

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## Gawk Incorporated

A Nevada Corporation

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Los Angeles, Ca. 90038

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4813

### Quarterly Report **For the Period Ending: October 31, 2018** (the "Reporting Period")

As of July 3, 2019, the number of shares outstanding of our Common Stock was:

2,631,196

As of January 31, 2018, the number of shares outstanding of our Common Stock was:

2,631,196

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:  (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Gawk Incorporated

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated January 6, 2011 in the state of Nevada. The Company's status is active and current with Nevada.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

**2) Security Information**

Trading symbol: GAWK  
Exact title and class of securities outstanding: Common Stock  
CUSIP: 368108 205  
Par or stated value: \$0.001

Total shares authorized: 200,000,000 as of date: July 3, 2019  
Total shares outstanding: 2,631,196 as of date: July 3, 2019

*Additional class of securities (if any):*

Exact title and class of securities outstanding: Series A Preferred  
Par or stated value: \$0.001  
Total shares authorized: 1,000 as of date: July 3, 2019  
Total shares outstanding: 1,000 as of date: July 3, 2019

Exact title and class of securities outstanding: Series B Preferred  
Par or stated value: \$0.001  
Total shares authorized: 95,000,000 as of date: July 3, 2019  
Total shares outstanding: 75,187,500 as of date: July 3, 2019

Exact title and class of securities outstanding: Series C Preferred  
Par or stated value: \$0.001  
Total shares authorized: 100 as of date: July 3, 2019  
Total shares outstanding: 16 as of date: July 3, 2019

Exact title and class of securities outstanding: Series D Preferred  
Par or stated value: \$0.001  
Total shares authorized: 1,000 as of date: July 3, 2019  
Total shares outstanding: 31 as of date: July 3, 2019

Transfer Agent

Name: V Stock Transfer, LLC  
Phone: 212.828.8436  
Email: info@vstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?<sup>2</sup> Yes:  No:

<sup>2</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

1 for 2500 reverse split effective April 18, 2018

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

| Number of Shares outstanding as of <u>February 1, 2016</u> | <u>Opening Balance:</u><br><br>Common: 104,750<br><br>Preferred: 50,001,014<br>Preferred A: 1,000<br>Preferred B: 50,000,000<br>Preferred C: 14<br>Preferred D: 0 |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |  |  |   |   |                                 |
|--|---|--|--|---|--|--|---|---|---------------------------------|
| Date of Transaction  | Transaction type (e.g. new issuance, cancellation, shares returned to treasury)   | Number of Shares Issued (or cancelled) | Class of Securities  | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable) | Restricted or Unrestricted as of this filing? | Exemption or Registration Type? |
| <u>3/30/2016</u>   | <u>New issuance</u>   | <u>4,968</u>                           | <u>Common</u>  | <u>28.879</u>                                     | <u>No</u>  | <u>JSJ Investments Inc.</u>  | <u>debt conversion</u>  | <u>Unrestricted</u>                           | -                               |
| <u>2/25/2016</u>   | <u>New issuance</u>   | <u>4,305</u>                           | <u>Common</u>  | <u>39.537</u>                                     | <u>No</u>  | <u>JSJ Investments Inc.</u>  | <u>debt conversion</u>  | <u>Unrestricted</u>                           | -                               |
| <u>4/13/2016</u>   | <u>New issuance</u>   | <u>5,957</u>                           | <u>Common</u>  | <u>23.830</u>                                     | <u>No</u>  | <u>JSJ Investments Inc.</u>  | <u>debt conversion</u>  | <u>Unrestricted</u>                           | -                               |
| <u>4/25/2016</u>   | <u>New issuance</u>   | <u>1,053</u>                           | <u>Common</u>  | <u>3.786</u>                                      | <u>No</u>  | <u>JSJ Investments Inc.</u>  | <u>debt conversion</u>  | <u>Unrestricted</u>                           | -                               |

|                  |                     |              |               |               |                           |                                |                        |                     |          |
|------------------|---------------------|--------------|---------------|---------------|---------------------------|--------------------------------|------------------------|---------------------|----------|
| <u>2/12/2016</u> | <u>New issuance</u> | <u>680</u>   | <u>Common</u> | <u>6.222</u>  | <u>No</u>                 | <u>JMJ Financial</u>           | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>2/23/2016</u> | <u>New issuance</u> | <u>720</u>   | <u>Common</u> | <u>5.940</u>  | <u>No</u>                 | <u>JMJ Financial</u>           | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/4/2016</u>  | <u>New issuance</u> | <u>800</u>   | <u>Common</u> | <u>6.600</u>  | <u>No</u>                 | <u>JMJ Financial</u>           | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/14/2016</u> | <u>New issuance</u> | <u>1,280</u> | <u>Common</u> | <u>9.408</u>  | <u>No</u>                 | <u>JMJ Financial</u>           | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/28/2016</u> | <u>New issuance</u> | <u>1,328</u> | <u>Common</u> | <u>9.163</u>  | <u>No</u>                 | <u>JMJ Financial</u>           | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>2/11/2016</u> | <u>New issuance</u> | <u>765</u>   | <u>Common</u> | <u>5.834</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>2/23/2016</u> | <u>New issuance</u> | <u>1,094</u> | <u>Common</u> | <u>7.525</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>2/26/2016</u> | <u>New issuance</u> | <u>1,168</u> | <u>Common</u> | <u>8.032</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/7/2016</u>  | <u>New issuance</u> | <u>1,024</u> | <u>Common</u> | <u>7.043</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/14/2016</u> | <u>New issuance</u> | <u>1,645</u> | <u>Common</u> | <u>10.077</u> | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/21/2016</u> | <u>New issuance</u> | <u>1,812</u> | <u>Common</u> | <u>11.101</u> | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>3/28/2016</u> | <u>New issuance</u> | <u>1,934</u> | <u>Common</u> | <u>11.118</u> | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>4/6/2016</u>  | <u>New issuance</u> | <u>1,620</u> | <u>Common</u> | <u>8.102</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>5/25/2016</u> | <u>New issuance</u> | <u>6,159</u> | <u>Common</u> | <u>27,715</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>    | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>6/15/2016</u> | <u>New issuance</u> | <u>7,010</u> | <u>Common</u> | <u>30,669</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>    | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>6/29/2016</u> | <u>New issuance</u> | <u>5,202</u> | <u>Common</u> | <u>22,759</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>    | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>7/18/2016</u> | <u>New issuance</u> | <u>4,926</u> | <u>Common</u> | <u>20,000</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>    | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>6/29/2016</u> | <u>New issuance</u> | <u>6,605</u> | <u>Common</u> | <u>28,899</u> | <u>No</u>                 | <u>Rock Capital, LLC</u>       | <u>debt conversion</u> | <u>Unrestricted</u> | <u>-</u> |
| <u>6/3/2016</u>  | <u>New issuance</u> | <u>6,800</u> | <u>Common</u> | <u>-</u>      | <u>Cash less exercise</u> | <u>William Thrush</u>          | <u>Warrant</u>         | <u>Unrestricted</u> | <u>-</u> |
| <u>6/22/2016</u> | <u>New issuance</u> | <u>2,800</u> | <u>Common</u> | <u>-</u>      | <u>Cash less exercise</u> | <u>Emma Heffernan</u>          | <u>Warrant</u>         | <u>Unrestricted</u> | <u>-</u> |

|                   |                     |               |               |               |                           |                                      |                        |                     |   |
|-------------------|---------------------|---------------|---------------|---------------|---------------------------|--------------------------------------|------------------------|---------------------|---|
| <u>8/4/2016</u>   | <u>New issuance</u> | <u>4,864</u>  | <u>Common</u> | <u>17,632</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>8/8/2016</u>   | <u>New issuance</u> | <u>3,052</u>  | <u>Common</u> | <u>8,774</u>  | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u>       | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>8/22/2016</u>  | <u>New issuance</u> | <u>4,589</u>  | <u>Common</u> | <u>11,473</u> | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u>       | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>8/24/2016</u>  | <u>New issuance</u> | <u>5,892</u>  | <u>Common</u> | <u>12,521</u> | <u>No</u>                 | <u>LG CAPITAL FUNDING, LLC</u>       | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>8/17/2016</u>  | <u>New issuance</u> | <u>6,800</u>  | <u>Common</u> | <u>-</u>      | <u>Cash less exercise</u> | <u>William Thrush</u>                | <u>Warrant</u>         | <u>Unrestricted</u> | - |
| <u>8/23/2016</u>  | <u>New issuance</u> | <u>8,393</u>  | <u>Common</u> | <u>17,834</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>8/30/2016</u>  | <u>New issuance</u> | <u>10,280</u> | <u>Common</u> | <u>14,135</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/2/2016</u>   | <u>New issuance</u> | <u>10,514</u> | <u>Common</u> | <u>13,143</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/9/2016</u>   | <u>New issuance</u> | <u>11,299</u> | <u>Common</u> | <u>11,299</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/23/2016</u>  | <u>New issuance</u> | <u>12,416</u> | <u>Common</u> | <u>10,864</u> | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/28/2016</u>  | <u>New issuance</u> | <u>12,393</u> | <u>Common</u> | <u>6,197</u>  | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>10/4/2016</u>  | <u>New issuance</u> | <u>12,415</u> | <u>Common</u> | <u>4,656</u>  | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/6/2016</u>   | <u>New issuance</u> | <u>11,504</u> | <u>Common</u> | <u>14,380</u> | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>9/23/2016</u>  | <u>New issuance</u> | <u>12,667</u> | <u>Common</u> | <u>11,083</u> | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>10/3/2016</u>  | <u>New issuance</u> | <u>14,540</u> | <u>Common</u> | <u>7,270</u>  | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>10/13/2016</u> | <u>New issuance</u> | <u>15,880</u> | <u>Common</u> | <u>5,955</u>  | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>10/24/2016</u> | <u>New issuance</u> | <u>16,351</u> | <u>Common</u> | <u>6,132</u>  | <u>No</u>                 | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/1/2016</u>  | <u>New issuance</u> | <u>17,480</u> | <u>Common</u> | <u>6,555</u>  | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/14/2016</u> | <u>New issuance</u> | <u>19,200</u> | <u>Common</u> | <u>7,200</u>  | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/17/2016</u> | <u>New issuance</u> | <u>20,000</u> | <u>Common</u> | <u>7,500</u>  | <u>No</u>                 | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |

