

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## Cann American Corp.

320 Santana Dr. #C  
Cloverdale, CA 95425

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cannamericancorp.com  
cannamericanholdings@gmail.com  
6719

**Quarterly Report**  
**For the Period Ending: 05/31/2021**  
(the "Reporting Period")

As of 05/31/2021, the number of shares outstanding of our Common Stock was:

205,000,186

As of 02/28/2021, the number of shares outstanding of our Common Stock was:

205,000,186

As of 02/28/2021, the number of shares outstanding of our Common Stock was:

205,000,186

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 Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  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.

Cann American Corp as of 12/20/2019 – 320 Santana Dr., #C, Cloverdale, CA 95425  
Canamed4Pets, Inc. as of 11/25/2014  
Bioflamex Corp. as of 01/25/2011  
Deerbay Resources Inc. as of 08/25/2004

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):

The company was incorporate on 08/25/2004 under the laws of the state of Nevada as Deer Bay Resources Inc.

The company was re-named Bioflamex Corp. on 01/25/2011

The company was re-domiciled to the state of Wyoming on 02/20/2013

The company was re-named Canamed4Pets, Inc. on 11/25/2014

The company was re-named Cann American Corp on 12/20/2019

The Issuer's current standing is active with the state of Wyoming

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:

The company completed a 1:10 reverse stock split of common shares on 11/13/2020

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

320 Santana Dr., #C, Cloverdale, CA 95425

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:*

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

Yes:  No:

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

None

## 2) Security Information

Trading symbol: CNNA  
Exact title and class of securities outstanding: Common  
CUSIP: 13764N207  
Par or stated value: .0001

Total shares authorized: 1,998,000,000 as of date: 09/16/2020  
Total shares outstanding: 205,000,186 as of date: 05/31/2021  
Number of shares in the Public Float<sup>2</sup>: 127,421,789 as of date: 05/31/2021  
Total number of shareholders of record: 17 as of date: 05/31/2021

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

<sup>2</sup> "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.

Trading symbol: CNNA  
 Exact title and class of securities outstanding: Series A Preferred  
 Par or stated value: .0001  
 Total shares authorized: 500,000 as of date: 09/16/2020  
 Total shares outstanding: 500,000 as of date: 05/31/2021

Trading symbol: CNNA  
 Exact title and class of securities outstanding: Series B Preferred  
 Par or stated value: .0001  
 Total shares authorized: 1,500,000 as of date: 09/16/2020  
 Total shares outstanding: 1,500,000 as of date: 05/31/2021

Transfer Agent

Name: Securities Transfer Corp.  
 Phone: 469-633-0101  
 Email: info@stctransfer.com

Is the Transfer Agent registered under the Exchange Act?<sup>7</sup> Yes:  No:

**3) Issuance History**

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance :									
Date: <u>03/01/2019</u>									
Common: <u>8,981,888,621</u>									
Preferred: <u>1,000,000</u>									
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>05/06/2019</u>	<u>Cancellation</u>	<u>3,173,897,240</u>	<u>Common</u>	<u>.0001</u>	<u>Yes</u>	<u>Henrik Dahlerup</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>
<u>06/21/2019</u>	<u>Cancellation</u>	<u>4,160,000,000</u>	<u>Common</u>	<u>.0001</u>	<u>Yes</u>	<u>Kristian Schiorring</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>
<u>06/21/2019</u>	<u>Cancellation</u>	<u>250,000</u>	<u>Series A</u>	<u>.00001</u>	<u>No</u>	<u>Henrik Dahlerup</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>

