

OTC Pink Basic

Disclosure Guidelines



20929 VENTURA BLVD. #47-315

Woodland Hills, Ca. 91364

Tel: 661.537.4822

Fax: 818 710-8890

www.usenergyinitiatives.com

info@usenergyinitiatives.com

SIC CODE:4911

QUARTERLY REPORT ENDING MARCH 31, 2021

As of SEPTEMBER 30, 2020, the number of shares outstanding of our Common Stock was:

4,360,759,945

As of DECEMBER 31, 2020, the number of shares outstanding of our Common Stock was:

5,713,891,375

As of MARCH 31, 2021, the number of shares outstanding of our Common Stock was:

5,713,891,375

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: ☒

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 Control¹ of the company has occurred over this reporting period:

No: ☒

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

US ENERGY INITIATIVES CORP, INC

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

NEVADA

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

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:

NONE

The address(es) of the issuer's principal executive office:

20929 VENTURA BLVD #47-315 WOODLAND HILLS, CA. 91364

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☐

X

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

Yes: ☐

No: ☒

¹ "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.

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading symbol: USEI
Exact title and class of securities outstanding: COMMON
CUSIP: 90342S106
Par or stated value: .001

Total shares authorized: 6,945,000,000 as of date: 03/31/2021
Total shares outstanding: 5,713,591,375 as of date: 03/31/2021
Number of shares in the Public Float²: 2,945,670,894 as of date: 03/31/2021
Total number of shareholders of record: 281 as of date: 03/21/2021

All additional class(es) of publicly traded securities (if any):

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: PACIFIC STOCK TRANSFER
Phone: 702.361.3033 or 800.785.pstc
Email: JOSLYN@PACIFICSTOCKTRANSFER.COM
Address: 6725 Via Austi Pkwy, Suite 300 Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

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

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>09/30/20</u> Common: <u>4,360,759,945</u> Preferred: <u>5 M</u>			*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	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>12/31/2018</u>	<u>NEW</u>	<u>0</u>	<u>COMM ON</u>	<u>NO</u>	<u>N/A</u>	<u>N/A</u>	<u>Conversion see below</u>	<u>144</u>	<u>144</u>
<u>12/31/2019</u>	<u>NEW</u>	<u>0</u>	<u>COMM ON</u>	<u>NO</u>	<u>N/A</u>	<u>N/A</u>	<u>Conversion see below</u>	<u>144</u>	<u>144</u>
<u>12/31/2020</u>	<u>NEW</u>	<u>1,352,831,430</u>	<u>COMM ON</u>	<u>YES</u>	<u>YES</u>	<u>ADAR BAYS</u>	<u>Conversion see below</u>	<u>unrestricted</u>	<u>unrestricted</u>
Shares Outstanding on Date of This Report: <u>Ending Balance</u> Ending Balance: Date <u>03/31/2021</u> Common: <u>5,713,591,375</u> Preferred: <u>5M</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

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

SEE ATTACHED

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

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 (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

BY SECTION 3(b) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "1933 ACT")
US \$131,250.00

**US ENERGY INITIATIVES CORPORATION, INC 6% CONVERTIBLE REDEEMABLE
NOTE DUE MARCH 4, 2015**

FOR VALUE RECEIVED, US Energy Initiatives Corporation, Inc (the "Company") promises to pay to the order of Adar Bays LLC and its authorized successors and permitted assigns ("Holder"), the aggregate principal face amount of One Hundred Thirty One Thousand Two Hundred Fifty Dollars (U.S. \$131,250.00) on March 4, 2015 ("Maturity Date") and to pay interest on the principal amount outstanding hereunder at the rate of 6% per annum commencing on March 4, 2014. The interest will be paid to the Holder in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note. The principal of, and interest on, this Note are payable at 3411 Indian Creek Drive, Suite 403, Miami Beach, FL 33140, initially, and if changed, last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. The Company will pay each interest payment and the outstanding principal due upon this Note before or on the Maturity Date, less any amounts required by law to be deducted or withheld, to the Holder of this Note by check or wire transfer addressed to such Holder at the last address appearing on the records of the Company. The forwarding of such check or wire transfer shall constitute a payment of outstanding principal hereunder and shall satisfy and discharge the liability for principal on this Note to the extent of the sum represented by such check or wire transfer. Interest shall be payable in Common Stock (as defined below) pursuant to paragraph 4(b) herein.