|                   |                     |               |               |              |           |                                      |                        |                     |   |
|-------------------|---------------------|---------------|---------------|--------------|-----------|--------------------------------------|------------------------|---------------------|---|
| <u>12/21/2016</u> | <u>New issuance</u> | <u>29,400</u> | <u>Common</u> | <u>3,675</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/28/2016</u> | <u>New issuance</u> | <u>32,000</u> | <u>Common</u> | <u>4,000</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/13/2017</u>  | <u>New issuance</u> | <u>37,200</u> | <u>Common</u> | <u>4,650</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/20/2017</u>  | <u>New issuance</u> | <u>39,080</u> | <u>Common</u> | <u>4,885</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u> | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/2/2016</u>  | <u>New issuance</u> | <u>24,224</u> | <u>Common</u> | <u>3,028</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/13/2016</u> | <u>New issuance</u> | <u>27,718</u> | <u>Common</u> | <u>3,465</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/27/2016</u> | <u>New issuance</u> | <u>32,121</u> | <u>Common</u> | <u>4,015</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/3/2017</u>   | <u>New issuance</u> | <u>35,194</u> | <u>Common</u> | <u>4,399</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/18/2017</u>  | <u>New issuance</u> | <u>37,080</u> | <u>Common</u> | <u>4,635</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/7/2016</u>  | <u>New issuance</u> | <u>18,009</u> | <u>Common</u> | <u>8,915</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/15/2016</u> | <u>New issuance</u> | <u>18,892</u> | <u>Common</u> | <u>7,084</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/21/2016</u> | <u>New issuance</u> | <u>21,738</u> | <u>Common</u> | <u>5,435</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>11/25/2016</u> | <u>New issuance</u> | <u>22,803</u> | <u>Common</u> | <u>5,701</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/1/2016</u>  | <u>New issuance</u> | <u>23,921</u> | <u>Common</u> | <u>2,990</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/8/2016</u>  | <u>New issuance</u> | <u>25,093</u> | <u>Common</u> | <u>3,137</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>12/14/2016</u> | <u>New issuance</u> | <u>27,509</u> | <u>Common</u> | <u>3,439</u> | <u>No</u> | <u>JSJ Investments Inc.</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/30/2017</u>  | <u>New issuance</u> | <u>44,800</u> | <u>Common</u> | <u>5,600</u> | <u>No</u> | <u>Rock Capital, LLC</u>             | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>1/17/2017</u>  | <u>New issuance</u> | <u>39,120</u> | <u>Common</u> | <u>5,868</u> | <u>No</u> | <u>GHS Investments, LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>2/2/2017</u>   | <u>New issuance</u> | <u>39,120</u> | <u>Common</u> | <u>8,802</u> | <u>No</u> | <u>GHS Investments, LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>2/6/2017</u>   | <u>New issuance</u> | <u>46,836</u> | <u>Common</u> | <u>5,854</u> | <u>No</u> | <u>GW Holding Group LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>2/9/2017</u>   | <u>New issuance</u> | <u>48,800</u> | <u>Common</u> | <u>6,100</u> | <u>No</u> | <u>Rock Capital, LLC</u>             | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>2/9/2017</u>   | <u>New issuance</u> | <u>43,200</u> | <u>Common</u> | <u>9,720</u> | <u>No</u> | <u>GHS Investments, LLC</u>          | <u>debt conversion</u> | <u>Unrestricted</u> | - |
| <u>2/17/2017</u>  | <u>New issuance</u> | <u>56,000</u> | <u>Common</u> | <u>7,000</u> | <u>No</u> | <u>Rock Capital, LLC</u>             | <u>debt conversion</u> | <u>Unrestricted</u> | - |

|                  |                     |                   |                    |               |           |  |  |                     |   |
|------------------|---------------------|-------------------|--------------------|---------------|-----------|--|--|---------------------|---|
| <u>2/17/2017</u> | <u>New issuance</u> | <u>48,800</u>     | <u>Common</u>      | <u>10,980</u> | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>2/27/2017</u> | <u>New issuance</u> | <u>20,000</u>     | <u>Common</u>      | <u>3,750</u>  | <u>No</u> | <u>Rock Capital, LLC</u>                 | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/1/2017</u>  | <u>New issuance</u> | <u>58,000</u>     | <u>Common</u>      | <u>13,050</u> | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/7/2017</u>  | <u>New issuance</u> | <u>44,000</u>     | <u>Common</u>      | <u>5,500</u>  | <u>No</u> | <u>Rock Capital, LLC</u>                 | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/10/2017</u> | <u>New issuance</u> | <u>66,995</u>     | <u>Common</u>      | <u>8,374</u>  | <u>No</u> | <u>GW Holding Group LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/13/2017</u> | <u>New issuance</u> | <u>67,200</u>     | <u>Common</u>      | <u>10,080</u> | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/16/2017</u> | <u>New issuance</u> | <u>70,400</u>     | <u>Common</u>      | <u>8,800</u>  | <u>No</u> | <u>Rock Capital, LLC</u>                 | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/21/2017</u> | <u>New issuance</u> | <u>77,320</u>     | <u>Common</u>      | <u>9,665</u>  | <u>No</u> | <u>GW Holding Group LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/22/2017</u> | <u>New issuance</u> | <u>77,200</u>     | <u>Common</u>      | <u>11,580</u> | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/22/2017</u> | <u>New issuance</u> | <u>77,560</u>     | <u>Common</u>      | <u>9,695</u>  | <u>No</u> | <u>Rock Capital, LLC</u>                 | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/27/2017</u> | <u>New issuance</u> | <u>52,813</u>     | <u>Common</u>      | <u>6,602</u>  | <u>No</u> | <u>GW Holding Group LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/30/2017</u> | <u>New issuance</u> | <u>89,000</u>     | <u>Common</u>      | <u>13,083</u> | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/27/2017</u> | <u>New issuance</u> | <u>89,160</u>     | <u>Common</u>      | <u>11,145</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u>     | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>4/7/2017</u>  | <u>New issuance</u> | <u>100,400</u>    | <u>Common</u>      | <u>12,550</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u>     | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>3/31/2017</u> | <u>New issuance</u> | <u>96,059</u>     | <u>Common</u>      | <u>12,007</u> | <u>No</u> | <u>GW Holding Group LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>4/7/2017</u>  | <u>New issuance</u> | <u>100,000</u>    | <u>Common</u>      | <u>7,500</u>  | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>4/17/2017</u> | <u>New issuance</u> | <u>115,520</u>    | <u>Common</u>      | <u>14,440</u> | <u>No</u> | <u>Crossover Capital Fund 1, LLC</u>     | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>4/19/2017</u> | <u>New issuance</u> | <u>110,000</u>    | <u>Common</u>      | <u>8,250</u>  | <u>No</u> | <u>GHS Investments, LLC</u>              | <u>debt conversion</u>                     | <u>Unrestricted</u> | - |
| <u>2/1/2018</u>  | <u>New issuance</u> | <u>535</u>        | <u>Common</u>      | <u>-</u>      | <u>No</u> | <u>Adjustment of Reverse stock split</u> | <u>Adjustment of Reverse stock split</u>   | <u>Unrestricted</u> | - |
| <u>5/1/2018</u>  | <u>New issuance</u> | <u>93,442</u>     | <u>Common</u>      | <u>-</u>      | <u>No</u> | <u>Adjustment of Reverse stock split</u> | <u>Adjustment of Reverse stock split</u>   | <u>Unrestricted</u> | - |
| <u>2/3/2016</u>  | <u>New issuance</u> | <u>4,750,000</u>  | <u>Preferred B</u> | <u>20,000</u> | <u>No</u> | <u>Mike Shader</u>                       | <u>cash</u>                                | <u>Unrestricted</u> | - |
| <u>3/22/2016</u> | <u>New issuance</u> | <u>13,437,500</u> | <u>Preferred B</u> | <u>13,438</u> | <u>No</u> | <u>CHRISTOPHER M. AMAZEEN</u>            | <u>Acquisition of subsidiary</u>           | <u>Unrestricted</u> | - |
| <u>7/31/2018</u> | <u>New issuance</u> | <u>6,500,000</u>  | <u>Preferred B</u> | <u>32,500</u> | <u>No</u> | <u>Eric Engbers</u>                      | <u>Compensation - employment agreement</u> | <u>Unrestricted</u> | - |

