

ISSUER INFORMATION AND DISCLOSURE STATEMENT

December 31, 2016

American Security Resources Corp.

**2525 Robinhood Street
Houston, TX 77005**

Tel: 713-800-6684

CUSIP No. 029569 407

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$0.00001 Par Value

3,000,000,000 Common Shares Authorized

1,136,070 Shares Issued and Outstanding

PREFERRED STOCK

\$.00001 Par Value

2,000,000 Shares Authorized

1,652,620 Shares Issued and Outstanding

FORWARD LOOKING STATEMENTS

THIS INITIAL COMPANY INFORMATION AND DISCLOSURE STATE, IN PARTICULAR, “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” AND “BUSINESS,” INCLUDE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THESE STATEMENTS REPRESENT THE COMPANY’S EXPECTATIONS OR BELIEFS CONCERNING, AMONG OTHER THINGS, FUTURE REVENUE, EARNINGS, AND OTHER FINANCIAL RESULTS, PROPOSED ACQUISITIONS AND NEW PRODUCTS, ENTRY INTO NEW MARKETS, FUTURE OPERATIONS AND OPERATING RESULTS, FUTURE BUSINESS AND MARKET OPPORTUNITIES. THE COMPANY WISHES TO CAUTION AND ADVISE READERS THAT THESE STATEMENTS INVOLVE RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS AND BELIEFS CONTAINED HEREIN. FOR A SUMMARY OF CERTAIN RISKS RELATED TO THE COMPANY’S BUSINESS, SEE “RISK FACTORS.” UNDER “DESCRIPTION OF BUSINESS.”

Unless the context requires otherwise, references to the Company or Issuer are to American Security Resources Corp.

PART A GENERAL COMPANY INFORMATION

Cautionary Factors That May Affect Future Results (Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)

The disclosure and analysis set forth herein contains certain forward looking statements, particularly statements relating to future actions, performance or results of current and anticipated products and services, sales efforts, expenditures, and financial results. From time to time, the Company also provides forward-looking statements in other publicly-released materials, both written and oral. Forward-looking statements provide current expectations or forecasts of future events such as new products or services, product approvals, revenues, and financial performance. These statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipates,” “intends,” “plans,” “expects,” “will,” and other words and phrases of similar meaning. In all cases, a broad variety of assumptions can affect the realization of the expectations or forecasts in those statements. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially.

The Company undertakes no obligation to update any forward-looking statements, but investors are advised to consult any further disclosures by the Company on this subject in its subsequent filings. Furthermore, as permitted by the Private Securities Litigation Reform Act of 1995, the Company provides these cautionary statements identifying risk factors, listed below, that could cause the Company’s actual results to differ materially from expected and historical results. It is not possible to foresee or identify all such factors. Consequently, this list should not be considered an exhaustive statement of all potential risks, uncertainties and inaccurate assumptions.

RISK FACTORS

No Active Market. Although the Company’s shares are listed on the Pink Sheets listing service, the Company believes that the public trading price may be an inaccurate representation of the value of the Company because there is little or no trading volume in the Company’s shares and no analysts or NASD market makers actively follow the Company.

We have never issued a Dividend but we plan to issue dividends of our interest in Hydrogen Future Corporation (HFCO) to our current shareholders. American Security Resources Corp. has never issued a dividend and we do not

anticipate paying dividends on our common stock in the near future. Furthermore, we may also be restricted from paying dividends in the future pursuant to subsequent financing arrangements or pursuant to Nevada law.

You could be diluted from the Issuance of additional Common and Preferred Stock. American Security Resources Corp. is authorized to issue up to 3,000,000,000 shares of common stock and 2,000,000 shares of preferred stock. To the extent of such authorization, our board of directors will have the ability, without seeking shareholder approval, to issue additional shares of common stock in the future for such consideration as the board may consider sufficient. The issuance of additional common stock in the future may reduce your proportionate ownership and voting power.

Volatility of Stock Prices. In the event that there is an established public market for the Company's Common Stock, market prices will be influenced by many factors and will be more subject to significant fluctuations in response to variations in operating results of the Company and other factors such as investor perceptions of the Company, supply and demand, interest rates, general economic conditions and those specific to the industry, developments with regard to the Company's activities, future financial condition and management.

Applicability of Low Priced Stock Risk Disclosure Requirements. The Common Stock of the Company may be considered a low priced security under rules promulgated under the Securities Exchange Act of 1934. Under these rules, broker-dealers participating in transactions in low priced securities must first deliver a risk disclosure document which describes the risks associated with such stocks, the broker-dealer's duties, the customer's rights and remedies, certain market and other information, and make a suitability determination approving the customer for low priced stock transactions based on the customer's financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing to the customer, obtain specific written consent of the customer, and provide monthly account statements to the customer. With all these restrictions, the likely effect of designation as a low priced stock will be to decrease the willingness of broker-dealers to make a market for the stock, to decrease the liquidity of the stock and to increase the transaction cost of sales and purchases of such stock compared to other securities.

PART A. GENERAL COMPANY INFORMATION

Item I. The exact name of the issuer and its predecessors (if any):

American Security Resources Corp., a Nevada corporation (from July 2, 2004 to current)
f.k.a. from December 29, 2003 until July 2, 2004 Kahuna Network Security, Inc.
f.k.a. from inception on February 23, 1998 until December 29, 2003 Computer Automation Systems, Inc.

