

Rainforest Resources Inc.

Florida
316 Tarpon Street Anna Maria, Florida 34218
Telephone: 941 404 8841
Corporate Website: www.rainforestresourcesinc.com
SIC Codes: Primary: 0811 (Timber tracts)
Secondary: 5199 (Wholesale non-durable goods)

Annual Disclosure Statement **For the period ending September 30, 2020** **unaudited**

The number of shares outstanding of our Common Stock is 47,626,239 as of Dec .31, 2019
The number of shares outstanding of our Common Stock was 47,626,239 as of Sept. 30 2020

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:

Yes: No:

Yes: No:

We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.”

Part A General Company Information

Item 1 **Rainforest Resources Inc.**

Item 2 **The address of the issuer's principal executive offices.**

Company Headquarters
Address: 316 Tarpon Street Anna Maria, Florida 34218
Phone: 941-404-8814
E-Mail: www.rainforestresourcesinc.com

IR Contact

Wellington-Cooke Corporate Services Ltd.
65 Lillian Street, Suite 110 Toronto, Ont., Canada M4S 0A1
Phone : (416) 464-7484
E-Mail : pc@rainforestresourcesinc.com

Item 3 **The jurisdiction(s) and date of the issuer's incorporation or organization.**

State of Florida 1992 (active).

Part B Share Structure

Item 4 Common Shares:
Preferred Shares Series A, B, C, and D:
CUSIP: 75087K 103
Trading Symbol: RRIF.QB

Item 5 **Par or stated value and description of the security.**

A. Common Stock: Par Value: .0001
 Preferred Stock. .0001

Common Stock: 1,000,000,000 authorized
Preferred Stock: 150,000 authorized
Preferred Stock Outstanding: 1 Series D.
Initial Value: .0001

Series D Preferred shares: 100,000 authorized at \$.0001 value per share.

Describe any other material rights of common or preferred stockholders.

1. Series C Convertible Preferred Stock has ten votes per Series C Convertible Preferred Stock convertible 1:1 for common stock after one year from date of issue,

2. Series D Preferred shares: 100,000 authorized at \$.0001 value per share.

If at least one share of Series D Preferred Stock is issued and outstanding, then the total aggregate

issued shares of Series D Preferred Stock at any given time, regardless of their number, shall be convertible into the number of shares of Common Stock, which equals four times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of conversion, plus ii) the total number of shares of Series A and B and Series C Preferred Stocks which are issued and outstanding at the time of conversion.

3. None.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

- (i) Total common shares authorized: 1,000,000,000 as of Dec. 31, 2019.
Total common shares outstanding: 47,626,239 as of: September 30, 2020
Freely trade-able shares (public float): 6,725,835 as at Sept. 30,2020.
Number of beneficial shareholders owning at least 100 shares: 55. Total number of shareholders of record: 60 as at Dec 31, 2019.
- (ii) Total common shares outstanding: 47,626,239 as of: Dec. 31, 2019. Total common shares outstanding: 47,626,239 as of: Sept..30, 2020.

Total Preferred shares authorized: 150,000

Total Preferred shares outstanding: 1 Series D.

Item 7 The name and address of the transfer agent.

Standard register and Transfer Co.
440 East 400 South,
Suite 200 Salt Lake City, UT 84111
Phone: (801) 571-8844
The Transfer Agent is registered under the Exchange Act

Part C Business Information

Item 8 The nature of the issuer's business.

The main purpose of RAINFOREST Resources Inc. is to produce Carbon Credits for to be sold to companies internationally that require Carbon Credits to avoid sanctions as stipulated by the Kyoto Protocol and reaffirmed in the Paris meeting of December 2015.

The company has negotiated the purchase of 32,000 +/- hectares which are privately owned properties, located within the following boundaries: Mountain chain Flautas north, Paztaza river to the South, River Llushín West and River Cristal East, in the Republic of Ecuador. The area abounds with commodities and more important resources for future biodiversity, a forest that produces immense quantities of pure oxygen and CO2 sequestration.

The company has also identified natural springs on the acquired properties and is evaluating the profitability of exporting the natural spring water.

Rainforest Resources is a Florida Corporation formed in 1992, its fiscal year end is Dec. 31.

The issuer nor any of its predecessors has been in bankruptcy, receivership or any similar proceeding;

1. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;
None.
2. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;
No.
3. any change of control;
No.
4. any increase of 10% or more of the same class of outstanding equity securities;
No.
5. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;
No.
6. any delisting of the issuer's securities by any securities exchange;
No. and;
7. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.
None.