|  |  |         |             |           |    |                                |                                     |              |   |
|--|--|---------|-------------|-----------|----|--------------------------------|-------------------------------------|--------------|---|
| 7/31/2018                              | New issuance   | 500,000 | Preferred B | 2,500     | No | Derek Dempsay                  | Compensation - employment agreement | Unrestricted | - |
| 1/31/2017                              | New issuance   | 1       | Preferred C | 1,000,000 | No | Scott Kettle                   | debt conversion                     | Unrestricted | - |
| 1/31/2017                              | New issuance   | 1       | Preferred C | 1,000,000 | No | Christopher G. Hall            | debt conversion                     | Unrestricted | - |
| 6/27/2016                              | New issuance   | 1       | Preferred D | 100,000   | No | NEOGEN Holdings                | Acquisition of subsidiary           | Unrestricted | - |
| 1/18/2017                              | New issuance   | 20      | Preferred D | 2,000,000 | No | Net D Consulting, Inc.         | Acquisition of subsidiary           | Unrestricted | - |
| 1/31/2018                              | New issuance   | 1       | Preferred D | 100,000   | No | James LaGanke                  | debt conversion                     | Unrestricted | - |
| 1/31/2018                              | New issuance   | 1       | Preferred D | 100,000   | No | CHRISTOPHER M. AMAZEEN         | debt conversion                     | Unrestricted | - |
| 1/31/2018                              | New issuance   | 1       | Preferred D | 100,000   | No | VINCENT A. CUZZO               | debt conversion                     | Unrestricted | - |
| 1/31/2018                              | New issuance   | 5       | Preferred D | 500,000   | No | Eric Engbers                   | debt conversion                     | Unrestricted | - |
| 1/31/2018                              | New issuance   | 1       | Preferred D | 100,000   | No | MICHAEL SELSMAN                | debt conversion                     | Unrestricted | - |
| 1/31/2018                              | New issuance   | 1       | Preferred D | 100,000   | No | PUBCO REPORTING SOLUTIONS, INC | debt conversion                     | Unrestricted | - |
| Shares Outstanding on October 31, 2018 | Ending Balance:<br>Common: 2,631,196<br><br>Preferred: 75,188,547<br>Preferred A: 1,000<br>Preferred B: 75,187,500<br>Preferred C: 16<br>Preferred D: 31 |         |             |           |    |                                |                                     |              |   |

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

**B. Debt Securities, Including Promissory and Convertible Notes**

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

| Date of Note Issuance   | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date     | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)                              | Name of Noteholder             | Reason for Issuance (e.g. Loan, Services, etc.) |
|-------------------------|--------------------------|-----------------------------------|-----------------------|-------------------|---|--------------------------------|---|
| <u>Convertible Note</u> |                          |                                   |                       |                   |   |                                |   |
| <u>2/3/2016</u>         | -                        | <u>31,438</u>                     | -                     | <u>2/3/2017</u>   | <u>50% multiplied by the lowest trading days in the 20 trading days</u>   | <u>LG CAPITAL FUNDING, LLC</u> | <u>Loan</u>                                     |
| <u>2/9/2016</u>         | -                        | <u>42,750</u>                     | -                     | <u>11/9/2016</u>  | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>AUCTUS FUND, LLC</u>        | <u>Loan</u>                                     |
| <u>2/24/2016</u>        | -                        | <u>30,877</u>                     | -                     | <u>11/24/2016</u> | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |
| <u>3/2/2016</u>         | -                        | <u>57,000</u>                     | -                     | <u>12/2/2016</u>  | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |
| <u>3/29/2016</u>        | -                        | <u>35,380</u>                     | -                     | <u>12/29/2016</u> | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |
| <u>4/4/2016</u>         | -                        | <u>13,222</u>                     | -                     | <u>1/7/2017</u>   | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |
| <u>4/4/2016</u>         | -                        | <u>30,000</u>                     | -                     | <u>1/4/2017</u>   | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |
| <u>4/21/2016</u>        | -                        | <u>28,500</u>                     | -                     | <u>10/26/2016</u> | <u>the lower of (i)50% multiplied by the lowest trading price during 23 trading days or (ii) \$0.00005</u>                | <u>ROCK CAPITAL, LLC</u>       | <u>Loan</u>                                     |
| <u>4/27/2016</u>        | <u>4,293</u>             | <u>45,500</u>                     | <u>1,492</u>          | <u>12/27/2017</u> | <u>the lower of (i)50% of the lowest trading price during the delinquency period after May 16, 2017 or (ii) \$0.00005</u> | <u>ROCK CAPITAL, LLC</u>       | <u>Loan</u>                                     |
| <u>4/29/2016</u>        | -                        | <u>7,266</u>                      | -                     | <u>1/27/2017</u>  | <u>50% multiplied by the lowest trading days in the 25 trading days</u>   | <u>JSJ Investments Inc.</u>    | <u>Loan</u>                                     |

|                   |               |               |               |                   |   |                                      |             |
|-------------------|---------------|---------------|---------------|-------------------|---|--------------------------------------|-------------|
| <u>5/5/2016</u>   | -             | <u>30,000</u> | -             | <u>2/5/2017</u>   | 50% multiplied by the lowest trading days in the 20 trading days  | <u>JSJ Investments Inc.</u>          | <u>Loan</u> |
| <u>5/9/2016</u>   | -             | <u>18,950</u> | -             | <u>2/9/2017</u>   | 50% multiplied by the lowest trading days in the 20 trading days  | <u>JSJ Investments Inc.</u>          | <u>Loan</u> |
| <u>5/26/2016</u>  | -             | <u>57,000</u> | -             | <u>5/26/2017</u>  | 50% multiplied by the lowest trading days in the 20 trading days  | <u>GW Holdings Group, LLC</u>        | <u>Loan</u> |
| <u>6/17/2016</u>  | <u>58,333</u> | <u>58,333</u> | <u>26,487</u> | <u>6/17/2017</u>  | the lower of (i)50% multiplied by the lowest trading price during the delinquency period after May 16, 2017 or (ii) \$0.00005 | <u>ROCK CAPITAL, LLC</u>             | <u>Loan</u> |
| <u>6/23/2016</u>  | -             | <u>29,500</u> | -             | <u>3/23/2017</u>  | 50% multiplied by the lowest trading days in the 20 trading days  | <u>JSJ Investments Inc.</u>          | <u>Loan</u> |
| <u>7/1/2016</u>   | -             | <u>57,000</u> | -             | <u>7/1/2017</u>   | 50% multiplied by the lowest trading days in the 20 trading days  | <u>GW Holdings Group, LLC</u>        | <u>Loan</u> |
| <u>7/1/2016</u>   | <u>44,218</u> | <u>75,000</u> | <u>15,759</u> | <u>6/30/2017</u>  | the lower of (i)50% of the lowest trading price during 23 trading days or (ii) \$0.00005                                      | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>7/11/2016</u>  | -             | <u>19,200</u> | -             | <u>4/11/2016</u>  | 50% multiplied by the lowest trading days in the 20 trading days  | <u>JSJ Investments Inc.</u>          | <u>Loan</u> |
| <u>7/18/2016</u>  | -             | <u>22,189</u> | -             | <u>4/18/2017</u>  | 50% multiplied by the lowest trading days in the 20 trading days  | <u>JSJ Investments Inc.</u>          | <u>Loan</u> |
| <u>8/4/2016</u>   | -             | <u>75,000</u> | -             | <u>8/4/2017</u>   | the lower of (i)50% multiplied by the lowest trading price during 23 trading days or (ii) \$0.00005                           | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>8/4/2016</u>   | -             | <u>28,500</u> | -             | <u>8/4/2017</u>   | 50% multiplied by the lowest trading days in the 20 trading days  | <u>GW Holdings Group, LLC</u>        | <u>Loan</u> |
| <u>8/4/2016</u>   | <u>89,168</u> | <u>89,168</u> | <u>40,631</u> | <u>8/4/2017</u>   | the lower of (i)50% multiplied by the lowest trading price during the delinquency period after May 16, 2017 or (ii) \$0.00005 | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>10/31/2016</u> | <u>50,050</u> | <u>45,500</u> | <u>19,400</u> | <u>12/27/2017</u> | the lower of (i)50% multiplied by the lowest trading price during the delinquency period after May 16, 2017 or (ii) \$0.00005 | <u>ROCK CAPITAL, LLC</u>             | <u>Loan</u> |