Item II. The address of its principal executive offices:

American Security Resources Corp.
2525 Robinhood Street
Suite 1100
Houston, TX 77005
Telephone: 713-465-1001

Item III. The jurisdiction(s) and date of the issuer's incorporation:

Nevada
February 23, 1998

PART B. SHARE STRUCTURE

Item IV. The exact title of securities outstanding:

Common Stock
Series A Preferred Stock
Series B Preferred Stock
Series C Preferred Stock
Series D Preferred Stock

Item V. Par or stated and description of the security:

- A. The Company has Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. All capital stock of American Security Resources Corporation (the “Company”) have a par value of \$0.00001.
- B. **Common Stock:** The CUSIP for our Common Stock is 029569 407 and trades under the symbol “ARSC”). Each holder of Common Stock is entitled to one vote for each share held of record on each matter submitted to vote to stockholders, including election of directors. Stockholders do not have any right to cumulate votes on the election of directors. Each holder of Common Stock is entitled to share ratably in distributions to stockholders and to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available. Therefore, in the event of our liquidation, dissolution or winding up, the holders of Common Stock will be entitled to receive, after payment of all of our debts and liabilities, and of all sums to which holders of any outstanding preferred stock, if any, may be entitled, the distribution of any of our remaining assets. Holders of our Common Stock have no conversion, exchange, sinking fund, redemption or appraisal rights (other than such as maybe determined by the Board of Directors in its sole discretion) and have no preemptive rights to subscribe for any of our securities. There are no provisions in our Articles of Incorporation or By-Laws that would delay, defer or prevent a change of control of the Company.
- C. Series A Preferred Stock: 1,000,000 shares of the Company’s Preferred Stock par value \$0.00001 are designated “Series A Preferred Stock”. The Series A Preferred Stock shall be convertible into common stock on a 1 to 1 basis and are entitled to 500 to 1 Super Voting Rights on any issue requiring a shareholder vote.
- D. Series C Preferred Stock: 300 shares of the Company’s Preferred Stock par value \$0.00001 are designated “Series C Preferred Stock”. The Series C Preferred Stock shall have no dividend, conversion or liquidation rights and no redemption provisions. The Series C Preferred shares shall have voting rights equal to 70,000,000 votes per share, and furthermore that the holders of the Series C Preferred shares have the right to elect the majority of the Directors of the Board of the Company and, to the extent allowed by the Nevada Revised Statutes (“NRS”), to further amend the Articles of Incorporation as necessary to ensure the furtherance of the Company and its operations.
- E. Series D Preferred Stock: 999,700 shares of the Company’s Preferred Stock par value \$0.001 are designated “Series D Preferred Stock”. The Series D Preferred Stock shall on an as converted basis have the right to receive dividends or distributions, and shall have rights with respect to the liquidation of the Company. Series D Preferred Stock shall be convertible into common stock on a 1 to 100,000 basis and are entitled to 10 votes per share.

Item VI. The number of shares or total amount of the securities outstanding for each class of securities authorized:

December 31, 2014	Authorized Shares	Outstanding Shares	Freely Trading Shares	Total Number of Beneficial Shareholders	Total Number of Shareholders of Record
Common	3,000,000,000	1,002,498,655	648,770	378	378
Series A Preferred	1,000,000	1,000,000	0	2	2
Series C Preferred	300	0	0	2	2
Series D Preferred	999,700	652,620	0	0	0

PART C BUSINESS INFORMATION

Item VII. The name and address of the transfer agent:

Our transfer agent is:

Colonial Stock Transfer Company, Inc.

66 Exchange Pl #100

Salt Lake City, UT 84111

Phone: (801) 355-5740

The transfer agent is registered under the Exchange Act and its regulatory authority is the Securities & Exchange Commission.

Item VIII. The nature of the issuer's business:

A. Business Development.

American Security Resources Corp. is a corporation formed under the laws of the State of Nevada. American Security Resources Corp. was originally incorporated as Computer Automation Systems, Inc. on February 23, 1998. On July 6, 2004, the Company briefly changed its name to Kahuna Network Security, Inc. before amending its articles of incorporation on July 30, 2004 to change to its current name American Security Resources Corp.

On July 22, 2015 the Company approved a 1 for 2,500 reverse split of its common stock.

On December 8, 2014 the Company approved a 1 for 8,000 reverse split of its common stock.

On January 27, 2004 the Company approved a 1 for 4 reverse split of its common stock.

On March 19, 1998 the Company approved a 1 for 20 reverse split of its common stock.

During the past three years the Company has not been in bankruptcy, receivership or involved in any similar proceeding.

In August of 2016 an attorney, Michael P. Murray, an owner of 800 shares of common stock, an amount constituting less than 1% of the issued and outstanding common stock of the Company), alleging he owned 80% of the Company's stock, filed suit in Carson City, NV to liquidate the Company. The Company retained Holley, Driggs of Las Vegas to defend against this spurious action and expects to prevail in defending itself. The suit dilutes management's time and expends its limited resources for no benefit to the Company's business development.

Except as described herein, the Company has not during the past three years had any other stock splits, stock dividends, mergers, reorganization or similar transactions. The Company has not been the subject of any delisting by a securities exchange or a deletion from the OTC Bulletin Board. There are no other current, pending or threatened legal proceedings or administrative actions against the Company other than those disclosed herein, nor has there been for the past three years.

B. Business of issuer:

The Company's Standard Industrial Code (SIC) is 3621 (Motors and Generators).

The Company operates its business through its wholly owned subsidiary, American Hydrogen Corporation. The Company also holds a controlling interest in Hydrogen Future Corporation (HFCO) through a Convertible Preferred security in HFCO from the sale of Hydra Fuel Cell Corporation, its former subsidiary.

As part of a potential redirection of the Company's business focus, in late 2016 American Security Resources acquired a gypsum deposit in Nevada. The Company has begun discussions to bring it in to production. At this time it is too early to predict when commercial operations will begin.