B. Business of Issuer.

1. the issuer's primary and secondary SIC Codes; **Primary: 0811 (Timbertracts) Secondary: 5199 (Wholesale non-durable goods)**
2. the issuer is in the development stage; **The company is in the development stage in need of substantial additional capital to reach an operating stage.**
3. *the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement*; **1. Rain Forest Ecuador- Ecuador-Holding Co. 99% owned by Rainforest Resources Inc. 2. Rain Forest Enterprises Ltd.- Ecuador-Holding Co. 99% owned by Rainforest Resources Inc.**

4. *the effect of existing or probable governmental regulations on the business;* **There are no existing or probable governmental regulations on the business currently.**

1. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;* **The company has spent approximately \$550,000. USD in the last two fiscal years on research and development activities, these costs have been borne by the company.**

2. *costs and effects of compliance with environmental laws (federal, state and local);* **The company is compliant with all costs and effects of compliance with environmental laws (federal, state and local);** and

3. *the number of total employees and number of full-time employees.* **The company has one full time employee and retains independent 3rd. party consultants.**

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets; **Development and issuance and sale of Carbon Credit Certificates. (“CCC”).**

- B. distribution methods of the products or services; **Sold via; (example: <https://www.sendeco2.com/es/precios-co2>). and other CCC exchanges.**

- C. status of any publicly announced new product or service; **None at time of writing.**

- D. competitive business conditions, the issuer’s competitive position in the industry, and methods of competition; **At present the Rainforest Resources Inc. is the only publicly traded company developing Carbon Credit Certificates. (“CCC”) in Ecuador.**

- E. sources and availability of raw materials and the names of principal suppliers; **N/A**
dependence on one or a few major customers;
the company is not dependent on one or a few major customers.
patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration;
The company has no; patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts. and
the need for any government approval of principal products or services and the status of any requested government approvals
The company is compliant with all government approvals required.

Item 10 The nature and extent of the issuer's facilities.

The Company's corporate headquarters are located at 316 Tarpon Street Anna Maria, Florida, 34218. Our monthly rental is US \$500.00 paid annually. The Company leases the corporate office space in Quito Ecuador on an annual lease. There is a written document evidencing our lease. Our lease is contractual. Our monthly rental is US \$450.00 USD. The company through its subsidiaries owns 32,000 +0r- hectares of rain forest land in Ecuador.

Part D Management Structure and Financial Information

Item 11 The name of the chief executive officer, members of the board of directors, as well as control persons.

Michael Nilsson - CEO

Carlos Roberto Davalos Duran - CFO

Victor Hugo Macias – Chairman, VP Operations Ecuador

Christopher George Penderok - COO, Director

Pranpravee Tason - Independent Director, Audit Committee Member

Francis Philippe Gerber - Independent Director, Audit Committee Member

SKM GLOBAL TRADING Ltd., 27,000,000 restricted 144 common shares.

**SKM Global Trading Ltd. 1234 Tortola, P.O. Box 146,
Road Town, British Virgin Island**

**KUMO Holding Ltd. 1 Series D Preferred share. Director: Dr. Frank
Chetcuti Dimech 25/23 Vincenti Buildings, Strait Street, Valletta VLT 1432,
Malta, Tel: +356 2122 3334**

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement:

1. Full name; **Michael Nilsson, born 1963 Swedish citizen**
 2. Business address; **Shangri-La Residence Apartment 1360 89 Soi Wat Suan Plu, Bangrak, Bangkok 10500 Thailand**
 3. Employment history; **1998 – 2018 Gadd & Cie SA, Geneva, Switzerland Independent Portfolio Manager International asset management for private clients, trusts and foundations.**
 4. Board memberships and other affiliations; **President – CEO.**
 5. Compensation by the issuer; **None currently.** and
 6. Number and class of the issuer's securities beneficially owned. **None.**
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1. Full name **Carlos Roberto Davalos Duran, 08.09.1982, Ecuatoriano**
 2. Business address: **Ave. Ilalo 237 and Garcia Moreno, Quito, Pichincha, 170801**
 3. Employment history **2007-2018 Financial & Economic Analysis UNIT (UAFE), 2018-2019 ATTORNEY GENERAL'S OFFICE, Quito as Financial Expert.**
 4. Board memberships and other affiliations; **Director & CFO**
 5. Compensation by the issuer; **None at present.**
 6. Number and class of the issuer's securities beneficially owned. **None.**
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1. Full name; **Víctor Hugo Macías Almeida**, December 7 1974, Ecuatoriano.
 2. Business address; **Cristóbal Sandoval OE3-26 y Av. La Prensa Quito Ecuador.**
 3. Employment history; **2011 - 2015 Arista Gestoría Organizacional as Director of the international Department in charge of: International Clients, Technical Translations, in charge of websites: www.icontable.com ; www.arista.com.ec 2014 in charge of the contacts for the 1st Accounting Congress of Ecuador in October and contacts for CReCER 2015. 2015-2016 Private consultant, of Rain Forest Resources in Ecuador. 2016 – to date.**
 4. Board memberships and other affiliations; **Director – COB Rainforest Resources Inc. and General Manager for Rainforest Ecuador,**
 5. Compensation by the issuer; **\$36,000.USD annually.** and
 6. Number and class of the issuer's securities beneficially owned. **None.**
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1. Full name: **Christopher George Penderok**, July 15 1959, German.
 2. Business address: **Siegfried-Drupp-Strasse 52, 44328 Dortmund, Germany.**
 3. Employment history; **Owner and freelance mandate since 2001 present date, has severed several company as COO and general manager administration and technical consultant..**
 4. Board memberships and other affiliations; **Director – CEO**
 5. Compensation by the issuer; **None at present.**
 6. Number and class of the issuer's securities beneficially owned. **None.**

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
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;
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.
No.