|                     |                |                |                |                   |  |                                      |             |
|---------------------|----------------|----------------|----------------|-------------------|--|--------------------------------------|-------------|
| <u>1/12/2017</u>    | <u>578,749</u> | <u>482,423</u> | <u>117,924</u> | <u>10/12/2017</u> | <u>50% multiplied by the lowest intra-day in the 15 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>1/17/2017</u>    | <u>154,400</u> | <u>103,000</u> | <u>33,890</u>  | <u>10/17/2017</u> | <u>50% multiplied by the lowest intra-day in the 10 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>1/24/2017</u>    | <u>204,666</u> | <u>136,444</u> | <u>44,595</u>  | <u>10/24/2017</u> | <u>50% multiplied by the lowest intra-day in the 15 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>1/31/2017</u>    | <u>82,500</u>  | <u>75,000</u>  | <u>29,269</u>  | <u>6/30/2017</u>  | <u>the lower of (i)50% multiplied by the lowest trading price during the delinquency period after May 16, 2017 or (ii) \$0.00005</u> | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>5/9/2017</u>     | <u>21,600</u>  | <u>21,600</u>  | <u>7,671</u>   | <u>5/9/2018</u>   | <u>50% multiplied by the lowest trading price during the delinquency period after May 16, 2017</u>                                   | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>5/9/2017</u>     | <u>26,250</u>  | <u>17,500</u>  | <u>5,177</u>   | <u>2/15/2018</u>  | <u>50% multiplied by the lowest intra-day in the 10 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>8/15/2017</u>    | <u>29,900</u>  | <u>29,900</u>  | <u>8,691</u>   | <u>5/18/2018</u>  | <u>50% multiplied by the lowest trading price during the delinquency period after May 16, 2017</u>                                   | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>8/16/2017</u>    | <u>45,150</u>  | <u>30,100</u>  | <u>3,817</u>   | <u>5/16/2018</u>  | <u>50% multiplied by the lowest intra-day in the 10 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>3/26/2018</u>    | <u>20,000</u>  | <u>38,167</u>  | <u>23,298</u>  | <u>12/26/2018</u> | <u>50% multiplied by the lowest intra-day in the 10 trading days</u>   | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>3/27/2018</u>    | <u>38,167</u>  | <u>20,000</u>  | <u>12,000</u>  | <u>12/27/2018</u> | <u>60% multiplied by the lowest trading price during 20 trading day</u>  | <u>CROSSOVER CAPITAL FUND I, LLC</u> | <u>Loan</u> |
| <u>4/23/2018</u>    | <u>63,000</u>  | <u>63,000</u>  | <u>38,631</u>  | <u>1/30/2019</u>  | <u>58% multiplied by the lowest trading price during the 20-trading day</u>  | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |
| <u>10/28/2018</u>   | <u>34,000</u>  | <u>34,000</u>  | <u>28</u>      | <u>7/28/2019</u>  | <u>60% multiplied by the lowest trading price during 10 trading day</u>  | <u>GHS Investments, LLC</u>          | <u>Loan</u> |
| <u>Note Payable</u> |                |                |                |                   |  |                                      |             |
| <u>8/4/2016</u>     | <u>25,000</u>  | <u>25,000</u>  | <u>6,514</u>   | <u>2/4/2017</u>   | <u>N/A</u>   | <u>Doyle Knudson</u>                 | <u>Loan</u> |
| <u>9/30/2016</u>    | <u>-</u>       | <u>125,000</u> | <u>-</u>       | <u>5/30/2017</u>  | <u>N/A</u>   | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |

|                   |                |                |   |                   |     |                                      |             |
|-------------------|----------------|----------------|---|-------------------|-----|--------------------------------------|-------------|
| <u>3/10/2017</u>  | <u>26,021</u>  | <u>291,900</u> | - | <u>2/23/2018</u>  | N/A | <u>PIRS Capital, LLC</u>             | <u>Loan</u> |
| <u>4/11/2017</u>  | -              | <u>156,250</u> | - | <u>12/5/2017</u>  | N/A | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |
| <u>5/16/2017</u>  | -              | <u>174,875</u> | - | <u>1/24/2018</u>  | N/A | <u>Arcarius LLC</u>                  | <u>Loan</u> |
| <u>5/30/2017</u>  | -              | <u>108,000</u> | - | <u>11/30/2017</u> | N/A | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |
| <u>7/10/2017</u>  | -              | <u>54,000</u>  | - | <u>11/14/2017</u> | N/A | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |
| <u>7/21/2017</u>  | -              | <u>291,900</u> | - | <u>4/10/2017</u>  | N/A | <u>PIRS Capital, LLC</u>             | <u>Loan</u> |
| <u>9/15/2017</u>  | -              | <u>143,000</u> | - | <u>3/2/2018</u>   | N/A | <u>Richmonds Capital Group LLC</u>   | <u>Loan</u> |
| <u>10/2/2017</u>  | -              | <u>240,500</u> | - | <u>2/22/2018</u>  | N/A | <u>POWER UP LENDING GROUP LTD</u>    | <u>Loan</u> |
| <u>10/2/2017</u>  | <u>6,135</u>   | <u>240,500</u> | - | <u>2/22/2018</u>  | N/A | <u>POWER UP LENDING</u>              | <u>Loan</u> |
| <u>10/23/2017</u> | -              | <u>143,000</u> | - | <u>3/1/2018</u>   | N/A | <u>Prosperitas Capital, LLC</u>      | <u>Loan</u> |
| <u>11/2/2017</u>  | -              | <u>174,875</u> | - | <u>4/27/2018</u>  | N/A | <u>Midnight Advance Capital, LLC</u> | <u>Loan</u> |
| <u>11/28/2017</u> | <u>5,998</u>   | <u>199,920</u> | - | <u>5/2/2018</u>   | N/A | <u>Arcarius LLC</u>                  | <u>Loan</u> |
| <u>12/20/2017</u> | -              | <u>209,850</u> | - | <u>6/15/2018</u>  | N/A | <u>Richmonds Capital Group LLC</u>   | <u>Loan</u> |
| <u>12/22/2017</u> | -              | <u>111,920</u> | - | <u>6/19/2018</u>  | N/A | <u>GTR Source LLC</u>                | <u>Loan</u> |
| <u>1/17/2018</u>  | -              | <u>111,920</u> | - | <u>7/4/2018</u>   | N/A | <u>Richmonds Capital Group LLC</u>   | <u>Loan</u> |
| <u>1/30/2018</u>  | -              | <u>279,800</u> | - | <u>8/14/2018</u>  | N/A | <u>Midnight Advance Capital, LLC</u> | <u>Loan</u> |
| <u>2/9/2018</u>   | <u>134,931</u> | <u>253,750</u> | - | <u>8/8/2018</u>   | N/A | <u>Prosperitas Capital, LLC</u>      | <u>Loan</u> |
| <u>2/20/2018</u>  | <u>6,305</u>   | <u>132,300</u> | - | <u>6/18/2018</u>  | N/A | <u>Prosperitas Capital, LLC</u>      | <u>Loan</u> |
| <u>3/5/2018</u>   | <u>91,725</u>  | <u>209,850</u> | - | <u>6/25/2018</u>  | N/A | <u>Richmonds Capital Group LLC</u>   | <u>Loan</u> |
| <u>3/12/2018</u>  | <u>40,600</u>  | <u>87,000</u>  | - | <u>6/23/2018</u>  | N/A | <u>Cardinal Equity, LLC</u>          | <u>Loan</u> |
| <u>3/20/2018</u>  | <u>138,484</u> | <u>209,850</u> | - | <u>8/7/2018</u>   | N/A | <u>GTR Source LLC</u>                | <u>Loan</u> |
| <u>3/26/2018</u>  | <u>116,000</u> | <u>159,500</u> | - | <u>8/29/2018</u>  | N/A | <u>Cardinal Equity, LLC</u>          | <u>Loan</u> |
| <u>3/29/2018</u>  | <u>57,837</u>  | <u>89,940</u>  | - | <u>7/10/2018</u>  | N/A | <u>Kash Capital</u>                  | <u>Loan</u> |

|                  |                |                |   |                   |     |                                       |             |
|------------------|----------------|----------------|---|-------------------|-----|---------------------------------------|-------------|
| <u>4/9/2018</u>  | <u>92,808</u>  | <u>101,320</u> | - | <u>3/8/2019</u>   | N/A | <u>Strategic Funding Source, Inc.</u> | <u>Loan</u> |
| <u>4/9/2018</u>  | <u>206,342</u> | <u>279,800</u> | - | <u>6/30/2018</u>  | N/A | <u>Richmond's Capital Group LLC</u>   | <u>Loan</u> |
| <u>4/26/2018</u> | <u>350,758</u> | <u>374,750</u> | - | <u>10/19/2018</u> | N/A | <u>Midnight Advance Capital, LLC</u>  | <u>Loan</u> |
| <u>4/27/2018</u> | <u>134,100</u> | <u>149,000</u> | - | <u>8/2/2018</u>   | N/A | <u>Unified Marketing, LLC</u>         | <u>Loan</u> |

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>3</sup>:

Name: PubCo Reporting Solutions, Inc.  
Title: CPA  
Relationship to Issuer: Paid consulting firm

**Financial statements as at October 31, 2018 and for the period ended October 31, 2018 are included at the end of this Quarterly Report.**

<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

GAWK, Inc. offers a suite of cloud communications, cloud connectivity, cloud computing, and managed cloud-based applications solutions to small, medium, and large businesses; and offers domestic and international voice services to communications carriers worldwide. It offers a suite of advanced data center and cloud-based services, including fault tolerant, high availability cloud servers, which comprise platform as a service, infrastructure as a service, and a content delivery network; managed network services that converge voice and data applications, structured cabling, wireless, and security services, as well as include Internet access via Ethernet or fiber at speeds ranging from 10 Mbps to 10 Gbps; and data center solutions, including cloud services, colocation services, and business continuity services, such as storage and security. [www.gawk.com](http://www.gawk.com)

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Telecommunications

C. Describe the issuers' principal products or services, and their markets

Telecommunications

## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

THE ISSUER LEASES AN EXECUTIVE OFFICE SPACE ON A MONTH TO MONTH BASIS WHICH IS ADEQUATE FOR ITS CURRENT NEEDS

## 7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

| Name of Officer/Director and Control Person | Affiliation with Company (e.g. Officer/Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | Share type/class                | Ownership Percentage of Class Outstanding | Note |
|---|--|---|------------------------|---------------------------------|---|------|
| <u>Scott Kettle</u>                         | <u>Officer/Director</u>  | <u>c/o Gawk</u>                         | <u>33,200</u>          | <u>Common Stock</u>             | <u>1.31%</u>                              | -    |
| -   | -  | <u>5300 Melrose Avenue, Suite 42</u>    | <u>500</u>             | <u>Series A Preferred Stock</u> | <u>50%</u>                                | -    |
| -   | -  | <u>Los Angeles, CA 90038</u>            | <u>25,000,000</u>      | <u>Series B Preferred Stock</u> | <u>33.25%</u>                             | -    |
| -   | -  | -                                       | <u>5</u>               | <u>Series C Preferred Stock</u> | <u>31.25%</u>                             | -    |
| -   | -  | -                                       | -                      | -                               | -   | -    |
| <u>Chris Hall</u>                           | <u>Officer/Director</u>  | <u>c/o Gawk</u>                         | <u>3,200</u>           | <u>Common Stock</u>             | <u>0.13%</u>                              | -    |
| -   | -  | <u>5300 Melrose Avenue, Suite 42</u>    | <u>500</u>             | <u>Series A Preferred Stock</u> | <u>50%</u>                                | -    |
| -   | -  | <u>Los Angeles, CA 90038</u>            | <u>25,000,000</u>      | <u>Series B Preferred Stock</u> | <u>33.25%</u>                             | -    |
| -   | -  | -                                       | <u>4</u>               | <u>Series C Preferred Stock</u> | <u>25%</u>                                | -    |