<sup>7</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<u>06/21/2019</u>	<u>Cancellation</u>	<u>250,000</u>	<u>Series A</u>	<u>.00001</u>	<u>No</u>	<u>Kristian Schiorring</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>
<u>06/21/2019</u>	<u>Cancellation</u>	<u>250,000</u>	<u>Series B</u>	<u>.00001</u>	<u>No</u>	<u>Henrik Dahlerup</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>
<u>06/21/2019</u>	<u>Cancellation</u>	<u>250,000</u>	<u>Series B</u>	<u>.00001</u>	<u>No</u>	<u>Kristian Schiorring</u>	<u>Salary</u>	<u>Restricted</u>	<u>None</u>
<u>08/01/2019</u>	<u>New Issuance</u>	<u>10,000,000</u> <u>Post R/S</u> <u>1,000,000</u>	<u>Common</u>	<u>.005</u>	<u>No</u>	<u>Patrick King</u>	<u>Asset Purchase</u>	<u>Restricted</u>	<u>None</u>
<u>08/21/2019</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Series A</u>	<u>.00001</u>	<u>No</u>	<u>Jason Black</u>	<u>Asset Purchase</u>	<u>Restricted</u>	<u>None</u>
<u>08/21/2019</u>	<u>New Issuance</u>	<u>1,500,000</u>	<u>Series B</u>	<u>.00001</u>	<u>No</u>	<u>Jason Black</u>	<u>Asset Purchase</u>	<u>Restricted</u>	<u>None</u>
<u>09/09/2019</u>	<u>New Issuance</u>	<u>2,000,000</u> <u>Post R/S</u> <u>200,000</u>	<u>Common</u>	<u>.001</u>	<u>No</u>	<u>Patrick Young</u>	<u>Cash</u>	<u>Restricted</u>	<u>None</u>
<u>02/10/2020</u>	<u>New Issuance</u>	<u>33,333,334</u> <u>Post R/S</u> <u>3,333,334</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>GPL Ventures</u> <u>Alexander Dillon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>Reg-A</u>
<u>05/27/2020</u>	<u>New Issuance</u>	<u>96,666,667</u> <u>Post R/S</u> <u>9,666,667</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>Capitol Capital Corp.</u> <u>Howard Salamon</u>	<u>Business Consulting Services</u>	<u>Unrestricted</u>	<u>Reg-A</u>

<u>06/08/2020</u>	<u>New Issuance</u>	<u>110,000,000</u> <u>Post R/S</u> <u>11,000,000</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>World Market Ventures</u> <u>Chad Curtis</u>	<u>Services</u> <u>Web Design</u>	<u>Unrestricted</u>	<u>RegA</u>
<u>06/11/2020</u>	<u>New Issuance</u>	<u>6,666,667</u> <u>Post R/S</u> <u>666,667</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>World Market Ventures</u> <u>Chad Curtis</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>RegA</u>
<u>06/23/2020</u>	<u>New Issuance</u>	<u>33,333,334</u> <u>Post R/S</u> <u>3,333,334</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>GPL Ventures</u> <u>Alex Dillon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>RegA</u>
<u>07/07/2020</u>	<u>New Issuance</u>	<u>100,000,000</u> <u>Post R/S</u> <u>10,000,000</u>	<u>Common</u>	<u>.0015</u>	<u>Yes</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>RegA</u>
<u>07/30/2020</u>	<u>New Issuance</u>	<u>10,000,000</u> <u>Post R/S</u> <u>1,000,000</u>	<u>Common</u>	<u>.001</u>	<u>Yes</u>	<u>John Cerenzia</u>	<u>Services</u> <u>Consulting</u>	<u>Restricted</u>	<u>None</u>
Shares Outstanding on Date of This Report:  <u>Ending Balance:</u>  Date: <u>05/31/2021</u> Common: <u>205,000,186</u> Preferred: <u>2,000,000</u>									

## 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:

<u>Date of Note Issuance</u>	<u>Outstanding Balance (\$)</u>	<u>Principal Amount at Issuance (\$)</u>	<u>Interest Accrued (\$)</u>	<u>Maturity Date</u>	<u>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</u>	<u>Name of Noteholder (entities must have individual with voting / investment control disclosed).</u>	<u>Reason for Issuance (e.g. Loan, Services, etc.)</u>
<u>09/01/20</u>	<u>\$96,170</u>	<u>\$90,125</u>	<u>\$6045</u>	<u>09/02/21</u>	<u>9% per annum - .00001 conversion</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Loan</u>
<u>12/01/20</u>	<u>\$73,991</u>	<u>\$70,830</u>	<u>\$3161</u>	<u>12/02/21</u>	<u>9% per annum - .0001 conversion</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Loan</u>

#### 4) Financial Statements

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

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Tim Mayclin  
Title: CPA  
Relationship to Issuer: Accountant

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

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.

#### **The issuer's financial statements are attached herein**

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:

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

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Cann American Corp. acts as a Holding Company for the sake of developing assets within the legal cannabis and hemp industries.

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

The company has one subsidiary. Cannequipt, LLC. Cannequipt intends to act as a research and development division.