C. Disclosure of Family Relationships.
None.

D. Disclosure of Related Party Transactions.
None.

Item 12 **Financial information for the issuer's most recent fiscal period.**
The issuers financial statements are incorporated by reference at;
<https://www.otcmarkets.com/stock/RRIF/disclosure>, **Annual Report - RRIF Audited Financial Statements 03/31/2020**

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity (for Annual Reports only);
- 5) financial notes;
- 6) Auditors report.

Item 13 Similar financial information for such part of the two preceding fiscal years.
Such financial statements are incorporated by reference;
<https://www.otcmarkets.com/stock/RRIF/disclosure>, **Annual Report - RRIF Audited Financial Statements 2016, 2017, 2018. 2019**

Item 14 Beneficial Owners.

Shareholder	Address	# of Shares	Class of Shares	% at 12/31/16	Contact
SKM GLOBAL TRADING Ltd.	1234 Tortola, P.O. Box 146, Road Town, British Virgin Island	27,000,000	Common Restricted	56.7%	Kurt Schaefer kurt.schaefer@skmglobal.com
Creative Asset Management	10 Anson Road 26-08 International Plaza, Singapore	3,500,000	Common Restricted	7.349%	Mr. Gea Ban Pang Tel: +65 62222290 Email: info@linkmgt.com

Item 15 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker - **None**
2. Promoter – **None**
3. Securities Counsel – **Brenda Hamilton
Hamilton & Associates Law Group 101
Plaza Real S, Suite 202N Boca
Raton, Florida 33432
T – (516) 416-8956
Email: bhamilton@securitieslawyer101.com**
4. Accountant or Auditor
**Accountant – Delong Zhou - CPA
2115 Concord Pike, Suite 209, Wilmington, DE 19803
(302) 256-0124
Email: delongcpa@yahoo.com
Provides accounting services and assists management in the preparation of financial statements for quarterly reporting and year end. Licensed in Delaware.**

**Auditor – Moore Stevens Lovelace, P.A. 701
Brickell Avenue, Suite 550,
Miami, Florida 33131
T- 305 819 9555
Email: www.mslcpa.com Licensed in Florida.
Prepares audited financials.**

5. Investor Relations Consultant - **Patti Cooke Firm:**
Wellington Cooke Corporate Services
Address: 65 Lillian Street, Suite 110, Toronto, Ont. M4S 0A1 CA
Phone+14164647484
Email: patticooke55@gmail.com
6. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.
None.

Item 16 Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation.

- i. **The issuer can satisfy its current cash requirements however, it may have to raise additional funds in the next twelve months;**
- ii. **The issuer will continue with the Carbon Credit audit process to have Carbon Credit certificates issued to the company.**
- iii. **The company has no expected purchase or sale of plant and significant equipment; and**
- iv. **The company does not anticipate any significant changes in the number of employees in the next 6 months.**

C. Off-Balance Sheet Arrangements.
NONE

Part E Issuance History

- Item 17** List of securities offerings and shares issued for services in the past two years.
None.

Part F Exhibits
None

Item 19 Articles of Incorporation and Bylaws.

Articles are incorporated by reference and may be viewed at

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=RAINFORESTRESOURCES%20P920000040647&aggregateId=domp-p92000004064-29524343-1939-43bf-9082-5ab6f0030775&searchTerm=rainforest%20resources%20Inc.&listNameOrder=RAINFORESTRESOURCES%20P920000040647>



FL-Corporate-Bylaws.

**Item 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.
None.**

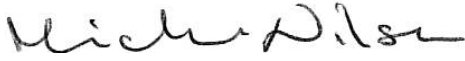
Item 21 Issuer's Certifications.

I, Michael Nilsson, certify that: I have reviewed this quarterly disclosure statement of Rainforest Resources Inc.;