**8) Legal/Disciplinary History**

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

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;

None

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

None

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

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

**9) Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

N/A

Accountant or Auditor

N/A

Investor Relations Consultant

N/A

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

N/A

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Scott Kettle Chairman and CEO certify that:

1. I have reviewed this Quarterly Report of Gawk Incorporated;
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.

July 3, 2019

/s/ Scott Kettle

Chairman/CEO

*Principal Financial Officer:*

I, Christopher G. Hall certify that:

1. I have reviewed this Quarterly Report of Gawk Incorporated;
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.

July 3, 2019

/s/ Christopher G. Hall

CFO



**GAWK INCORPORATED**

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**GAWK INCORPORATED**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

|   | <u>October 31,</u><br><u>2018</u> | <u>January 31,</u><br><u>2018</u> |
|---|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>   |                                   |                                   |
| Current Assets  |                                   |                                   |
| Cash and cash equivalents   | \$ 55,800                         | \$ 60,716                         |
| Accounts receivable, net  | 280,391                           | 235,714                           |
| Marketable securities - available for sale  | 57,000                            | 33,600                            |
| Due from a related party  | 34,859                            | -                                 |
| Prepaid and other current assets  | 198,266                           | 26,735                            |
| Total Current Assets  | <u>626,316</u>                    | <u>356,765</u>                    |
| Intangible assets and proprietary technology, net of accumulated amortization of \$1,682,481 and \$1,251,444                        | 123,594                           | 554,631                           |
| Goodwill  | 1,416,851                         | 1,416,851                         |
| <b>TOTAL ASSETS</b>   | <b>\$ <u>2,166,761</u></b>        | <b>\$ <u>2,328,247</u></b>        |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                                   |                                   |
| Current Liabilities   |                                   |                                   |
| Accounts payable and accrued liabilities  | \$ 3,377,222                      | \$ 2,585,771                      |
| Note payable, net of unamortized discounts of \$104,235 and \$309,697   | 1,431,811                         | 687,228                           |
| Current portion of notes payable -related party   | 570,182                           | 570,182                           |
| Current portion of convertible notes payable, net of unamortized discounts of \$33,626 and \$0                                      | 3,210,918                         | 3,089,377                         |
| Investor payable - common shares  | 658,000                           | 658,000                           |
| Due to related parties  | 429,289                           | 408,174                           |
| Derivative liabilities  | 3,608,660                         | 2,780,153                         |
| Total Current Liabilities   | <u>13,286,082</u>                 | <u>10,778,885</u>                 |
| <b>TOTAL LIABILITIES</b>  | <u>13,286,082</u>                 | <u>10,778,885</u>                 |
| Series C Convertible Preferred stock, \$0.001 par value, 100 shares designated; 16 shares issued and outstanding                    | 16,000,000                        | 16,000,000                        |
| Series D Convertible Preferred stock, \$0.001 par value, 1,000 shares designated; 31 shares issued and outstanding                  | 3,100,000                         | 3,100,000                         |
|   | <u>19,100,000</u>                 | <u>19,100,000</u>                 |
| Stockholders' Deficit   |                                   |                                   |
| Preferred stock, \$0.001 par value; authorized 100,000,000 shares   |                                   |                                   |
| Series A Preferred stock, \$0.001 par value, 1,000 shares designated; 1,000 shares issued and outstanding                           | 1                                 | 1                                 |
| Series B Convertible Preferred stock, \$0.001 par value, 95,000,000 shares designated; 75,187,500 shares issued and outstanding     | 75,188                            | 75,188                            |
| Common stock, \$0.001 par value, 200,000,000 shares authorized; 2,631,196 and 2,537,019 shares issued and outstanding, respectively | 2,630                             | 2,537                             |
| Additional paid-in capital  | 3,748,955                         | 3,749,048                         |
| Accumulated deficit   | (34,046,095)                      | (31,377,412)                      |
| Total Stockholders' Deficit   | <u>(30,219,321)</u>               | <u>(27,550,638)</u>               |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  | <b>\$ <u>2,166,761</u></b>        | <b>\$ <u>2,328,247</u></b>        |

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

**GAWK INCORPORATED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

|  | For the Three Months Ended |                    | For the Nine Months Ended |                       |
|--|----------------------------|--------------------|---------------------------|-----------------------|
|  | October 31,                |                    | October 31,               |                       |
|  | 2018                       | 2017               | 2018                      | 2017                  |
| Revenue  | \$ 990,638                 | \$ 1,341,548       | \$ 3,718,749              | \$ 4,155,637          |
| Operating expenses   |                            |                    |                           |                       |
| Cost of revenue  | 703,254                    | 1,034,311          | 2,530,965                 | 3,173,418             |
| General and administration   | 433,244                    | 506,270            | 1,241,502                 | 1,823,062             |
| Legal settlement   | -                          | -                  | -                         | 25,000                |
| Depreciation and amortization  | 143,679                    | 150,507            | 431,037                   | 451,521               |
| Total operating expenses   | 1,280,177                  | 1,691,088          | 4,203,504                 | 5,473,001             |
| Net loss from operations   | (289,539)                  | (349,540)          | (484,755)                 | (1,317,364)           |
| Other income (expense)   |                            |                    |                           |                       |
| Other income   | 6,963                      | 4,825              | 27,463                    | 15,637                |
| Interest expense, net  | (200,070)                  | (303,722)          | (1,545,718)               | (2,095,192)           |
| Unrealized gain (loss) on marketable securities                                | 6,300                      | (22,500)           | 23,400                    | (54,300)              |
| Change in fair value of derivative liabilities                                 | 320,785                    | (752,196)          | (689,073)                 | (785,551)             |
| Gain on sale of assets   | -                          | -                  | -                         | 73,728                |
| Gain on settlement of debt   | -                          | -                  | -                         | 172,419               |
| Total other Income (expense)   | 133,978                    | (1,073,593)        | (2,183,928)               | (2,673,259)           |
| Loss from operations   | (155,561)                  | (1,423,133)        | (2,668,683)               | (3,990,623)           |
| <b>Net loss</b>  | <b>(155,561)</b>           | <b>(1,423,133)</b> | <b>\$ (2,668,683)</b>     | <b>\$ (3,990,623)</b> |
| <b>Basic and diluted loss per common share</b>                                 | <b>\$ (0.06)</b>           | <b>\$ (0.56)</b>   | <b>\$ (1.03)</b>          | <b>\$ (1.76)</b>      |
| <b>Weighted average number of common shares outstanding, basic and diluted</b> | <b>2,631,196</b>           | <b>2,537,219</b>   | <b>2,600,733</b>          | <b>2,265,110</b>      |

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

**GAWK INCORPORATED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|  | For the Nine Months Ended<br>October 31, |                |
|--|--|----------------|
|  | 2018                                     | 2017           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |  |                |
| Net loss   | \$ (2,668,683)                           | \$ (3,990,623) |
| Adjustments to reconcile net loss to net cash used in operating activities:                  |  |                |
| Stock-based compensation   | -  | 174,000        |
| Amortization of debt discount and deferred financing fees                                    | 1,160,027                                | 1,361,108      |
| Unrealized gain on marketable securities   | (23,400)                                 | 54,300         |
| Amortization expense of intangible assets  | 431,037                                  | 451,521        |
| Expense paid by convertible note   | 29,600                                   | -              |
| Gain loss on settlement of liabilities   | -  | (172,419)      |
| Default penalty  | -  | 348,879        |
| Change in fair value of derivative liabilities   | 689,073                                  | 785,551        |
| Gain on sale of intangible asset   | -  | (73,728)       |
| Changes in operating assets and liabilities:   |  |                |
| Accounts receivable  | (44,677)                                 | 6,386          |
| Prepaid expenses and other assets  | (171,531)                                | 7,200          |
| Accounts payable and accrued liabilities   | 791,451                                  | 643,592        |
| Due to related parties   | (33,744)                                 | 63,865         |
| Net Cash Provided by (Used in) Operating Activities  | 159,153                                  | (340,368)      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |  |                |
| Proceeds from sale of asset  | -  | 73,728         |
| Net Cash Provided by Investing Activities  | -  | 73,728         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |  |                |
| Proceeds from notes payable  | 1,307,038                                | 1,064,514      |
| Payment of notes payable   | (1,600,941)                              | (819,441)      |
| Proceeds from convertible notes, net of original issue discounts and deferred financing fees | 109,834                                  | 144,500        |
| Payment of convertible notes payable   | -  | (63)           |
| Payment of notes payable - related party   | -  | (196,417)      |
| Contribution   | -  | 1,600          |
| Loan from related party  | 20,000                                   | -              |
| Net Cash Provided by (Used in) Financing Activities  | (164,069)                                | 194,693        |
| Net change in cash and cash equivalents  | (4,916)                                  | (71,947)       |
| Cash and cash equivalents, beginning of period   | 60,716                                   | 133,249        |
| Cash and cash equivalents, end of period   | \$ 55,800                                | \$ 61,302      |
| Supplemental cash flow information   |  |                |
| Cash paid for interest   | \$ -                                     | \$ 118,685     |
| Cash paid for taxes  | \$ -                                     | \$ -           |
| Non-cash financing transactions:   |  |                |
| Issuance of common stock for conversion of debt and accrued interest                         | \$ -                                     | \$ 741,319     |
| Debt discount from derivative liability  | \$ 139,434                               | \$ 536,222     |
| Adjustment of number of shares due to reverse split  | \$ 93                                    | \$ -           |

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

**GAWK INCORPORATED**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**October 31, 2018**

The accompanying interim financial statements have been prepared by the Company without an audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at October 31, 2018, and for all periods presented herein, have been made.

