500 for the nine month period ended July 31, 2014 compared to zero in the same period in 2013.

Net cash provided by financing activities during the nine months ended July 31, 2014 was 199,500 compared to net cash provided of \$47,195 in 2013, an increase of \$152,306. The proceeds from the sale of common stock of \$182,000 and advance of \$17,500 comprised the increase in 2014 over 2013.

Our existing capital may not be sufficient to meet the Company's cash needs, including operations and the costs of compliance with the continuing reporting requirements. This condition raises substantial doubt as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

### **Risks and Uncertainties**

#### **Risk associated with Oil and Gas Tenure Rights**

Although the Company has taken steps to verify title to its mineral property interests in accordance with industry standards, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The Company impaired the asset as of October 31, 2013 reducing the asset value to zero.

### **Management**

The Company currently has a small executive management group, which is sufficient for its present stage of development. The Company has relied, and will continue to rely, upon a number of consultants and others for operating expertise. The Company's development to date has largely depended and in the future will continue to depend upon the efforts of current executive management. The loss of a member of this group could have a material adverse effect on the Company.

### **Requirement for Further Financing**

The Company is dependent upon equity financing to continue to fund its development activities and general operations. The Company's ability to raise future capital will be in part affected by capital markets and market prices. There is no assurance that such additional financing will be available.

### **Evaluation of Disclosure Controls and Procedures**

Based on their evaluation of our disclosure controls and procedures(as defined in Rule 13a-15e under the Securities Exchange Act of 1934 the "Exchange Act"), our principal executive officer and principal financial officer have concluded that as of the end of the period covered by this report such disclosure controls and procedures were not effective due to the lack of segregation of duties and lack of a formal review process that includes multiple levels of review to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms because of the identification of a material weakness in our internal control over financial reporting which we view as an integral part of our disclosure controls and procedures. The material weakness relates to the lack of segregation of duties in financial reporting, as our financial reporting and all accounting functions are performed by an external consultant with no oversight by a professional with accounting expertise. Our CEO /CFO do not possess accounting expertise and our company does not have an audit committee. This weakness is due to the company's lack of working capital to hire additional staff. To remedy this material weakness, we intend to engage another accountant to assist with financial reporting as soon as our finances will allow.

#### Changes in Internal Control over Financial Reporting

Except as noted above, there have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our first quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **ITEM 1: LEGAL PROCEEDINGS.**

None

### **ITEM 1A: RISK FACTORS**

There have been no material changes to the risk factors as previously disclosed.

### **ITEM 2: SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

During the period ended July 31, 2014 the Company sold 4,260,692 shares of common stock from its escrow account for \$182,000 in cash.

### **ITEM 3: DEFAULTS UPON SENIOR SECURITIES.**

None

### **ITEM 4: MINE SAFETY INFORMATION**

Not Applicable