Item IX. The nature of products or services offered:

The Company

American Hydrogen Corporation ("AHC") is developing technologies to formulate hydrogen that we hope will change the economics of producing hydrogen sufficiently to enable the hydrogen economy. AHC is planning to bring a natural gas reformer-purifier to market to provide hydrogen (H₂) on demand.

The Market

The market for hydrogen is projected to be for residential hydrogen fuel cells and other commercial uses of hydrogen.

Products

The Company is seeking to define the most commercially viable method to refine and purify hydrogen H₂. The Company is currently evaluating a natural gas reformer and purifier.

Our website is located at www.americansecurityresources.com.

American Security Resources Corp. is an operating business and is not a shell and has never been a shell company.

All of our subsidiaries and operations are included in our financial statements attached to this disclosure statement.

We do not believe that any federal, state or local regulations will have a material effect upon our business.

Research and development costs are borne by our clients as each project has specific research needs. Consulting fees charged include all research by the Company.

The Company relies entirely on consultants and contractors and currently has no employees.

We have not incurred and do not anticipate incurring costs in complying with federal, state and local environmental laws.

Item X. The nature and extent of the issuer's facilities:

The Company's principal corporate office is located at 2525 Robinhood Street, Suite 1100, Houston, TX 77005, where it uses less than 800 square feet. The Company pays office rent of less than \$500 per month.

PART D. MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item XI. The name of the Chief Executive Officer and members of the Board of Directors, as well as control persons:

The following tables set forth certain information regarding beneficial ownership of the Company's common stock and preferred stock as of December 31, 2016, by (i) each person (or group of affiliated persons) who is known by us to beneficially own more than 5% of the outstanding shares of our common stock, (ii) each director and executive officer of American Security Resources Corp., Inc, and (iii) all executive officers and directors of American Security Resources Corp., as a group. Unless indicated otherwise, the address for each officer, director and 5% stockholder is c/o American Security Resources Corp., 2525 Robinhood Street, Suite 1100, Houston, TX 77005.

	<u>Common Stock</u>	
	<u>Number</u>	<u>Percent of Class⁽¹⁾</u>
Directors, Executive Officers and 5% Stockholders		
Frank Neukomm ⁽²⁾	667,667	37.04%
Robert Farr ⁽³⁾	335,133	22.81%
All Officers and Directors as a Group (2 Persons)	1,002,800	46.95%

See Notes Below

(1) For each shareholder, the calculation of percentage of beneficial ownership is based upon 1,136,070 shares of Common Stock issued and outstanding on a fully diluted basis as of December 31, 2016, which amount assumes the conversion of 1,000,000 Series A Preferred Shares which convert on a 1 for 1 basis into common stock of the Company. Except as otherwise indicated below, the persons and entity named in the table have sole voting and

investment power with respect to all shares of common stock shown as beneficially owned by them, subject to applicable community property laws.

(2) Member of the Board of Directors, Chief Executive Officer, and beneficial shareholder of the Company. Assumes the conversion of 666,667 Series A Preferred Shares which convert on a 1 for 1 basis into common stock of the Company. Excludes 200 shares of Series C Preferred Stock held by Mr. Neukomm which have super-voting rights of 70,000,000 votes per share but no conversion, dividend, or liquidation rights. If the votes of the Series C Preferred Stock were taken into account, Mr. Neukomm would beneficially hold 99.21% of the voting securities of the Company.

(3) Member of the Board of Directors, President, COO, and beneficial shareholder of the Company. Assumes the conversion of 333,333 Series A Preferred Shares which convert on a 1 for 1 basis into common stock of the Company. Excludes 100 shares of Series C Preferred Stock held by Mr. Farr which have super-voting rights of 70,000,000 votes per share but no conversion, dividend, or liquidation rights. If the votes of the Series C Preferred Stock were taken into account, Mr. Farr would beneficially hold 99.11% of the voting securities of the Company.

Management

		Age
Director and Chief Executive Officer	Frank Neukomm	67
Director and President	Robert Farr	71

Management Biographies

Director and Chief Executive Officer – Frank Neukomm

Frank Neukomm (67), Chairman/ CEO, has an extensive background in finance, mergers and acquisitions, and sales and marketing. Mr. Neukomm has served as a senior executive of brokerage and M & A companies, software companies and telecom companies. Mr. Neukomm has been instrumental in purchasing or starting companies in industries as diverse as insurance, consumer retail goods, industrial services and wireless telecommunications. Since 1995, Mr. Neukomm has served as President of NeuHaus Advisors, Inc., a consulting firm to the telecommunications industry.

Director, President and COO – Robert Farr

Robert Farr (71), President/COO brings a 41 year diversified business background in operations leadership replete with examples of improved productivity and increased profits. Broad experience with several Fortune 500 Companies includes successes in marketing, customer relations, administration, finance, operations, new products and worldwide vendor selection/purchasing. Recent experience includes securing and structuring funding for both public and private companies including debt and equity as well as international funding through US Ex-Im Bank. Mr. Farr has a BS in Finance from Mississippi State University and was a Naval Officer in the Vietnam conflict. He is the Principal of Creative Equity Strategies.

Management Legal/Disciplinary History

During the past 5 years none of the officers or directors of American Security Resources Corp. have been subject to Legal/Disciplinary action by any regulatory or government body, including any civil, criminal or injunctive action or judgment. Furthermore, none of the officers and directors has filed bankruptcy during the past 5 years.

Related Party Transactions and Family Relationships

On October 14, 2014, the Company issued an aggregate of 300 shares of Series C Preferred Stock to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President and COO. The Series C Preferred Stock carries no dividend, conversion, liquidation rights or redemption rights, but gives the holder thereof voting rights equal to 70,000,000 votes per share, and ultimately the ability to unilaterally control the direction of the Company.