**NOTE 1 – DESCRIPTION OF BUSINESS**

Gawk Incorporated (“we”, “our”, the “Company”) was incorporated in the state of Nevada on January 6, 2011 with principal business address at 5300 Melrose Avenue, Suite 42, Los Angeles, CA. The Company offers a suite of cloud communications, cloud connectivity, cloud computing, and managed cloud-based applications solutions to small, medium, and large businesses; and offers domestic and international voice services to communications carriers worldwide. It offers a suite of advanced data center and cloud-based services, including fault tolerant, high availability cloud servers, which comprise platform as a service, infrastructure as a service, and a content delivery network; managed network services that converge voice and data applications, structured cabling, wireless, and security services, as well as include Internet access via Ethernet or fiber at speeds ranging from 10 Mbps to 10 Gbps; and data center solutions, including cloud services, colocation services, and business continuity services, such as storage and security. Our website is located at [www.gawkinc.com](http://www.gawkinc.com)

**NOTE 2 – GOING CONCERN**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company has a deficiency in equity of \$30,219,321 a working capital deficit of \$12,659,766, and an accumulated deficit of \$34,046,095.

These factors raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company’s continued existence is dependent upon management’s ability to develop profitable operations, continued contributions from the Company’s executive officers to finance its operations and the ability to obtain additional funding sources to explore potential strategic relationships and to provide capital and other resources for the further development and marketing of the Company’s products and business.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Company prepares its interim financial statements in accordance with accounting principles generally accepted in the United States of America. This report should be read in conjunction with the audited consolidated financial statements and the footnotes thereto for the fiscal year ended January 31, 2018 including in Annual report as filed with OTC Market on January 23, 2019. Significant accounting policies are as follows:

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net revenues and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated. We currently have no investments accounted for using the equity or cost methods of accounting.

### **Revenue Recognition**

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company derives its revenues from the rendering of business advisory services, such as training, implementation, consulting, and other customer-specific services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

Our Business Services revenue includes monthly recurring charges (“MRC”) to customers, for whom charges are contracted over a specified period of time, and variable usage fees charged to customers that purchase our business products and services. Revenue recognition commences after the provisioning, testing and acceptance of the service by the customer. MRCs continue until the expiration of the contract, or until cancellation of the service by the customer. To the extent that payments received from a customer are related to a future period, the payment is recorded as deferred revenue until the service is provided or the usage occurs.

Our Carrier Services revenue is primarily derived from usage fees charged to other carriers that terminate voice traffic over our network. Variable revenue is earned based on the length of a call, as measured by the number of minutes of duration. It is recognized upon completion of the call, and is adjusted to reflect the allowance for billing adjustments. Revenue for each customer is calculated from information received through our network switches. Our customized software tracks the information from the switches and analyzes the call detail records against stored detailed information about revenue rates. This software provides us with the ability to complete a timely and accurate analysis of revenue earned in a period. We believe that the nature of this process is such that recorded revenues are unlikely to be revised in future periods.

### **Derivative Financial Instruments**

The fair value of an embedded conversion option that is convertible into a variable amount of shares and warrants that include price protection reset provision features are deemed to be “down-round protection” and, therefore, do not meet the scope exception for treatment as a derivative under ASC 815 “Derivatives and Hedging”, since “down-round protection” is not an input into the calculation of the fair value of the conversion option and warrants and cannot be considered “indexed to the Company’s own stock” which is a requirement for the scope exception as outlined under ASC 815.

The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification.

The Black-Scholes option valuation model was used to estimate the fair value of the embedded conversion options and warrants. The model includes subjective input assumptions that can materially affect the fair value estimates. The expected volatility is estimated based on the most recent historical period of time, of our common stock, equal to the weighted average life of the options.

Conversion options are recorded as debt discount and are amortized as interest expense over the life of the underlying debt instrument.

### Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash, accounts payable and accrued expenses, and debt. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

The Company adopted ASC Topic 820, *Fair Value Measurements* ("ASC Topic 820"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets; liabilities in active markets;
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active; or directly or indirectly including inputs in markets that are not considered to be active;
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement

The following table summarizes fair value measurements by level at October 31, 2018 and January 31, 2018 for assets measured at fair value on a recurring basis:

#### Carrying Value at October 31, 2018

| October 31, 2018                          | Level 1   | Level 2 | Level 3       | Total        |
|---|-----------|---------|---------------|--------------|
| Marketable securities- available for sale | \$ 57,000 | \$ -    | \$ -          | \$ 57,000    |
| Derivative liabilities                    | \$ -      | \$ -    | \$ _3,608,660 | \$ 3,608,660 |

#### Carrying Value at January 31, 2018

| January 31, 2018                          | Level 1   | Level 2 | Level 3      | Total        |
|---|-----------|---------|--------------|--------------|
| Marketable securities- available for sale | \$ 33,600 | \$ -    | \$ -         | \$ 33,600    |
| Derivative liabilities                    | \$ -      | \$ -    | \$ 2,780,153 | \$ 2,780,153 |

#### NOTE 4 – NOTES PAYABLE

The Company had the following notes payable and notes payable – related party outstanding as of October 31, 2018 and January 31, 2018:

##### Notes Payable

|   | October 31,<br>2018 | January 31,<br>2018 |
|---|---------------------|---------------------|
| Dated – October 30, 2014                        | \$ 10,000           | \$ 10,000           |
| Dated – August 4, 2016                          | 25,000              | 25,000              |
| Dated – March 10, 2017                          | 26,021              | 37,335              |
| Dated – July 21, 2017                           | -                   | 59,896              |
| Dated – October 2, 2017                         | 6,135               | 50,309              |
| Dated – October 23, 2017                        | -                   | 47,667              |
| Dated – November 28, 2017                       | 5,998               | 129,948             |
| Dated – December 20, 2017                       | -                   | 169,623             |
| Dated – December 22, 2017                       | -                   | 91,416              |
| Dated – January 17, 2018                        | -                   | 97,930              |
| Dated – January 30, 2018                        | -                   | 277,801             |
| Dated – February 9, 2018                        | 134,931             | -                   |
| Dated – February 20, 2018                       | 6,305               | -                   |
| Dated – March 5, 2018                           | 91,725              | -                   |
| Dated – March 12, 2018                          | 40,600              | -                   |
| Dated – March 20, 2018                          | 138,484             | -                   |
| Dated – March 26, 2018                          | 116,000             | -                   |
| Dated – March 29, 2018                          | 57,837              | -                   |
| Dated – April 9, 2018                           | 92,808              | -                   |
| Dated – April 9, 2018                           | 206,342             | -                   |
| Dated – April 26, 2018                          | 350,758             | -                   |
| Dated – April 27, 2018                          | 134,100             | -                   |
| Total notes payable                             | \$ 1,443,044        | \$ 996,925          |
| Less: debt discount and deferred financing fees | (11,233)            | (309,697)           |
|   | 1,431,811           | 687,228             |
| Less: current portion of notes payable          | 1,431,811           | 687,228             |
| Long-term notes payable                         | -                   | -                   |

The Company recognized amortization expense related to the debt discount and deferred financing fees of \$1,038,486 and \$205,497 for the nine months ended October 31, 2018 and 2017, respectively.

##### *Dated – October 30, 2014*

On October 30, 2014, the Company exercised the comprehensive acquisition agreement of Webrunner, LLC (“Webrunner”) and in the acquisition the Company assumed the debt of RNC Media in the amount of \$10,000. The Note does not have any interest payable and is due upon demand.

##### *Dated – August 4, 2016*

The note was issued to Mr. Doyle Knudson, are subject to annual interest of 15% and are secured by 250,000 shares of common stock. The note matured in February 2017. The total cash proceeds received from the note was \$25,000

##### *Dated – March 10, 2017*

The Company entered into the revenue based factoring agreement with PIRS Capital, LLC. The principal amount of note is \$291,900 and the note includes an original issue discount and financing fee of \$86,499 and the Company received cash of \$205,401. The Company is required to make weekly principal and interest payments of \$5,657 for a period of 51 weeks through February 23, 2018.

*Dated – July 21, 2017*

The Company entered into the revenue based factoring agreement with PIRS Capital, LLC. The principal amount of note is \$170,000 and the note includes an original issue discount and financing fee of \$47,899 and the Company received cash of \$122,101. The Company is required to make weekly principal and interest payments of \$4,404 for a period of 39 weeks through April 20, 2018. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$59,896

*Dated – October 2, 2017*

The Company entered into the revenue based factoring agreement with Powerup Lending Group, Ltd. The principal amount of note is \$240,500 and the note includes an original issue discount and financing fee of \$59,200 and the Company received cash of \$181,300. The Company is required to make principal and interest payments of \$6,135 twice a week.