1. 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

2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 30, 2020



Michael Nilsson
President & CEO

Rainforest Resources Inc.
Condensed Consolidated Balance Sheets

<u>Assets</u>	September 30, 2020 (Unaudited)	December 31, 2019
Current assets:		
Cash	\$ 413,654	\$ 24,065
Prepaid expenses	9,646	6,697
Certificate of deposit	-	11,617
Total current assets	<u>423,300</u>	<u>42,379</u>
Equipment, net of accumulated depreciation of \$10,076 and \$6,044, respectively	24,004	28,036
Land - Morona Santiago Province, Ecuador	3,157,221	3,157,221
Security deposits	<u>1,450</u>	<u>1,450</u>
Total Assets	<u>\$ 3,605,975</u>	<u>\$ 3,229,086</u>
 <u>Liabilities and Stockholders' Deficit</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,419,614	\$ 1,551,171
Advanced deposits	43,920	43,920
Due to related parties	3,563,673	2,785,162
Notes payable	226,466	226,466
Short term loan payable	11,615	-
Total current liabilities	<u>5,265,288</u>	<u>4,606,719</u>
Commitments and Contingencies	-	-
Stockholders' Deficit:		
Preferred Stock: 150,000,000 authorized, no par value		
Series C Preferred Stock, no par value: 0 shares issued and outstanding	-	-
Series D Preferred Stock, no par value: 1 share issued and outstanding	-	-
Common Stock, no par value: 1,000,000,000 Common Shares authorized; 47,626,239 shares issued and outstanding, as of September 30, 2020 and December 31, 2019, respectively.	5,564,793	5,564,793
Additional paid-in capital	2,722,869	2,722,869
Accumulated deficit	<u>(9,946,975)</u>	<u>(9,665,295)</u>
Total Stockholders' Deficit	<u>(1,659,313)</u>	<u>(1,377,633)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 3,605,975</u>	<u>\$ 3,229,086</u>

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

Rainforest Resources Inc.
Condensed Consolidated Statements of Operations (Unaudited)

	For The Three Months Ended		For The Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Revenue	\$ -	\$ -	\$ -	\$ -
Cost of Revenue	-	-	-	-
Gross Profit	-	-	-	-
Operating Expenses:				
Wages and compensations	12,015	26,886	58,710	57,628
Professional fees	16,320	26,445	75,399	51,489
Depreciation expense	1,344	1,188	4,032	3,522
Other general and administrative	66,796	39,216	110,273	143,566
Total Operating Expenses	96,475	93,735	248,414	256,205
Loss from Operations	(96,475)	(93,735)	(248,414)	(256,205)
Other Income (Expenses):				
Interest income (expense), net	168	2	172	347
Interest expense - judgments	(4,585)	(5,101)	(14,754)	(14,859)
Interest expense - notes payable	(6,228)	(6,229)	(18,684)	(18,684)
Total Other Expenses	(10,645)	(11,328)	(33,266)	(33,196)
Net Loss	<u>\$ (107,120)</u>	<u>\$ (105,063)</u>	<u>\$ (281,680)</u>	<u>\$ (289,401)</u>
Net Loss per Common Share - Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted Average Number of Common Shares Basic and Diluted	<u>47,626,239</u>	<u>47,626,239</u>	<u>47,626,239</u>	<u>47,626,239</u>

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

Rainforest Resources Inc.
Condensed Consolidated Statement of Stockholders' Deficit (Unaudited)
For the Nine Months Ended September 30, 2020 and 2019

	Preferred Stock, No Par Value		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' deficit
	Number of Shares		Number of Shares	Amount			
	Series C	Series D					
<u>For the Nine Months Ended September 30, 2020</u>							
Balance - December 31, 2019	-	1	47,626,239	\$ 5,564,793	\$ 2,722,869	\$ (9,665,295)	\$ (1,377,633)
Net loss for the three months ended March 31, 2020	-	-	-	-	-	(101,363)	(101,363)
Net loss for the three months ended June 30, 2020	-	-	-	-	-	(73,197)	(73,197)
Net loss for the three months ended September 30, 2020	-	-	-	-	-	(107,120)	(107,120)
Balance at September 30, 2020 (Unaudited)	-	1	47,626,239	\$ 5,564,793	\$ 2,722,869	\$ (9,946,975)	\$ (1,659,313)
<u>For the Nine Months Ended September 30, 2019</u>							
Balance - December 31, 2018	-	1	47,626,239	\$ 5,564,793	\$ 2,722,869	\$ (9,157,968)	\$ (870,306)
Net loss for the three months ended March 31, 2019	-	-	-	-	-	(90,463)	(90,463)
Net loss for the three months ended June 30, 2019	-	-	-	-	-	(93,875)	(93,875)
Net loss for the nine months ended September 30, 2019	-	-	-	-	-	(105,063)	(105,063)
Balance at September 30, 2019 (Unaudited)	-	1	47,626,239	\$ 5,564,793	\$ 2,722,869	\$ (9,447,369)	\$ (1,159,707)

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

Rainforest Resources Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	For the Nine Months Ended September 30,	
	2020	2019
<u>Cash Flows from Operating Activities</u>		
Net Loss	\$ (281,680)	\$ (289,401)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,032	3,522
Increase in prepaid expenses	(2,949)	(12,005)
Decrease in security deposit	-	1,534
(Decrease) increase in accounts payable and accrued liabilities	(131,557)	99,539
Net cash used in operating activities	(412,154)	(196,811)
<u>Cash Flows from Investing Activities</u>		
Purchase of equipment	-	(624)
Return of certificate of deposit	11,617	-
Net cash provided by (used in) investing activities	11,617	(624)
<u>Cash Flows From Financing Activities</u>		
Proceeds from related parties, net	778,511	125,777
Short term loan proceeds	11,615	-
Net cash provided by financing activities	790,126	125,777
Net decrease in cash	389,589	(71,658)
Cash and cash equivalents at beginning of period	24,065	116,222
Cash and cash equivalents at end of period	\$ 413,654	\$ 44,564
<u>Supplemental Cash Flow Information:</u>		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