On December 16, 2014, the Company converted certain outstanding notes of the Company in the aggregate principal amount of \$1,200,000 into an aggregate of 10,000 shares of Series D Preferred Stock to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President, COO and Director.

On December 22, 2014, the Company converted into an aggregate of 1,000,000 shares of common stock of the Company certain shares of Series D Preferred Stock previously issued to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President and COO.

On July 28, 2015, the Company issued an aggregate of 400,000 shares of common stock of the Company to Frank Neukomm and Robert Farr for an aggregate of \$10,000 in consideration.

On April 19, 2016, the Company issued an aggregate of 52,000 shares of common stock of the Company to Frank Neukomm for \$13,000 in consideration.

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Year</u>	<u>Management Fees</u>	<u>Other Annual Compensation</u>	<u>Restricted Stock Awards</u>	<u>Securities Underlying Options</u>	<u>LTIP Payouts</u>	<u>All Other Compensation</u>
Frank Neukomm CEO & Director	2016	\$180,000	\$0	\$0	\$0	\$0	\$0
	2015	\$180,000	\$0	\$0	\$0	\$0	\$0
	2014	\$180,000	\$0	\$0	\$0	\$0	\$0
Robert Farr President & Director	2016	\$180,000	\$0	\$0	\$0	\$0	\$0
	2015	\$180,000	\$0	\$0	\$0	\$0	\$0
	2014	\$180,000	\$0	\$0	\$0	\$0	\$0

Members of the Board serve until the next annual meeting of shareholders and until their successors are elected and qualified. Officers are appointed by and serve at the discretion of the Board.

Item XII. Financial information for the issuer's most recent fiscal period:

The unaudited financial statements of the issuer are incorporated herein as an appendix hereto.

Item XIII. Similar financial information for such part of the two preceding years as the issuer or its predecessor has been in existence:

The unaudited financial statements of the issuer are incorporated herein as an appendix hereto.

Item XIV. Beneficial Owners.

None

Item XV. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker: None
2. Promoters: None
3. Counsel: John D. Thomas P.C., 11650 South State St. Suite 240, Draper, Utah 84020, (801) 816-2536
4. Internal Accountant: Randy Moseley, 119 Woodstream Ct., Cresson, TX 76035 (817) 296-3877
5. Public Relations Consultant: None
6. Investor Relations Consult: None

Item XVI. Management's Discussion and Analysis or Plan of Operation:

Results of Operations

Following is management's discussion of the relevant items affecting results of operations for the Company for the fiscal year 2016 and the three months ended March 31, 2017.

Revenues. The Company had no revenues for the year ended December 31, 2016 and for the three months ended March 31, 2017.

Cost of Sales. The Company had no cost of sales for the year ended December 31, 2016 and for the three months ended March 31, 2017.

Salaries and Commission Expenses. The Company accrued salaries for management of \$360,000.00 for the year ended December 31, 2016 and \$90,000 for the three months ended March 31, 2017.

Professional Fees, Licensing and Permits. The Company had no professional fees for the year ended December 31, 2016 and for the three months ended March 31, 2017.

Selling, General and Administrative Expenses. The Company had no selling expenses for the year ended December 31, 2016 and for the three months ended March 31, 2017.

The Company had \$15,408.37 in general and administrative expenses for the year ended December 31, 2016 and \$2,508.00 for the three months ended March 31, 2017.

The Company had no depreciation expense for the year ended December 31, 2016 and none for the three months ended March 31, 2017.

Liquidity and Capital Resources

The Company had working capital deficits of \$43,167.18 for the year ended December 31, 2016 and \$12,150.00 for the three months ended March 31, 2017.

Our cash flows from operations were negative during the year ended December 31, 2016 and for the three months ended March 31, 2017, respectively, due to our lack of revenues and the continuation of research and development and operating costs. Our primary funding source was the issuance of stock for cash and stockholder loans net of pay down on

convertible debentures resulting in total cash provided by financing activities of for the years ended December 31, 2016 and for the three months ended March 31, 2017, respectively were:

Year ended 2016	\$	30,904.87
three months ended March 31, 2017	\$	7,150.00

Our financial statements are prepared using principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, we do not have significant cash or other material liquid assets, nor do we have an established source of revenue sufficient to cover our operating costs and to allow us to continue as a going concern. We may, in the future, experience significant fluctuations in our results of operations. If we are required to obtain additional debt and equity financing or our illiquidity could suppress the value and price of our shares if and when trading in those shares develops. However, our future offerings of securities may not be undertaken, and if undertaken, may not be successful or the proceeds derived from these offerings may be less than anticipated and/or may be insufficient to fund operations and meet the needs of our business plan. Our current working capital is not sufficient to cover expected cash requirements for 2017 or to bring us to a positive cash flow position. If we do not raise sufficient capital to execute our business plan, it is possible that we will not be able to continue as a going concern.

We are attempting to raise additional capital through sales of common stock either through private placements or public offerings, as well as seeking other sources of funding. There are no assurances that ASRC will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain the additional financing through private placements or public offerings to support the investment in American Hydra's development of hydrogen technology. If these funds are not available ASRC may not continue its operations or execute its business plan.

PART E. ISSUANCE HISTORY

Item XVII List of Securities Offerings and Shares Issued for Services in the Past Two Years

On October 14, 2014, the Company issued an aggregate of 300 shares of Series C Preferred Stock to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President and COO. The Series C Preferred Stock carries no dividend, conversion, liquidation rights or redemption rights, but gives the holder thereof voting rights equal to 70,000,000 votes per share, and ultimately the ability to unilaterally control the direction of the Company.