This Note is subject to the following additional provisions:

1. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration or transfer or exchange, except that Holder shall pay any tax or other governmental charges payable in connection therewith

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)⁴:

Name: **ANTHONY K. MILLER**
Title: **PRES/CEO**
Relationship to Issuer: **OFFICER**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

SEE ATTACHED

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

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")

SEE ATTACHED

- B. Please list any subsidiaries, parents, or affiliated companies.

NONE

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

C. Describe the issuers' principal products or services.

GREEN ENERGY PROJECTS

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 and the extent in which the facilities are utilized.

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.

N/A

7) Company Insiders (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, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders 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 (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /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>ANTHONY MILLER</u>	<u>PRES/CEO</u>	<u>LOS ANGELES CA</u>	<u>5M</u>	<u>PREFERRED</u>	<u>60+</u>	<u>SUPER VOTING RIGHTS</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities 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

Name: THOMAS COOK
Firm: THOMAS C COOK & ASSOCIATES
Address 1: LAS VEGAS NEVADA
Address 2: _____
Phone: 702-524-9151
Email: tccesq@aol.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____

Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, ANTHONY K. MILLER certify that:

1. I have reviewed this MARCH 31, 2021 of US ENERGY INITIATIVES CORP, INC;
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.

APRIL 22, 2021 [Date]

/S/ ANTHONY K. MILLER [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, ANTHONY K. MILLER certify that:

1. I have reviewed this MARCH 31, 2021 of US ENERGY INITIATIVES CORP, INC.
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.

APRIL 22, 2021 [Date]

/S/ ANTHONY K. MILLER [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

U.S. Energy Initiatives Corporation, Inc.
Balance Sheet
March 31, 2021
(Unaudited)

	March 31, 2021
ASSETS	
Cash	14,286
Accounts Receivable	25,000
Investment in UC	50,000
Investment in MRX	97,000
Crypto Currency - Sumcoin	5,100,000
Inventories	537,589
Total Current Assets	<u>5,823,875</u>
Property, Plant and Equipment, net	250,000
Intangible Assets	5,404,297
Accumulated Amortization	(111,563)
Total Assets	<u>\$ 11,366,609</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Accounts Payable	328,640
Due to Related Parties	1,062,394
Notes Payable	341,371
Accrued Interest	183,673
Total Liabilities	<u>1,916,078</u>
Shareholders' Deficit:	
Common Stock (.001 par value, 6,945,000,000 shares authorized, 5,713,591,375 shares issued and outstanding)	1,983,720
Additional Paid-In-Capital	38,059,590
Accumulated Deficit	(30,592,779)
Total Shareholders' Deficit	<u>9,450,531</u>
Total Liabilities and Shareholders' Deficit	<u>\$ 11,366,609</u>

U.S. Energy Initiatives Corporation, Inc.
Income Statement
For The Quarter Ended March 31, 2021
(Unaudited)

	For the 3 Months Ended March 31, 2021
Revenue	-
Cost of Sales	-
Gross Profit	-
Operating Expenses	
Consulting and Professional Compensation	35,000
Other Operating Expenses	-
Total Operating Expenses	35,000
Loss From Operations	(35,000)
Other Expense (Income)	
Interest Expense - 50k	750
Interest Expense - 60k	900
Interest Expense - 61k	918
Interest Expense - Original	877
Interest Expense (Income)	3,445
Other Income	-
(Income) Loss From Other Expenses	3,445
Net Income (Loss)	\$ (38,445)
Basic and Diluted Weighted Average Common Shares Outstanding	4,360,759,945
Basic and Diluted loss Per Share	\$ (0.000)
Common Stock Issued	-
Par Value	0.001

U.S. Energy Initiatives Corporation, Inc.
Statement of Changes in Stockholders' Equity
For The Quarter Ended March 31, 2021
(Unaudited)