RAINFOREST RESOURCES INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
For the Nine Months Ended September 30, 2020

NOTE 1. NATURE OF OPERATIONS

Organization and Description of Business

Rainforest Resources Inc. (the “Company” or “RRIF”) was incorporated in the state of Florida on November 13, 1992 under the name Innovative Technology Systems Inc. (“ITS”). On January 12, 2000, ITS changed its name to Stanfield Educational Alternatives, Inc. (“SEA”). On November 18, 2003, SEA changed its name to North American Liability Group, Inc. (“NALG”). On April 19, 2005, NALG changed its name to NorMex Steel Inc. (“NMS”). On June 20, 2006, NMS changed its name to BioChem Solutions Inc. (“BCS”). On November 30, 2009, BCS changed its name to Balmoral FX Systems Inc. (“BFXS”). On March 29, 2012, BFXS changed its name to Amalgamated Gold and Silver Inc. (“AGS”). On December 10, 2015, AGS changed its name to Rainforest Resources Inc.

On March 24, 2016, RRIF acquired a 99% interest in the following Ecuador corporations: Sociedad Civil Y Comercial Sumak Sacha Rainforest, Servicios Ambientales Rainforest Ecuador RFEE S.A., and Rainforest Enterprise RFE S.A. (the “Ecuador Corporations”) in exchange for the issuance of a total of 5,500,000 shares of RRIF Common Stock to entities controlled by SKM Global Trading Ltd. (“SKM”). These Ecuador Corporations own a total of approximately 11,344 hectares of rainforest land in the Morona Santiago Province of Ecuador and are also in the process of completing registration of ownership for an additional 3,178 hectares of rain forest land in the Esmeraldas Province of Ecuador (see Note 4). The remaining 1% minority ownership of the Ecuador Corporations is owned by a RRIF Director (Ecuador citizen) pursuant to Ecuador laws.

The Company plans to commercialize the natural spring water located on the properties in Ecuador for export, develop a carbon credit certification program for its rainforest properties, and acquire new rain forest properties if it can obtain sufficient resources to execute its plans.

NOTE 2. GOING CONCERN UNCERTAINTY

The condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. At September 30, 2020, the Company had working capital deficiency of approximately \$4,842,000. Further, the Company has not generated revenues in several years, has no current revenue sources, and had an accumulated deficit of approximately \$9,947,000 as of September 30, 2020. These factors raised substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments that might result from this uncertainty.

The continued existence of the Company is dependent upon its ability to obtain sufficient financing to execute its business plan and upon future profitable operations. Management has plans to seek additional capital through a private placement of its Common Stock and utilize the additional capital to commence the sales of natural spring water and launch the carbon credit certificate program on the rainforest properties being acquired by the Ecuador Corporations. There can be no assurance that management will be successful in the execution of its plans. The accompanying condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Information

The accompanying unaudited consolidated financial statements are condensed. Accordingly, they may not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary for a fair presentation. Operating results for the nine-month ended September 30, 2020 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2020.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Rainforest Resources Inc. and its subsidiaries in Ecuador, which include Sociedad Civil Y Comercial Sumak Sacha Rainforest, Servicios Ambientales Rainforest Ecuador RFEE S.A., and Rainforest Enterprise RFE S.A. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and are expressed in U.S. dollars.

Use of Estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments

U.S. GAAP defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement, and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or 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, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying amounts reported in the condensed consolidated balance sheets for the certificates of deposit and current liabilities qualify as financial instruments and are a reasonable estimate of fair value because of their short duration.

Cash and Cash Equivalents

The Company considers all highly liquid instruments, with original maturities of three months or less when acquired, to be a cash equivalent.

Equipment

Equipment is stated at historical cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment on an annual basis or more often, whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. For long-lived assets to be held and used, the Company recognizes an impairment loss only if its carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and estimated fair value. No such impairment loss was recorded in the three and nine months ended September 30, 2020 and 2019.

Comprehensive Income (Loss)

For the three and nine months ended September 30, 2020 and 2019, comprehensive loss is equal to net loss.

Risk Management

Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash and cash equivalents, and certificates of deposit. The Company maintains its cash accounts and certificates of deposit in one domestic financial institution and one Ecuador financial institution. Cash and cash equivalents balances may, from time to time, exceed insured limits.