On December 16, 2014, the Company converted certain outstanding notes of the Company in the aggregate principal amount of \$1,200,000 into an aggregate of 10,000 shares of Series D Preferred Stock to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President, COO and Director.

On December 22, 2014, the Company converted into an aggregate of 1,000,000 shares of common stock of the Company certain shares of Series D Preferred Stock previously issued to Frank Neukomm and Robert Farr. Frank Neukomm is the Chairman and CEO of the Company, and Robert Farr is the President and COO.

On July 28, 2015, the Company issued an aggregate of 400,000 shares of common stock of the Company to Frank Neukomm and Robert Farr for an aggregate of \$10,000 in consideration.

On April 19, 2016, the Company issued an aggregate of 52,000 shares of common stock of the Company to Frank Neukomm for \$13,000 in consideration.

PART F EXHIBITS

Item XVIII Material Contracts

None

Item XIX Articles of Incorporation and Bylaws

1. Articles of Incorporation (See Articles of Incorporation in Filing section of Otcmarkets.com)
2. Bylaws (See Corporation Bylaw in Filing section of Otcmarkets.com)

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

Item XXI Issuer's Certifications

I, Frank Neukomm, certify that:

1. I have reviewed this Disclosure Statement of American Security Resources 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.

AMERICAN SECURITY RESOURCES CORP.

Date: May 15, 2017

By: /s/Frank Neukomm

Frank Neukomm

President

APPENDIX A

AMERICAN SECURITY RESOURCES CORPORATION

Balance Sheet
(Unaudited)

ASSETS

Current Assets		
BOA-ARSC Operating Acct	\$	27.02
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Total Current Assets		27.02
Property and Equipment		
Industrial Materials - Mines		1,200,000.00
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Total Property and Equipment		1,200,000.00
Other Assets		
Other Asset-Hydra		12,427.00
Deferred Tax Asset		6,043,200.00
Reverse Deferred Tax Asset		(6,043,200.00)
Hydra Fuel Cell Advance		8,950.00
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Total Other Assets		21,377.00
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Total Assets		<u>\$1,221,404.02</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable-Trade	\$	337,860.82
Note Payable --Bullivant		218,009.00
St Geo Fund Convertable Debent		311,000.00
Golden Gate Inv. Convt. Debent		254,300.00
Convertible Debenture - MINES		1,200,000.00
Accrued Interest Golden Gate		151,717.00
Accrued Interest St. George		407,714.06
Accrued Interest Exp-Bullivant		74,665.00
Shareholders Loan		44,610.42
Accrued Wages - Farr		450,973.78
Accrued Wages - Neukomm		424,716.57
Payroll Liabilities(Local)		580.00
<hr/>		
Total Current Liabilities		3,876,146.65
Long-Term Liabilities		
<hr/>		
Total Long-Term Liabilities		0.00
<hr/>		
Total Liabilities		3,876,146.65
Capital		
Paid In Capital		57,569,385.16
Common Stock Subscribed		13,011.51
Preferred Stock - Series A		1,000.00
Pref Stock -\$2.50 convertible		6.53
Retained Earnings		(25,730,856.61)
Accum Deficit - Prior Operatio		(32,108,284.00)
Intercompany - AHC		(1,976,892.04)
Net Income		(422,113.18)
<hr/>		
Total Capital		(2,654,742.63)
<hr/>		
Total Liabilities & Capital		\$1,221,404.02

AMERICAN SECURITY RESOURCES CORPORATION
Statements of Income
(Unaudited)

Year to Date

Revenues		
Total Revenues		0.00
Cost of Sales		
Total Cost of Sales		0.00
Gross Profit		0.00
Expenses		
Bank Service Charges	\$	594.41
Consulting Services		378,946.00
Postage and Shipping		538.22
Professional Fees:Legal		9,000.00
Prof Fees: Transfer Agent		4,155.20
Professional Fees - Edgar File		4,390.00
Taxes-Business		333.00
Rent		4,833.72
Telephone & Cable Modem		563.82
Other Expenses		11,896.50
Interest Expense		6,862.31
Total Expenses		422,113.18
Other Income		
Total Other Income		0.00
Net Income	(\$	422,113.18)

AMERICAN SECURITY RESOURCES CORPORATION
Statements of Cash Flows
(Unaudited)