C. Describe the issuers’ principal products or services.

The Issuer operates primarily within the state of California under SIC code 6719.

**6) Issuer’s Facilities**

The issuer utilizes 1000 sq. ft. of space located at 320 Santana Dr., #C, Cloverdale, CA 95425 at no cost to the issuer.

**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% of 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>Jason Black</u>	<u>President/CEO</u>	<u>Marietta, GA</u>	<u>2,000,000</u>	<u>Preferred</u>	<u>100%</u>	
<u>Ticino Capital Luca Trisconi</u>	<u>Owner of more than 5%</u>	<u>South St. 4<sup>th</sup> Floor Valetta VLT 1103 Malta</u>	<u>68,825,000</u>	<u>Common</u>	<u>32.6%</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: Anthony Newton  
Firm: The Law Offices of Anthony F. Newton  
Address 1: PO Box 16877  
Address 2: Sugar Land, TX 77496  
Phone: 832-452-0269  
Email: tony.newton@yahoo.com

Accountant or Auditor

Name: Tim Mayclin  
Firm: Tim Mayclin, CPA  
Address 1: 101 Golf Course Dr. Suite C4  
Address 2: Rohnert Park, CA 94928  
Phone: 707-584-1040  
Email: tim@mayclincpa.com

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.

None

**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, Jason Black certify that:

1. I have reviewed this quarterly disclosure statement of Cann American Corp;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

07/13/2021

/s/ Jason Black

*Principal Financial Officer:*

I, Jason Black certify that:

1. I have reviewed this quarterly disclosure statement of Cann American Corp;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

07/13/2021

/s/ Jason Black

**CANN AMERICAN CORP.  
(CNNA)**

**QUARTERLY REPORT  
FOR THE THREE MONTHS ENDED MAY 31, 2021**

July 13, 2021

320 Santana Dr #C  
Cloverdale  
CA 95425

**CANN AMERICAN CORP.**  
**QUARTERLY REPORT**  
**FOR THE THREE MONTHS ENDED MAY 31, 2021**  
**(Unaudited)**

**Index**

Condensed Consolidated Unaudited Financial Statements	3
Condensed Consolidated Unaudited Balance Sheet as at May 31, 2021 and February 28, 2021	3
Condensed Consolidated Unaudited Statement of Operations for the Three Months Ended May 31, 2021 and 2020	4
Condensed Consolidated Unaudited Statement of Cash Flow for the Three Months Ended May 31, 2021 and 2020	5
Condensed Unaudited Statement of Changes in Stockholders' Equity for the Three Months Ended May 31, 2021 and Year Ending February 28, 2021	6
Notes to the Condensed Consolidated Unaudited Financial Statements	7

**CANN AMERICAN CORP.**  
**Condensed Consolidated Unaudited Financial Statements**  
**Balance Sheet**

	Notes	As at May 31, 2021	As at February 28, 2021
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	2	\$ 8,377	\$ 68,141
Accounts receivable	2	-	-
Other current assets	5	205,000	95,000
<b>Total current assets</b>		<b>213,377</b>	<b>163,141</b>
Fixed assets			
Plant and equipment	6	-	12,000
Leasehold improvements	6	-	-
Accumulated depreciation and amortization	6	-	(12,000)
Goodwill	7	-	-
<b>TOTAL ASSETS</b>		<b>\$ 213,377</b>	<b>\$ 163,141</b>
<b>LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>			
Current liabilities			
Accounts payable, trade		\$ 6,848	\$ 7,763
Accrued expenses and other current liabilities		77,467	53,455
Short-term/current notes payable net of debt discount of nil	8	170,161	-
Derivative liability	11	11,333,066	-
<b>Total current liabilities</b>		<b>11,587,542</b>	<b>61,217</b>
Long-term loans and notes payable - net of current	8	-	-
<b>TOTAL LIABILITIES</b>		<b>\$ 11,587,542</b>	<b>\$ 61,217</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Preferred stock:			
Preferred stock series A: par value \$0.00001, 500,000 authorized and 500,000 issued and outstanding at May 31, 2021 and February 28, 2021	9	5	5
Preferred stock series B: par value \$0.00001, 1,500,000 authorized and 1,500,000 issued and outstanding at May 31, 2021 and February 28, 2021	9	15	15
Common stock: par value \$0.0001, 1,998,000,000 authorized and 205,000,186 issued and outstanding as at May 31, 2021 and February 28, 2021	9	927,419	927,419
Additional paid-in capital		4,521,524	4,521,524
Shares subscribed for		-	104,245
Accumulated comprehensive income		-	-
Accumulated deficit		(16,823,128)	(5,451,284)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>		<b>(11,374,165)</b>	<b>101,924</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		<b>\$ 213,377</b>	<b>\$ 163,141</b>

See accompanying notes to these condensed consolidated unaudited financial statements.