Reporting Segments and Geographic Areas

The Company does not currently have any revenue-generating operations, accordingly, there are no business segments to report. The majority of the Company's assets are located in Ecuador. Approximately \$33,000 and \$75,000 of the net loss incurred for the three months ended September 30, 2020 was attributable to the United States of America ("U.S.") and Ecuador, respectively. Approximately \$137,000 and \$145,000 of the net loss incurred for the nine months ended September 30, 2020, was attributable to the U.S. and Ecuador, respectively. Approximately \$47,000 and \$58,000 of the net loss incurred for the three months ended September 30, 2019 was attributable to the U.S. and Ecuador, respectively. Approximately \$114,000 and \$175,000 of the net loss incurred for the nine months ended September 30, 2019 was attributable to the U.S. and Ecuador, respectively.

Stock-Based Compensation

Stock-based compensation is measured at fair value at the grant date and is recognized as an expense over the service period.

Income Taxes

The Company accounts for income taxes under the assets and liability method, which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the consolidated financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company computes tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses has not been recognized in these consolidated financial statements because the Company cannot be assured that it is more likely than not that it will generate taxable income in future years and be able to utilize the net operating losses carried forward.

Income (Loss) Per Common Share

The Company reports net income (loss) per share in accordance with U.S. GAAP, which requires dual presentation of basic and diluted net income (loss) per share. Basic net income (loss) per share is based on the weighted average number of shares outstanding during the periods presented. Diluted net income (loss) per share is computed using the weighted average number of Common Shares plus dilutive common share equivalents outstanding during the period. Dilutive instruments (such as convertible notes payable and convertible Preferred Stock) have not been included in the diluted net loss per common share calculations for the periods presented, as their effect is antidilutive due to net losses generated. There was one anti-dilutive Series D preferred share in the nine months ended September 30, 2020 and the year ended December 31, 2019.

Recent Accounting Pronouncements

Certain accounting pronouncements have been issued by the FASB and other standard setting organizations which are not yet effective and therefore have not yet been adopted by the Company. The impact on the Company's financial position and results of operations from adoption of these standards is not expected to be material.

NOTE 4. LAND IN ECUADOR

Morona Santiago Province of Ecuador

On May 9, 2018, the Company via its subsidiary Servicios Ambientales Rainforest Ecuador RFEE S.A. acquired two lots of land totaling approximately 2,287 hectares from a third-party family in Ecuador and was issued a Notarized Scripture Deed of Sale Concluded. The land is located at Parish of Pablo Sexto, Huamboya, province of Morona Santiago, Ecuador and was valued at \$540,000 pursuant to the land purchase agreement. SKM, a significant shareholder and financier of the Company (see Note 6) exchanged 108,000 shares of RRIF common stock issued to SKM during the year ended December 31, 2016 for the purchase of the land. Each share was valued at \$5 per share based on estimated fair value of RRIF common stock at the time the transactions were completed.

On June 21, 2018, the Company via its subsidiary Servicios Ambientales Rainforest Ecuador RFEE S.A. acquired two lots of land totaling approximately 2,286 hectares from a third-party family in Ecuador and was issued a Notarized Scripture

Deed of Sale Concluded. The land is located at Parish of Pablo Sexto, Huamboya, province of Morona Santiago, Ecuador and was valued at \$540,000 pursuant to the land purchase agreement. SKM exchanged 108,000 shares of RRIF common stock issued to SKM during the year ended December 31, 2016 for the purchase of the land. Each share was valued at \$5 per share based on estimated fair value of RRIF common stock at the time the transactions were completed.

On October 18, 2018, the Company via its subsidiary Servicios Ambientales Rainforest Ecuador RFEE S.A. acquired five lots of land totaling approximately 6,771 hectares from a third-party family in Ecuador and was issued a Notarized Scripture Deed of Sale Concluded. The land is located at Parish of Pablo Sexto, Huamboya, province of Morona Santiago, Ecuador and was valued at \$2,026,500 pursuant to the land purchase agreement. SKM exchanged 195,000 shares of RRIF common stock issued to SKM during the year ended December 31, 2016 for the purchase of the land. Each share was valued at \$7 per share based on estimated fair value of RRIF common stock at the time the transactions were completed. The Company also paid \$40,000 in cash consideration and incurred a payable of \$621,500, which was outstanding at December 31, 2018, in connection with this land acquisition. On October 24, 2019, \$460,000 of this payable was paid to the third-party family, leaving a payable of \$161,500 outstanding. The \$161,500 outstanding balance was paid on June 11, 2020.

The Company capitalized approximately \$50,000 of costs incurred in connection with the acquisition of land, including registration and notary fees, as well as applicable taxes. In 2018, the Company also paid approximately \$62,000 as a security deposit to secure the purchase of additional lots of land located in Huamboya. In 2019, the Company decided not to go forward with the acquisition and therefore expensed the deposit.