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	(\$ 416,058.28)	(\$ 422,113.18)
	(416,058.28)	(422,113.18)
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation	0.00	0.00
Accum. Depreciation-Equipment	0.00	0.00
ACCT ID USED BY HYDRA	0.00	0.00
Accounts Receivable-Trade	0.00	0.00
Accounts Receivables-Other	0.00	0.00
AR - Interest Receivable-GG	0.00	0.00
Subscription Receivable	0.00	0.00
Employee Rec/Advance	0.00	0.00
Raw Materials Inventory	0.00	0.00
Work in Progress Inventory	0.00	0.00
Finished Goods Inventory	0.00	0.00
Prepaid Rent & Security Deposits	0.00	0.00
Investments, Available/Sale	0.00	0.00
Prepaid Consulting Fees	0.00	0.00
Accounts Payable-Trade	36,637.01	36,637.01
Note Payable --Bullivant	0.00	0.00
Accrued Accounts Payable	0.00	0.00
Convertible Debenture-I Lopez	0.00	0.00
St Geo Fund Convertible Debent	0.00	0.00
Balcones Convertible Debenture	0.00	0.00
Golden Gate Inv. Conv. Debent	0.00	0.00
Convertible Debenture-Watson	0.00	0.00
Convertible Debenture - MINES	1,200,000.00	1,200,000.00
Derivative Liability	0.00	0.00
Bank of America Line of Credit	0.00	0.00
BOA Credit Card Payable	0.00	0.00
ACCT ID USED BY HYDRA	0.00	0.00
Advance from Hydra Future Corp	0.00	0.00
Accrued Interest Golden Gate	0.00	0.00
Accrued Interest St. George	0.00	0.00
Accrued Interest Exp-Bullivant	0.00	0.00
ACCT ID USED BY HYDRA	0.00	0.00
Customer Deposits	0.00	0.00
BOA Credit Card Payable	0.00	0.00
Golden Gate Advance	0.00	0.00
Sales Tax Payable	0.00	0.00
Shareholders Loan	400.00	5,890.00
Accrued Interest - SH Loans	0.00	0.00
Accrued Contract Labor	0.00	0.00
Accrued Payroll	0.00	0.00
Accrued Wages - Farr	189,473.00	189,473.00
Accrued Wages - Neukomm	189,473.00	189,473.00
Payroll Liabilities (941)	0.00	0.00
Employer FICA of accrued wages	0.00	0.00
Payroll Liabilities (SUTA)	0.00	0.00
Payroll Liabilities (FUTA)	0.00	0.00
Payroll Liabilities (SIT)	0.00	0.00
Payroll Liabilities(Local)	0.00	580.00
Payroll Deductions Payable	0.00	0.00
Employee Benefits Payable	0.00	0.00
Income Taxes Payable	0.00	0.00
Other Taxes Payable	0.00	0.00
Conv Debenture - Golden Gate	0.00	0.00
Disc on Convertible Debenture	0.00	0.00
Accrued Int on Conv. Debenture	0.00	0.00
Accrued Interest	0.00	0.00
Advances Stock Subscription	0.00	0.00
Stock Payable	0.00	0.00
Interco-Hydra Fuel Cell #1	0.00	0.00
Interco-Hydro Fuel Cell #2	0.00	0.00
Interco-HFC-AP Transfer	0.00	0.00

Total Adjustments	1,615,983.01	1,622,053.01
Net Cash provided by Operations	1,199,924.73	1,199,939.83
Cash Flows from investing activities		
Used For		
LH Improvement-Ohio Bldg,	0.00	0.00
Furniture & Office Equipment	0.00	0.00
Computer Hardware	0.00	0.00
Equipment-Shop	0.00	0.00
Industrial Materials - Mines	(1,200,000.00)	(1,200,000.00)
ACCT ID USED BY HYDRA	0.00	0.00
ACCT ID USED BY HYDRA	0.00	0.00
Marketing Manual	0.00	0.00
Other Asset-Hydra	0.00	0.00
Note Receivable - Golden Gate	0.00	0.00
Software	0.00	0.00
Deferred Financing Costs	0.00	0.00
Capital Lease Asset	0.00	0.00
Deferred Tax Asset	0.00	0.00
Reverse Deferred Tax Asset	0.00	0.00
Hydra Fuel Cell Advance	0.00	0.00
Net cash used in investing	(1,200,000.00)	(1,200,000.00)
Cash Flows from financing activities		
Proceeds From		
Contingent Liab on GG Debent	0.00	0.00
Note Payable Epic	0.00	0.00
Accrued Int. on Capital Lease	0.00	0.00
Paid In Capital	0.00	0.00
Additional Paid in Capital	0.00	0.00
Capital Stock	0.00	0.00
Common Stock Subscribed	0.00	0.00
Preferred Stock - Series A	0.00	0.00
Preferred Stock - Series B	0.00	0.00
HFCO Preferred Stock	0.00	0.00
Pref Stock -\$2.50 convertible	0.00	0.00
Beginning Balance Equity	0.00	0.00
R/E Development Stage	0.00	0.00
Accum Deficit - Prior Operatio	0.00	0.00
Intercompany - AHC	0.00	0.00
Investment in Hydra	0.00	0.00
Unrealized gain/loss on Secur	0.00	0.00
Used For		
Contingent Liab on GG Debent	0.00	0.00
Note Payable Epic	0.00	0.00
Accrued Int. on Capital Lease	0.00	0.00
Paid In Capital	0.00	0.00
Additional Paid in Capital	0.00	0.00
Capital Stock	0.00	0.00
Common Stock Subscribed	0.00	0.00
Preferred Stock - Series A	0.00	0.00
Preferred Stock - Series B	0.00	0.00
HFCO Preferred Stock	0.00	0.00
Pref Stock -\$2.50 convertible	0.00	0.00
Beginning Balance Equity	0.00	0.00
R/E Development Stage	0.00	0.00
Accum Deficit - Prior Operatio	0.00	0.00
Intercompany - AHC	0.00	0.00
Investment in Hydra	0.00	0.00
Unrealized gain/loss on Secur	0.00	0.00
Net cash used in financing	0.00	0.00
Net increase <decrease> in cash	(\$ 75.27)	(\$ 60.17)

AMERICAN SECURITY RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company was incorporated in Nevada in 1998. It began operations as Computer Automation Systems, Inc. In January of 2004, the Company was recapitalized and its name was changed to Kahuna Network Security Inc. On July 2, 2004, the Board of Directors voted to change the name of the Company to American Security Resources Corporation (“ASRC” or “the Company”), a change that was ratified by a majority of the Company’s shareholders in July of 2004.

Significant Accounting Policies

Basis of presentation

The consolidated financial statements include the accounts of American Security Resources Corporation and its wholly-owned subsidiaries. Significant inter-company accounts and transactions have been eliminated.

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 certain 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, ASRC considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Impairment of Long-Lived Assets

ASRC 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. ASRC assesses recoverability of the carrying value of the asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset’s carrying value and fair value.