*Dated – October 23, 2017*

The Company entered into the agreement with Prosperitas Capital, LLC. The principal amount of note is \$143,000 and the note includes an original issue discount and financing fee of \$44,895 and the Company received cash of \$98,105. The Company is required to make daily principal and interest payments of \$1,589 for a period of 90 days. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$47,667

*Dated – November 28, 2017*

The Company entered into the agreement with Arcarius LLC. The principal amount of note is \$199,920 and the note includes an original issue discount and financing fee of \$69,693 and the Company received cash of \$130,227. The Company is required to make daily principal and interest payments of \$1,589 for a period of 90 days.

*Dated – December 20, 2017*

The Company entered into the agreement with Richmond Capital Group. The principal amount of note is \$209,850 and the note includes an original issue discount and financing fee of \$70,686 and the Company received cash of \$139,164. The Company is required to make daily principal and interest payments of \$1,749 for a period of 120 days. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$169,623.

*Dated – December 22, 2017*

The Company entered into the agreement with GTR Source LLC. The principal amount of note is \$111,920 and the note includes an original issue discount and financing fee of \$36,920 and the Company received cash of \$75,000. The Company is required to make daily principal and interest payments of \$932 for a period of 120 days. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$91,416.

*Dated – January 17, 2018*

The Company entered into the agreement with Richmond Capital Group. The principal amount of note is \$111,920 and the note includes an original issue discount and financing fee of \$36,918 and the Company received cash of \$75,002. The Company is required to make daily principal and interest payments of \$1,399 for a period of 120 days. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$97,930.

*Dated – January 30, 2018*

The Company entered into the agreement with Midnight Advance Capital LLC. The principal amount of note is \$279,800 and the note includes an original issue discount and financing fee of \$94,481 and the Company received cash of \$185,319. The Company is required to make daily principal and interest payments of \$1,999 for a period of 140 days. During the nine months ended October 31, 2018, the Company fully repaid the outstanding balance of \$277,801.

*Promissory Notes - Issued in fiscal year 2019*

The total borrowings on notes payable during the nine months ended October 31, 2018 was \$2,047,060 and the note includes an original issue discount and financing fee of \$740,022 and the Company received cash of \$1,307,038. The Company is required to make daily or weekly principal and interest payments. During the nine months ended October 31, 2018, the Company repaid \$1,600,941.

**Notes Payable – related party**

|  | October 31,<br>2018 | January 31,<br>2018 |
|--|---------------------|---------------------|
| Dated – April 23, 2015                 | \$ 194,250          | \$ 194,250          |
| Dated - December 21, 2016              | 350,932             | 350,932             |
| Dated - December 12, 2018              | 25,000              | 25,000              |
| Total notes payable                    | 570,182             | 570,182             |
| Less: current portion of notes payable | 570,182             | 570,182             |
| Long-term notes payable                | \$ -                | \$ -                |

The total principal repayment on related party note payable during the nine months ended October 31, 2018 and 2017 was \$0 and \$196,417, respectively

*Dated – April 23, 2015*

On May 1, 2015, in connection with the acquisition of the assets of Net D Consulting, Inc. (“Net D”), the Company issued a \$350,000 note which bears no interest and matures on October 7, 2016.

*Dated – December 21, 2016*

On December 21, 2016, the Company entered into the new agreement which the company issued a note payable of \$574,252 for payment of the Note dated January 18, 2016. The Note bears interest rate of 7.29% for 1<sup>st</sup> 12 months and then 3.25% for 13 through 18 months. The Company is required to make monthly principal and interest payments of \$226,985 for a period of 18 months through June 20, 2018.

*Dated – December 12, 2017*

The note was issued to Mr. Michael Shader, are subject to annual interest of 20% and are secured by 1 shares of Series D Preferred Stock. The note matured in June 13, 2018. The total cash proceeds received from the note was \$25,000.

## NOTE 5 – CONVERTIBLE NOTES PAYABLE

The Company had the following convertible notes payable outstanding as of October 31, 2018 and January 31, 2018:

|  | October 31,<br>2018 | January 31,<br>2018 |
|--|---------------------|---------------------|
| Promissory Note - Issued August 22, 2014, with a fixed conversion price of \$0.10 per common share or 17,000,000 shares of common stock. | \$ 1,700,000        | \$ 1,700,000        |
| Promissory notes – Issued in fiscal year 2017, with variable conversion features.  | 588,728             | 588,728             |
| Promissory notes – Issued in fiscal year 2018, with variable conversion features.  | 800,649             | 800,649             |
| Promissory notes – Issued in fiscal year 2019, with variable conversion features.  | 155,167             | -                   |
| Total convertible notes payable  | 3,244,544           | 3,089,377           |
| Less: debt discount and deferred financing fees  | (33,626)            | -                   |
|  | 3,210,918           | 3,089,377           |
| Less: current portion of convertible notes payable   | 3,210,918           | 3,089,377           |
| Long-term convertible notes payable  | \$ -                | \$ -                |

The Company recognized amortization expense related to the debt discount and deferred financing fees of \$121,541 and \$1,155,612 for the nine months ended October 31, 2018 and 2017, respectively.

### *Notes in Default*

All convertible notes held by the company are currently in default. During the nine months ended October 31, 2018, the Company did not maintain the covenant requiring the Company to be current with all financial filings. As a result of the breach, the convertible debentures are due on demand. No demand for payment has been made as at October 31, 2018. The terms of default for notes are as follows:

- Default interest rates ranging from 20% to 24 %
- The Conversion Price discount for certain notes shall be permanently increased by 10%
- The Company shall pay an amount equal to the greater of
  - (i) 150% times the sum of the outstanding principal amount of certain Notes plus accrued and unpaid interest on the unpaid principal amount of this Notes to the date of payment (the “Mandatory Prepayment Date”) plus Default Interest.
  - (ii) the “parity value” of the Default Sum to be prepaid, where parity value means (a) the highest number of shares of Common Stock issuable upon conversion of or otherwise pursuant to such Default Sum treating the Trading Day immediately preceding the Mandatory Prepayment Date as the “Conversion Date” for purposes of determining the lowest applicable Conversion Price, unless the Default Event arises as a result of a breach in respect of a specific Conversion Date in which case such Conversion Date shall be the Conversion Date, multiplied by (b) the highest Closing Price for the Common Stock during the period beginning on the date of first occurrence of the Event of Default and ending one day prior to the Mandatory Prepayment Date

During the nine months ended October 31, 2018, the Company recorded default penalty interest of \$60,584 and during the year ended January 31, 2018, the Company recorded default penalty interest of \$348,879.

### *Promissory Note - August 22, 2014*

In connection with the settlement agreement entered into with Doyle Knudson, an investor, in 2014, the Company issued a \$1.8 million convertible promissory note with a fixed conversion price of \$0.10 per share or 18,000,000

shares of common stock. The note is subject to annual interest of 10%, matured in August 2015 and is currently past due. In May and December 2015, a total of \$100,000 note principal was transferred to another lender.

The Company initially recorded a discount on the convertible note due to a beneficial conversion feature of \$358,200 and fully amortized for the year ended January 31, 2016. Due to the variable conversion rates in the other convertible notes (see below), the \$1,700,000 balance of the note became tainted and the embedded fixed conversion option was bifurcated and accounted for as a derivative liability.

#### *Promissory Notes - Issued in fiscal year 2017*

During the year ended January 31, 2017, the Company issued a total of \$1,266,417 notes with the following terms:

- Terms ranging from 9 months to 20 months
- Annual interest rates ranging from 8% to 12%
- Convertible at the option of the holders either at issuance or 180 days from issuance.
- Conversion prices are typically based on the discounted (50% to 60% discount) lowest trading prices of the Company's shares during various periods prior to conversion. Certain notes allow for the conversion price to be a floor of \$0.0005 and \$0.00005 per share.

Certain notes allow the Company to redeem the notes at rates ranging from 118% to 150% depending on the redemption date provided that no redemption is allowed after the 180<sup>th</sup> day. Likewise, certain notes include original issue discounts and deferred financing cost totaling to \$146,976. The Company received cash of \$785,858. During the year ended January 31, 2017, the Company repaid notes with principal amounts totaling to \$33,333 and a total of \$5,517 accrued interest was also added to principal.

The Company determined that the conversion feature met the definition of a liability in accordance with ASC Topic No. 815 - 40, Derivatives and Hedging - Contracts in Entity's Own Stock and therefore bifurcated the embedded conversion option once the note becomes convertible and accounted for it as a derivative liability. The fair value of the conversion feature was recorded as a debt discount and amortized to interest expense over the term of the note.

The Company valued the conversion feature using the Black Scholes valuation model. The fair value of the derivative liability for all the notes that became convertible, including the notes issued in prior years, during the year ended January 31, 2017 amounted to \$3,245,991. \$1,356,692 of the value assigned to the derivative liability was recognized as a debt discount to the notes while the balance of \$1,889,299 was recognized as a "day 1" derivative loss.

#### *Promissory Notes - Issued in fiscal year 2018*

During the year ended January 31, 2018, the Company issued a total of \$556,822 of promissory notes with the following terms:

- Terms ranging from 9 months to 12 months
- Annual interest rates ranging from 10% to 12%
- Convertible at the option of the holders either at issuance.
- Conversion prices are typically based on the discounted (40% to 50% discount) lowest trading prices of the Company's shares during various periods prior to conversion.

Certain notes allow the Company to redeem the notes at rates ranging from 120% to 150% depending on the redemption date provided that no redemption is allowed after the 180<sup>th</sup> day. Likewise, certain notes include original issue discounts totaling to \$20,600 and the Company received cash of \$144,500 and replaced old notes and accrued interest of \$283,063.