	Common Stock		Paid In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance 12/31/20	5,713,591,375	1,983,720	38,059,590	(30,554,334)	9,488,976
Net Loss				(38,445)	(38,445)
Balance 3/31/21	5,713,591,375	1,983,720	38,059,590	(30,592,779)	9,450,531

U.S. Energy Initiatives Corporation, Inc.
Statement of Cash Flows
For The Quarter Ended March 31, 2021
(Unaudited)

	3 Months Ended March 31, 2021
Cash Provided for Operating Activities:	
Net Income (Loss)	(38,445)
Accounts Payable	35,000
Interest Expense	3,445
Cash Provided for Investing Activities:	
Property, Plant & Equipment	
Cash Provided for Financing Activities:	
Accrued Interest	
Notes Payable	
Stock Issuance	
Net Increase (Decrease) in Cash	-
Beginning Cash	14,286
Ending Cash	\$ 14,286

US ENERGY INITIATIVES CORPORATION
Notes to Consolidated Financial Statements
For the Period ended **MARCH 31, 2021**
(unaudited)

NATURE OF OPERATIONS

HISTORY OF COMPANY

U.S. Energy Initiatives Corporation is a diverse (OTC Pink: USEI) energy firm started in 1996 and the firm has a long successful business history of developing its business strategies. Management's goal is to develop new technologies and to build a dynamic firm. From 2014-2015 U.S. Energy Initiatives centered its efforts on Energy (biodiesel), then Medical Marijuana and Hemp for developing products and services. At that same time period the Company had two dispensaries, located in the state of Washington, under the name UC or The Ultimate Cure along with an on-line website which also sold Hemp/CBD products. This business was under a joint venture and the project was dissolved in 2016 because the CBD venture was ahead of its time...folks did not understand the value of CBD products at that time. Since this time these products have had significant acceptance in the marketplace. Our goal here and always is to become an environmentally responsible firm, marketing our products to a worldwide audience to produce significant revenue and add value for our shareholders.

The Company now seeks to expand business through partnerships, strategic alliances, acquisitions, purchases where we have an opportunity produce significant revenue. In 2014 Anthony Miller brought to this firm patented oil and gas technologies that the company has on its books. This technology was significant and was field tested and market to customers in California and Oklahoma. At the time of this transaction, oil prices hit historical high prices and US Energy Initiatives management decided to not pursue this industry since it takes significant capital to enter and sustain a business in the oil industry... and also at that time the firm had no money.

Mr. Miller brought this patented technology with him when he came to USEI: Management believed that oil production is the key in this current environment and making more oil is the goal of every operator and producer. Management further believes that our patented technology offers a key solution for heavy, mid and light gravity oils that need heat, pressure and or a driving mechanism to bring more oil to the surface. Our proven and tested technology is significant. Our portable steam technology offers a cost-effective solution to enhancing oil recovery. Strategically marketing this technology will result in significant growth in both revenues and profits for our Company and our Partners. The Company's goal is to one day go back and utilize our technology and a team of professionals with experiences... to become an extremely profitable oil production firm.

Since 2014, Management decided that the cannabis sector was the key to the success and longevity of this firm. In November of 2016 California voters approved adult cannabis use: USEI Cannabis Corporation became a wholly owned subsidiary of US Energy Initiatives Corporation Inc; and was formed for the express purpose to take advantages of extensive relationships with legal growers, dispensaries, product developers, marketers, patent holders and other professionals in the cannabis industry. Management believes that these relationships and opportunities could and will create significant opportunities for the firm. Management further believes that this is just sound business for USEI. Our goal is strategically making our Cannabis subsidiary as a very lucrative division of USEI and develop our own proprietary products and services. Our hope is this that firm ultimately becomes a separate fully reporting public company to maximize its potential. In 2016 Management invested in a company called MRX (to build its first prototype) a supercritical CO2 extraction business that is designed to extract oil from cannabis material, this oil is to be used in a wide variety of industry products. as a result of this this firm is now the leading technology in the cannabis industry utilizing supercritical CO2 as the methodology to extract oil from cannabis. MRX has expanded their technology and product lines to high production units... well beyond our initial involvement and raised capital to market their technology to the industry at large. Because of this initial investment management has an excellent relationship with MRX.