Esmeraldas Province of Ecuador

The assets of the Ecuador Corporations include a total of approximately 3,178 hectares of land located in the Esmeraldas Province of Ecuador, which was assigned to one of the corporations by Americapital PLC, an entity controlled by SKM (see Note 6). The Company has engaged a Notary in Ecuador to complete title registration of the land in the name of RRIF's subsidiary Rainforest Enterprise RFE S.A. Management is unable at this time to predict if or when such process will be completed. To complete title registration, approximately \$66,000 will need to be paid for real estate taxes, transfer taxes and other costs.

The Company has reflected the land at \$0 in the accompanying consolidated financial statements. If and when title registration is perfected, the Company will record the estimated carrying value of the land in accordance with U.S. GAAP.

NOTE 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

Accounts payable and accrued liabilities consist of the following at September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Land acquisition payable	\$ -	\$ 161,500
Accounts payable and accrued expenses	217,110	220,605
Accrued lease obligations (including judgements of \$304,718)	390,466	390,466
Accrued interest on notes payable and judgements	812,038	778,600
Total	<u>\$ 1,419,614</u>	<u>\$ 1,551,171</u>

NOTE 6. DUE TO RELATED PARTIES

Due to related parties consist of the following at September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Due to former related parties of the Company, non-interest bearing, due on demand	\$ 264,098	\$ 264,098
Due to SKM Global Trading Ltd., non-interest bearing, due on demand	3,299,575	2,521,064
Total	<u>\$ 3,563,673</u>	<u>\$ 2,785,162</u>

Terrence Hunter has been a consultant to the Company since April 2004. Mr. Hunter controls Tropical II Ventures Ltd. (“Tropical”) and Cazador Enterprises (“Cazador”). In July 2005, Cazador provided \$155,000 in financing to NMX (now RRIF). From 2005 to 2013, Tropical made net advances on behalf of the Company of approximately \$360,000. The remaining amount due to Terrence Hunter included funds borrowed from Terrence Hunter personally, Tropical and Cazador. During the year ended December 31, 2018, Terrence Hunter assigned the amounts due to him and affiliated entities to SKM. SKM also assumed the interest in amounts previously due to Terrence Hunter and affiliated entities. The funds due to SKM are non-interest bearing and are due on demand.

For the three and nine months ended September 30, 2020, SKM advanced net of \$484,710 and \$778,511, respectively, to the Company for the needs of operations. For the three and nine months ended September 30, 2019, SKM advanced net of \$115,905 and \$125,777, respectively, to the Company for the needs of operations.

The fund from SKM has no-interest bearing and is due on demand. SKM also contributed \$219,780 to the capital account of Ecuador subsidiaries. A local shareholder contributed \$2,220 to the capital account of Ecuador subsidiaries.

NOTE 7. NOTES PAYABLE

The Company previously entered into several unsecured notes payable to various individuals, with interest at rates ranging from 10% to 12%. These notes are past due as of September 30, 2020 and December 31, 2019.

NOTE 8. CAPITAL STOCK

Preferred Stock

On November 27, 2015, the Company authorized one share of Series D Preferred Stock in connection with an agreement to acquire the Ecuador Corporations. On May 25, 2016, the Company issued one share of Series D Preferred Stock to G.A. Quality Invest Asset Management Ltd. At December 31, 2019 and 2018, there was one share of Series D Preferred Stock issued and outstanding. Each share of Series D Preferred Stock entitles the holder to convert or vote such share into the number of shares of Common Stock which equals four times the number of shares of Series C Preferred Stock and Common Stock issued and outstanding divided by the number of Series D shares issued and outstanding at the time of conversion (or voting).

On June 22, 2016, the 15,000,000 outstanding shares of Series C Preferred Stock were converted into a total of 15,000,000 shares of Common Stock. Each share of Series C Preferred Stock entitled the holder to convert such share into one share of Common Stock.

Common Stock

On March 23, 2016, the Company cancelled the 250,000 Common Shares, such shares previously issued and relinquished by a former stockholder. No consideration was paid by the Company in connection with this transaction.

On March 23, 2016, the Company cancelled the 285,714 Common Shares, such shares previously issued and relinquished by a former stockholder. No consideration was paid by the Company in connection with this transaction.

On June 22, 2016, a total of 15,000,000 Common Shares were issued to various parties for their conversion of 15,000,000 shares of Series C Preferred Stock. No additional consideration was exchanged on this transaction.

On March 24, 2016, the Company issued 5,500,000 shares of RRIF Common Stock to entities controlled by SKM. RRIF

Common Stock was not actively traded at the time; accordingly, management did not believe that the fair value of the Common Stock issued was sufficiently “objectively measurable” to assign to the 5,500,000 shares increase in Common Stock at the date of issuance.

On April 4, 2016, the Company issued 27,000,000 shares of RRIF Common Stock to Land Trade in connection with the pending acquisition of land in the Morona Santiago Province of Ecuador. RRIF Common Stock was not actively traded at the time; accordingly, management did not believe that the fair value of the Common Stock issued was sufficiently “objectively measurable” to assign to the 27,000,000 shares increase in Common Stock at the date of issuance. On October 28, 2019, the shares were transferred to SKM due to cancellation of the land acquisition.