Discontinued Operations

On April 21, 2014, the Company completed the sale of its wholly owned subsidiary, Hydra Fuel Corporation (“Hydra”) to Hydrogen Future Corporation (OTCQB: HFCO). Under the agreement, HFCO acquired 100% of the common stock of Hydra in exchange for one HFCO preferred share that is convertible into an amount equal to 100.2% of the then outstanding common stock of HFCO at the time of conversion, which is at the sole discretion of the Company. This gives the Company an effective 50.1% equity interest in HFCO.

This transaction met the requirements of SFAS No. 144, “Accounting for Impairment or Disposal of Long-Lived Assets” as being held for sale. Operations and cash flow were eliminated as a result of the sale and the Company did not have any significant involvement in the operations after the sale. The results of Hydra are presented as a separate line item in the consolidated statements of operations and the consolidated balance sheets entitled “Assets/Liabilities sold relating to discontinued operations” and “Assets/Liabilities retained related to discontinued operations”. In accordance with EITF 87-24, “Allocation of Interest to Discontinued Operations”, the Company elected to not allocate consolidated interest expense to discontinued operations where the debt is not directly attributable to or related to discontinued operations. All of the financial information in the consolidated financial statements and notes to the consolidated financial statements has been revised to reflect only the results of continued operations. (See Note 8).

Income Taxes

The Company accounts for income taxes in accordance with FASB Accounting Standards Codification 740, "Income Taxes" (ASC 740), previously referred to as Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," and Financial Accounting Standard Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." Under ASC 740, we recognize deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which we expect those temporary differences to be recovered or settled. We record valuation allowances to reduce our deferred tax assets to the amount expected to be realized by considering all available positive and negative evidence.

Pursuant to ASC 740, we must consider all positive and negative evidence regarding the realization of deferred tax assets, including past operating results and future sources of taxable income. Under the provisions of ASC 740-10, we determined that our net deferred tax asset needed to be fully reserved given recent results of operations.

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, also included in ASC 740. The Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes of income tax positions taken or expected to be taken on a tax return. Under FIN 48, the impact of an uncertain tax position taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized in the financial statements unless it is more likely than not of being sustained.

Basic and Diluted Net Loss per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding.

Stock Based Compensation

Effective December 15, 2005, we adopted the provisions of FASB Accounting Standards Codification 718, "Compensation — Stock Compensation" (ASC 718), previously referred to as Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" and applied the provisions of the Securities and Exchange Commission Staff Accounting Bulletin No. 107 using the modified-prospective transition method. Under this transition method, compensation cost recognized includes (a) the compensation cost for all share-based awards granted prior to, but not yet vested, as of December 15, 2005, based on the grant-date fair value estimated in accordance with the original provisions of ASC 718 and (b) the compensation cost for all share-based awards granted subsequent to December 15, 2005, based on the grant-date fair value estimated in accordance with the provisions of ASC 718. The Company had not issued any options to employees in the prior periods thus; there was no impact of adopting the new standard.

Additionally, we accounted for restricted stock awards granted using the measurement and recognition provisions of ASC 718. We measure the fair value of the restricted stock awards on the grant date and recognize them in earnings over the requisite service period for each separately vesting portion of the award.

The Company determines the value of stock options utilizing the Black-Scholes option-pricing model. Compensation costs for share-based awards with pro rata vesting are allocated to periods on a straight-line basis.

During the years ended December 31, 2015 and 2014, the Company did not issue any common shares for stock-based compensation.

Fair Value of Financial Instruments

The Company's financial instruments, as defined by Accounting Standard Codification subtopic 825-10, *Financial*

Instrument (“ASC 825-10), include cash, accounts payable and convertible note payable. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2015.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions

Comprehensive Income (Loss)

Comprehensive income or loss is comprised of net earnings or loss and other comprehensive income or loss, which includes certain changes in equity, excluded from net earnings, primarily foreign currency translation adjustments.

Recently Issued Accounting Pronouncements

The Company has adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 105-10, *Generally Accepted Accounting Principles – Overall* (“ASC 105-10”), which was formerly known as SFAS 168. ASC 105-10 establishes the FASB Accounting Standards Codification (the “Codification”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the Securities and Exchange Commission (the “SEC”) under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards and all other non-grandfathered, non-SEC accounting literature not included in the Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (“ASUs”). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis of conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

In April 2014, the Financial Accounting Standards Board issued an accounting standard update that amends the definition of a discontinued operation to include only those disposals of components of an entity that represent a strategic shift that has, or will have, a major effect on an entity's operations and financial results. The amendment should be applied prospectively and is effective for fiscal years beginning on or after December 15, 2014. Early adoption is permitted for disposals that have not been reported in financial statements previously issued. The adoption of this guidance will not have a material effect on the Company's financial condition, results of operations or cash flows.

In May 2014, the FASB issued an accounting standard update on revenue recognition that will be applied to all contracts with customers. The update requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. It also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be required to be applied on a retrospective basis, using one of two methodologies, and will be effective for fiscal years beginning after December 15, 2016, with early application not being permitted. The Company is currently assessing the impact that the guidance will have on the Company's financial condition and results of operations.

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 2 - GOING CONCERN

As shown in the accompanying consolidated financial statements, ASRC incurred recurring income (losses) from continuing operations of \$(574,263) and \$497,126 in the years ended December 31, 2015 and 2014, respectively. This condition creates an uncertainty as to ASRC's ability to continue as a going concern. Management is trying to raise additional capital through sales of common stock either through private placements or public offerings, as well as seeking other sources of funding. There are no assurances that ASRC will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain the additional financing through private placements or public offerings to support the investment in American Hydrogen's technology. If these funds are not available ASRC may not continue its operations or execute its business plan. The conditions raise substantial doubt about ASRC's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should ASRC be unable to continue as a going concern.