The Company determined that the conversion feature met the definition of a liability in accordance with ASC Topic No. 815 - 40, Derivatives and Hedging - Contracts in Entity's Own Stock and therefore bifurcated the embedded

conversion option once the note becomes convertible and accounted for it as a derivative liability. The fair value of the conversion feature was recorded as a debt discount and amortized to interest expense over the term of the note.

The Company valued the conversion feature using the Black Scholes valuation model. The fair value of the derivative liability for all the notes that became convertible during the year ended January 31, 2018 amounted to \$1,254,497. \$536,222 of the value assigned to the derivative liability was recognized as a debt discount to the notes, \$240,659 was recognized as a “day 1” derivative loss and \$166,975 was recognized as gain on settlement of debt and \$644,591 offset the fair value of the derivative liability that related to the notes that were replaced by the new notes.

#### *Promissory Notes - Issued in fiscal year 2019*

During the nine months ended October 31, 2018, the Company issued a total of \$155,167 of promissory notes with the following terms:

- Term 9 months
- Annual interest rates ranging from 10% to 12%
- Convertible at the option of the holders either at issuance or 180 days from issuance.
- Conversion prices are typically based on the discounted (40% discount) lowest trading prices of the Company’s shares during various periods prior to conversion.

Certain notes allow the Company to redeem the notes at rates ranging from 120% to 145% depending on the redemption date provided that no redemption is allowed after the 180<sup>th</sup> day. Likewise, certain notes include original issue discounts (“OID”) totaling to \$11,333 and the Company received cash of \$109,834 and replaced old notes and accrued interest of \$283,063. In addition, the Company issued a convertible note of \$34,000 with OID and financing cost of \$4,400 to pay operating expenses.

The Company determined that the conversion feature met the definition of a liability in accordance with ASC Topic No. 815 - 40, Derivatives and Hedging - Contracts in Entity’s Own Stock and therefore bifurcated the embedded conversion option once the note becomes convertible and accounted for it as a derivative liability. The fair value of the conversion feature was recorded as a debt discount and amortized to interest expense over the term of the note.

The Company valued the conversion feature using the Black Scholes valuation model. The fair value of the derivative liability for all the notes that became convertible during the nine months ended October 31, 2018 amounted to \$327,219. \$139,434 of the value assigned to the derivative liability was recognized as a debt discount to the notes, \$187,785 was recognized as a “day 1” derivative loss.

#### **NOTE 6 – DERIVATIVE LIABILITIES**

The Company analyzed the conversion option for derivative accounting consideration under ASC 815, Derivatives and Hedging, and hedging, and determined that the instrument should be classified as a liability since the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

ASC 815 requires we assess the fair market value of derivative liability at the end of each reporting period and recognize any change in the fair market value as other income or expense item.

The Company determined our derivative liabilities to be a Level 3 fair value measurement and used the Black-Scholes pricing model to calculate the fair value as of October 31, 2018. The Black-Scholes model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate. Changes to these inputs could produce a significantly higher or lower fair value measurement. The fair value of each convertible note is estimated using the Black-Scholes valuation model. The following weighted-average assumptions were used in the October 31, 2018 and January 31, 2018:

|                             | <b>Nine Months Ended<br/>October 31, 2018</b> | <b>Year Ended<br/>January 31, 2018</b> |
|-----------------------------|---|--|
| Expected term               | 0.04 - 0.75 years                             | 0.01 - 0.88 years                      |
| Expected average volatility | 301% - 1295%                                  | 0% - 483%                              |
| Expected dividend yield     | -   | -                                      |
| Risk-free interest rate     | 1.65% - 2.49%                                 | 0.51% - 1.46%                          |

At October 31, 2018, the estimated fair values of the liabilities measured on a recurring basis are as follows:

| October 31, 2018                              | Level 1     | Level 2     | Level 3             | Total               |
|---|-------------|-------------|---------------------|---------------------|
| Promissory Note – Issued August 22, 2014      | \$ -        | \$ -        | \$ 425,000          | \$ 425,000          |
| Promissory Notes – Issued in fiscal year 2017 | -           | -           | 1,539,739           | 1,539,739           |
| Promissory Notes – Issued in fiscal year 2018 | -           | -           | 1,429,049           | 1,429,049           |
| Promissory Notes – Issued in fiscal year 2019 | -           | -           | 214,872             | 214,872             |
| Total derivative liabilities                  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,608,660</u> | <u>\$ 3,608,660</u> |

The following table summarizes the changes in the derivative liabilities during the nine months ended October 31, 2018:

| Fair Value Measurements Using Significant Observable Inputs (Level 3) |                     |
|---|---------------------|
| Balance - January 31, 2018  | \$ 2,780,153        |
| Addition of new derivatives recognized as debt discounts              | 139,434             |
| Addition of new derivatives recognized as loss on derivatives         | 187,785             |
| Loss on change in fair value of the derivative                        | 501,288             |
| Balance - October 31, 2018  | <u>\$ 3,608,660</u> |

The following table summarizes the loss on derivative liability included in the income statement for the nine months ended October 31, 2018 and 2017, respectively.

|   | Nine months ended<br>October 31, |                   |
|---|----------------------------------|-------------------|
|   | 2018                             | 2017              |
| Day one loss due to derivative liabilities on convertible notes | \$ 187,785                       | \$ 240,659        |
| Loss on change in fair value of the derivative liabilities      | 501,288                          | 544,892           |
| Loss on change in the fair value of derivative liabilities      | <u>\$ 689,073</u>                | <u>\$ 785,551</u> |

## NOTE 7 – EQUITY

### Preferred Stock

#### *Series A Preferred Stock*

There were no issuances of the Series A Preferred Stock during the nine months ended October 31, 2018.

As of October 31, 2018 and January 31, 2018, 1,000 shares of Series A Preferred Stock were issued and outstanding, respectively.

#### *Series B Convertible Preferred Stock*

There were no issuances of the Series B Preferred Stock during the nine months ended October 31, 2018.

As of October 31, 2018 and January 31, 2018, 75,187,500 shares of Series B Preferred Stock were issued and outstanding, respectively.

#### *Series C Convertible Preferred Stock*

There were no issuances of the Series C Preferred Stock during the nine months ended October 31, 2018.

As of October 31, 2018 and January 31, 2018, 16 shares of Series C Preferred Stock were issued and outstanding, respectively.

The Company determined the Series C Convertible Preferred Stock is considered to be contingently redeemable convertible and as a result, has been classified as mezzanine equity in the Company's balance sheet, as of October 31, 2018 and January 31, 2018.

#### *Series D Convertible Preferred Stock*

There were no issuances of the Series D Preferred Stock during the nine months ended October 31, 2018.

As of October 31, 2018 and January 31, 2018, 31 shares of Series D Preferred Stock were issued and outstanding, respectively.

The Company determined the Series D Convertible Preferred Stock is considered to be contingently redeemable convertible and as a result, has been classified as mezzanine equity in the Company's balance sheet, as of October 31, 2018 and January 31, 2018.

### **Common stock**

The Company is authorized to issue 200,000,000 shares of common stock at a par value of \$0.001.

During the nine months ended October 31, 2018, the Company issued common shares, as follows:

- 93,977 common shares were issued for the adjustment of reverse stock split

As of October 31, 2018, and January 31, 2018, 2,631,196 and 2,537,219 shares of common stock were issued and outstanding, respectively.

### **Warrants and Options**

#### *Warrants*

As of October 31, 2018, and January 31, 2018, there are no warrants outstanding.

#### *Options*

The Company has 9,100,000 options issued in connection with the acquisition of Webrunner.

The following table summarizes information relating to outstanding and exercisable stock options as of October 31, 2018:

| <u>Options Outstanding</u> |  |
|----------------------------|--|
| <u>Shares</u>              | <u>Weighted<br/>Average<br/>Exercise</u> |

|                               |                  | <b>Price</b>   |
|-------------------------------|------------------|----------------|
| Outstanding, January 31, 2018 | 9,100,000        | \$ 0.10        |
| Granted                       | -                | -              |
| Exercised                     | -                | -              |
| Forfeited/canceled            | -                | -              |
| Outstanding, October 31, 2018 | <u>9,100,000</u> | <u>\$ 0.10</u> |

| <b>Options Outstanding</b> |   |  | <b>Options Exercisable</b> |  |
|----------------------------|---|--|----------------------------|--|
| <b>Number of Shares</b>    | <b>Weighted Average Remaining Contractual life (in years)</b> | <b>Weighted Average Exercise Price</b> | <b>Number of Shares</b>    | <b>Weighted Average Exercise Price</b> |
| 9,100,000                  | 1.00  | \$ 0.10                                | 9,100,000                  | \$ 0.10                                |

The options have intrinsic value of \$0 at October 31, 2018.

#### **NOTE 8 – CONTINGENCIES**

The Company is a party to various legal claims which have arisen in the normal course of business, none of which are expected to have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

#### **NOTE 9 – RELATED PARTY TRANSACTIONS**

During the nine months ended October 31, 2018 and 2017, the Company paid a total of \$165,218 and \$179,850 consulting fees to the company's officers.

As of October 31, 2018, and January 31, 2018, the amount owed to the company's officers was \$409,289 and \$229,289, respectively.

As of October 31, 2018, and January 31, 2018, the Company has outstanding notes payable to Net D totaling to \$545,182 and \$545,182, respectively, in connection with the Company's acquisition of Connexum and certain assets of Net D (see Note 5). The sole owner of Net D is a director of the Company. Net D also performs certain services for the Company in connection with the latter's Carrier Services business. During the nine months ended October 31, 2018, the Company incurred total fees in connection with such services of \$3,689. As of October 31, 2018, and January 31, 2018, the Company has an outstanding receivable to Net D of \$34,859 and payable to Net D of \$227,284, respectively.