In 2017 Management of US Energy Initiatives Corp along with certain investors purchased an MRX 20L Super Critical CO2 extraction unit (for \$190K) to use in the California marketplace. A device that has the capability of converting 18-28 pounds of cannabis trim to cannabis oil (making \$16,000 a day in revenue). The goal of this project is to obtain a legal California licence to operate this device, and to produce revenue from the operations. Management further sought to raise a minimum of \$2 million dollars

to procure support equipment that would produce \$16 million dollars annually according to the financial projections of the business plan. Management has commitments for this capital however, it has not received this money.

Management entered into an agreement and acquired crypto currency entitled Sumcoin. The transaction was made when this currency was valued at \$.05 per coin and at the time of the writing of this document the value is now over \$900 per coin; the price of the currency changes every 20 min. based upon the algorithm that tracks the top 100 coins worldwide. (This currency evaluation is now well over \$40+ million dollars (NOTE: the overall value of this currency is continually noted at this \$5 million evaluation value and will continually be priced at this value until it is sold). Management will seek to understand how it can pledge, hypothecate, leverage, or sell this new asset to be able to execute its business plan. Currently, this asset is illiquid however it is managements understanding the developers are making great strides to become an extremely liquid currency just like bitcoin and Litecoin the industry leaders of crypto currency.

Note 1 – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial of March 31, 2021 Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments (consisting only of those of a normal recurring nature) considered necessary for a fair presentation have been included. Operating results for the period.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

The consolidated financial statements include the accounts and operations of US Energy Corporation. All significant inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

b. Use of Accounting Estimates

Management is required to make estimates and assumptions during the preparation of the consolidated financial statements and accompanying notes in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements. They also affect the reported amounts of net income. Actual results could differ materially from these estimates and assumptions.

c. Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

d. Accounts Receivable

Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers.

e Inventories

Inventories are stated at the lower of cost or market first-in, first-out (FIFO) method.

f. Property, Plant and Equipment Net

Property, plant and equipment is capitalized at cost and depreciated using the straight-line depreciation method over the estimated useful lives of the respective assets. Leasehold Improvements are amortized using the straight-line depreciation method over the life of the respective lease or the service lives of the improvements, whichever is shorter.

g. Goodwill and other Intangible Assets

The Company accounts for goodwill and other intangible assets in accordance with Statement of Financial Accounting Standards "Goodwill and Other Intangibles" ... intangible assets with an indefinite life, namely goodwill, are not amortized. Intangible assets with a definite life are amortized on a straight-line basis over their estimated useful lives of ten years. Intangible assets with indefinite lives will be tested for impairment annually and when an event occurs that would indicate that the carrying amount may be impaired.

h. Impairment of Assets

In accordance with Statement of Financial Accounting Standards. Accounting for Impairment or Disposal of long-lived Assets" long-lived assets, such as property and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When factors indicate that the assets should be evaluated for possible impairment, the Company uses an estimate of related cash flows. A deficiency in these cash flows relative to the carrying amounts is an indication of the need for a write-down due to impairment. Losses on impairment are recognized by a charge to earnings.

i. Income Taxes

The Company accounts for income taxes in accordance with the Statement of Financial Accounting Standards "Accounting for Income Taxes".

j. Earnings (Loss) Per Common Share

Earnings (loss) per share are computed using the basic and diluted calculations on the face of the statement of operations. Basic earnings (loss) per share are calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding for the period, adjusted for the dilutive effect of common stock equivalents, using the treasury stock method.

k. Revenue Recognition

N/A

l. Stock Based Compensation

N/A

m. Research and Development Costs

None

n. Fair Value of Financial Instruments

The Company, in estimating its fair value disclosures for financial instruments, uses the following methods and assumptions:

Cash, Accounts Receivable, Accounts Payable and Accrued Expenses: The carrying amounts reported in the balance sheet for cash, accounts receivable, accounts payable and accrued expenses approximate their fair value due to their relatively short maturity.

o. Going concern:

The accompanying financial statements have been prepared assuming the company will continue as a going concern. As reflected in the financial statements, the Company has negative working capital for the period ended March 31, 2021 and a loss from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The company is working on raising significant capital that is non-dilutive to be able to execute its current business plan.