NOTE 3 – NOTES PAYABLE – JOINT LIABILITY WITH HYDRA FUEL CELL CORP

As a result of the Hydra Fuel Cell Corp sale to Hydrogen Futures Corp as discussed in Note 8, the Company, as of December 31, 2015 and 2014, has a continuing joint responsibility with Hydra Fuel Cell Corp regarding the payment of the following notes payable, totaling \$797,309, assumed by Hydra Fuel Cell Corp;

<u>Investor</u>	<u>Amount</u>	<u>Interest Rate</u>
Golden State Equity Investors	\$ 254,300	7.75 %
St. George Investments, LLC	\$ 311,000	15.0 %
Bullivant Houser Bailey LLP	\$ 218,009	6.0 %
Total	\$ <u>783,309</u>	

During the years ended December 31, 2015 and 2014, the Company accrued interest expense equal to \$162,209 and \$179,112, respectively.

All of the notes are currently past due and are payable on demand

NOTE 4 – SHAREHOLDERS' EQUITY

The Company is authorized to issue 20,000,000,000 shares of common stock with a par value of \$.00001 per share, 1,000,000 shares of preferred series A and preferred series B stock each a par value of \$.001 per share and 1,000,000 shares of preferred series D \$2.50, par value of \$.00001 per share. Each common stock share has one voting right and the right to dividends, if and when declared by the Board of Directors.

Common Stock

At December 31, 2015 and 2014, there were 1,301,190,503 and 2,537,808 shares of common stock, respectively, issued and outstanding, adjusted for reverse split of 8,000 to 1 reverse split of its common stock in October 2014 and a reverse split of 2,500 to1 in July 2015. During 2016 there were several reverse splits of the common stock. As of

December 31, 2016 The Company had outstanding Common shares of 1,136,070 outstanding held by 378 shareholders.

Preferred Stock

At December 31, 2015, 2014 and 2013, there were 1,000,000 shares of preferred series A stock, respectively, issued and outstanding.

At December 31, 2015, 2014 and 2013, there were no shares of preferred series B stock, respectively, issued and outstanding.

At December 31, 2015 and 2014, there were 652,620 and 0 shares of preferred series D stock, respectively, Issued and outstanding. The preferred series D shares are (i) anti-dilutive to reverse splits; (ii) have ten votes for any election or other vote placed before the shareholders of the Company; (iii) liquidation rights equal to \$1.00 per preferred shares; and (iv) conversion rights at \$0.00001 per share.

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Stock options, warrants and other rights

As of December 31, 2016, the Company has not adopted any employee stock option plans.

NOTE 5 – WARRANTS AND OPTIONS

The Company currently has not issued and outstanding warrants.

NOTE 6- INCOME TAXES

ASRC uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes. During fiscal 2015 and 2014, ASRC incurred net losses and, therefore, has no tax liability. The net deferred tax asset generated by the loss carry-forward and temporary differences has been fully reserved. The cumulative net operating loss carry-forward is approximately \$27,500,000 at December 31, 2015 and will expire in the year 2025. The resulting deferred tax asset arising from NOL carry forwards of approximately \$9,000,000 has been fully reserved.

NOTE 7 - RELATED PARTY TRANSACTIONS

Shareholders have made advances to the Company in the amounts of \$38,721 and \$37,460 as of December 31, 2016 and 2015, respectively.

NOTE 8 – DISCONTINUED OPERATIONS

On April 21, 2014, the Company completed the sale of its wholly owned subsidiary, Hydra Fuel Corporation (“Hydra”) to Hydrogen Future Corporation (OTCQB: HFCO). Under the agreement, HFCO acquired 100% of the common stock of Hydra in exchange for one HFCO preferred share that is convertible into an amount equal to 100.2% of the then outstanding common stock of HFCO at the time of conversion, which is at the sole discretion of the Company. This gives the Company an effective 50.1% equity interest in HFCO.

The following are condensed statements of the discontinued operations (Hydra Fuel Corporation) for the year ended December 31, 2014:

Hydra Fuel Cell historical operations	\$ 6,216,029
---------------------------------------	--------------

Write off Hydra Fuel Cell Intercompany receivable	(4,441,261)
Record convertible note payable joint liability with Hydra Fuel Cell	(797,309)
Adjust Investment in Hydrogen Futures at April 21, 2104	62,191
Gain from discontinued operations for 2014	<u>1,039,650</u>
Unrealized loss on available for sale security at December 31, 2104	<u>(834,764)</u>
Total Gain from discontinued operations for 2014	<u>\$ 204,886</u>

The following are condensed statements of the discontinued operations (Hydra Fuel Corporation) for the year ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
General and administrative expenses	\$ <u>0</u>	\$ <u>5,397</u>
Operating Loss	\$ <u>0</u>	\$ <u>5,397</u>

NOTE 9 – COMMITMENTS

Management Agreements

In 2010, the Company entered into management agreements with its chief executive officer, president and chief operating officer. The management fees are \$180,000 annually, respectively. During the years ended December 31, 2015 and 2014 accrued a total of \$378,946 and \$378,946, respectively, as management fees. During 2015 management converted \$1,600,000 into 640,000 shares of preferred series D at issue rate of \$2.50 per share.

Legal

From time to time, the Company may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. The Company currently is not aware of any such legal proceedings that we believe will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results

NOTE 10 – SUBSEQUENT EVENTS

On December 14, 2015, the Company announced that it has signed an Estate Agent Agreement to market property in the Dominican Republic. The Company plans to issue a series of Convertible Preferred Shares, pegged at \$5 US with a 5% cumulative dividend. The funds from the placement of the Preferred will be used to acquire income producing properties, specifically in the development known as Casa Linda.