During the year ended December 31, 2018, SKM exchanged a total of 411,000 shares of RRIF Common Stock for the land in the Morona Santiago Province of Ecuador. RRIF holds the ownership rights to the land; accordingly, the additional paid-in capital was increased by the value of shares exchanged, which is provided for in the land purchase agreements, and is based on the estimated market value of RRIF Common Stock on the dates the respective transactions were completed.

NOTE 9. INCOME TAXES

The Company has incurred operating losses for the periods presented since inception. Accordingly, no provision for income taxes has been recorded.

The Company’s effective tax rate differs from the U.S. federal income tax rate at September 30, 2020 and 2019 as follows:

	2020	2019
Corporate Federal income tax (benefit) at statutory rate	21.0%	21.0%
Change in valuation allowance	21.0%	21.0%
Effective income tax rate	<u>0.0%</u>	<u>0.0%</u>

The Company does not believe that it has any significant deferred tax assets or liabilities other than deferred tax assets resulting from net operating loss carryforwards. The amount of deferred tax assets cannot be reasonably estimated at September 30, 2020 and December 31, 2019. Management is in the process of evaluating this matter; however, since any deferred tax assets would be fully offset by a valuation allowance, there would be no effect on the consolidated financial statements taken as a whole.

At September 30, 2020 and December 31, 2019, the Company had net operating loss carryforwards. Loss carryforwards generated prior to 2018 have a 20-year carryover period and expire from 2017 to 2037. Loss carryforwards generated in 2018 and thereafter have no expiration dates. The deferred tax asset relating to these net operating loss carryforwards has been fully reserved for the nine months ended September 30, 2020 and the year ended December 31, 2019, since the utilization of the net operating loss carryforwards is dependent upon the Company's ability to generate sufficient taxable income during the carryforward period and is subject to limitation upon certain changes on ownership.

Current U.S. income tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

The Company has no records of filing U.S. federal or Florida income tax returns. Accordingly, all tax years remain subject to examination. Management does not believe this matter subjects the Company to significant exposure and is evaluating the appropriate resolution.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Cancellation of Series 2001 Convertible Preferred Stock and Series 2001A Convertible Preferred Stock

On June 20, 2006, the Company amended its Articles of Incorporation to, among other things, cancel all Series 2001 Convertible Preferred Stock and Series 2001A Convertible Preferred Stock. At the time of this action, the accounting records of the Company indicated that there were 22,100 shares of Series 2001 Convertible Preferred Stock and 27,488,000 shares of Series 2001A Convertible Preferred Stock issued and outstanding.

The Series 2001 Convertible Preferred Stock was authorized on January 24, 2001 and provided that each share had a \$5.00

liquidation preference, no voting rights except those affecting the class, and was convertible into Common Stock at a price equal to 70% of the Common Stock trading price.

The Series 2001A Convertible Preferred Stock was authorized on January 24, 2001 and provided that each share had one vote and was convertible into one share of Common Stock, which ratio was not to be adjusted in the event of future reverse stock splits of the Common Stock.

To date, none of the holders of shares of the Series 2001 Convertible Preferred Stock or the Series 2001A Convertible Preferred Stock prior to cancellation have made any claim against the Company for this cancellation. Management does not expect any exposure to the Company in connection with this matter; accordingly, no accrual was recorded at June 30, 2020 and December 31, 2019.

Business Management Contract

On September 24, 2018, Mr. Kurt Schaefer (“Mr. Schaefer”), major shareholder of the Company signed a “Business Management Contract” (“Management Contract”) with Mr. Victor Hugo Macias (“Mr. Hugo Macias”). Pursuant to the Management Contract, Mr. Schaefer granted his power of representation and management to Mr. Hugo Macias in connection with the developing commercial opportunities, niche markets and other business activities in Ecuador. The duration of the Management Contract was one year started from October 2018. As the consideration, Mr. Hugo Macias received \$10,000 a month. In an amendment, the Management Contract was extended to December 31, 2019 with the same terms.

NOTE 11. RISKS AND UNCERTAINTIES

In 2019, a new coronavirus was identified as the cause of a disease (“COVID-19”) outbreak that originated in China. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The effect of COVID-19 on the Company’s operational and financial performance will depend on future developments associated with this disease, which are uncertain and difficult to predict. As a result, it is not currently possible to determine the impact of COVID-19 on the Company’s operations. COVID-19 could have a material adverse effect on the Company’s business, results of operations, financial condition and cash flows.

NOTE 12. SUBSEQUENT EVENTS

On October 5, the Company issued 920,000 shares of RRIF Common Stocks to four individual citizens of Ecuador to acquire approximately 9,190 hectares of land located in San Vicente de Cambugan, Province of Pichincha, Ecuador. The property will be used for the development of ecological projects and increase the volume of carbon credits. On October 20, 2020, the Company completed closing of acquisition.