Note 3 - Related Party Transactions

LIABILITIES AND SHAREHOLDERS' EQUITY

Due to Related Parties 1,062,394

Notes Payable 328,640

Accrued Interest 183,673

Total Liabilities 1,916,078

In the last 5 years the company had insignificant capital to pay Anthony Miller and Sandra Thomas for services to the firm that corresponds to their employment contracts. As such, Ms Thomas did resign in 2016 and Mr. Miller has remained. Payments to Mr. Miller continues to accrue as "due to related parties" It is understood that the fees will be paid... and will be paid to Management with interest. Other Notes payable are due to Adar Bays and management and due Mr. Miller whom has been instrumental into keeping this firm compliant with its operational obligations.

License Agreement

None

Note 4- Shareholders' Equity

Preferred Stock

Effective December 6, 2006, the Company increased its designated shares of previously undesignated preferred stock to 5,000,000. At March 31, 2021 the company had 5,00,000 Series A Preferred Shares and 0 Series B Preferred Shares outstanding. All Preferred shares issued thus far were issued to Anthony Miller, CEO in 2015 and those shares have super voting of 10,000 votes per share.

Note 5 – Goodwill

N/A

Note 6 – Intangible Assets

See filing

Note 7 - Debt in Default

See note 11

Note 8 - Litigation

None

Note 9 - Stock Options and Warrants

The Company's Stock Option Plan ("SOP") was adopted in 2001 to provide for the grant to employees up to 2,000,000 incentive stock options within the meaning of Section 422 of the Internal Revenue Code. The SOP, which is administered by the Company's Board of Directors, is intended to provide incentives to directors, officers, and other key employees and enhance the Company's ability to attract and retain qualified employees. Stock options are granted for the purchase of common stock at a price not less than the 100% of fair market value of the Company's common stock on the date of the grant (110% for holders of more than 10% of the total combined voting power of all classes of capital stock then outstanding). As of March 31, 2021 no options had been granted under the plan.

Note 10 - Derivative Financial Instruments

None

Note 11- Debt Financing

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 3(b) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "1933 ACT")
US \$131,250.00

US ENERGY INITIATIVES CORPORATION, INC 6% CONVERTIBLE REDEEMABLE
NOTE DUE MARCH 4, 2015

FOR VALUE RECEIVED, US Energy Initiatives Corporation, Inc (the "Company") promises to pay to the order of Adar Bays LLC and its authorized successors and permitted assigns ("Holder"), the aggregate principal face amount of One Hundred Thirty One Thousand Two Hundred Fifty Dollars (U.S. \$131,250.00) on March 4, 2015 ("Maturity Date") and to pay interest on the principal amount outstanding hereunder at the rate of 6% per annum commencing on March 4, 2014. The interest will be paid to the Holder in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note. The principal of, and interest on, this Note are payable at 3411 Indian Creek Drive, Suite 403, Miami Beach, FL 33140, initially, and if changed, last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. The Company will pay each interest payment and the outstanding principal due upon this Note before or on the Maturity Date, less any amounts required by law to be deducted or withheld, to the Holder of this Note by check or wire transfer addressed to such Holder at the last address appearing on the records of the Company. The forwarding of such check or wire transfer shall constitute a payment of outstanding principal hereunder and shall satisfy and discharge the liability for principal on this Note to the extent of the sum represented by such check or wire transfer. Interest shall be payable in Common Stock (as defined below) pursuant to paragraph 4(b) herein.

This Note is subject to the following additional provisions:

1. This Note is exchangeable for an equal aggregate principal amount of

Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration or transfer or exchange, except that Holder shall pay any tax or other governmental charges payable in connection therewith.

MANAGEMENT IMPROPERLY NOTED THIS TRANSACTION AS PAYABLE NOT AS A NOTE PAYABLE... IT IS CORRECTED IN THIS REPORT

Note 12 – Acquisitions

None

Note 13 - Segment Information

None

Note 14 –Recent Accounting Pronouncements

No changes