**CANN AMERICAN CORP.**  
**Condensed Consolidated Unaudited Financial Statements**  
**Statement of Operations**

	Three Months Ended May 31,	
	2021	2020
Revenues	\$ -	\$ 6,000
Cost of goods sold	-	-
Gross profit	-	6,000
Operating expenses		
Selling, general & admin. costs	35,126	41,874
Bad debt provision	-	-
Depreciation and amortization	-	1,345
Total operating expenses	35,126	43,219
Loss from operations	(35,126)	(37,219)
Other income (expenses)		
Financing costs	(3,652)	-
Amortization of debt discount	-	-
Gain (loss) on revaluation of derivative liability	(11,333,066)	-
Goodwill impairment	-	-
Other income (expenses)	-	-
Loss before income taxes	\$ (11,371,844)	\$ (37,219)
Provision for income taxes	-	-
Net loss	\$ (11,371,844)	\$ (37,219)
Net loss per share	\$ (0.06)	\$ (0.00)
Weighted average shares outstanding	205,000,186	170,916,853
Comprehensive loss		
Net loss	\$ (11,371,844)	\$ (37,219)
Other comprehensive income	-	-
Comprehensive loss	\$ (11,371,844)	\$ (37,219)

See accompanying notes to these condensed consolidated unaudited financial statements.

**CANN AMERICAN CORP.**  
**Condensed Consolidated Unaudited Financial Statements**  
**Statement of Cash Flow**

	Three Months Ended May 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (11,371,844)	\$ (37,219)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	-	1,345
Services paid in stock	-	10,380
Amortization of debt discount	-	-
(Gain) loss on revaluation of derivative liability	11,333,066	-
Minority interest	-	-
Financing costs	3,652	-
Changes in operating assets and liabilities:		
Accounts receivable (long-term and short-term)	-	-
Accounts payable and other current liabilities	23,098	2,949
Inventory	-	-
Other current assets	(110,000)	19,633
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(122,028)</b>	<b>(2,913)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) sale of intangible assets	-	-
(Purchase) sale of tangible assets	-	-
Cash acquired through acquisition of subsidiary	-	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity (dividend distributions)	(104,245)	9,667
Proceeds from (repayment of) debt instruments	170,161	(50,800)
Short-term line of credit	-	-
Payment of related-party debt	-	-
Financing costs	(3,652)	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>62,264</b>	<b>(41,133)</b>
<b>EXCHANGE RATE MOVEMENTS</b>		
	-	-
<b>NET (DECREASE) INVESTING ACTIVITIES</b>	<b>(59,764)</b>	<b>(44,046)</b>
Cash, beginning of period	68,141	45,805
Cash, end of period	<u>\$ 8,377</u>	<u>\$ 1,759</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Conversion of debt to common stock	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

**CANN AMERICAN CORP.**  
**Condensed Consolidated Unaudited Financial Statements**  
**Statement of Changes in Stockholders' Equity**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Surplus (Deficit)	Total
	Number	Value	Number	Value			
Balance b/f as at March 1, 2020	2,000,000	\$ 20	169,333,520	\$ 899,394	\$ 4,254,127	\$ (5,110,549)	\$ 42,992
Shares issued for compensation	-	-	10,666,667	10,667	9,000	-	19,667
Shares of common stock sold	-	-	24,999,999	17,358	362,642	-	380,000
Net loss, year ending February 28, 2021	-	-	-	-	-	(340,735)	(340,735)
Balance b/f March 1, 2021	2,000,000	\$ 20	205,000,186	\$ 927,419	\$ 4,625,769	\$ (5,451,284)	\$ 101,924
Shares subscribed for converted to loan	-	-	-	-	(104,245)	-	(104,245)
Net loss, three months ended May 31, 2021	-	-	-	-	-	(11,371,844)	(11,371,844)
Balance c/f as at May 31, 2021	<u>2,000,000</u>	<u>\$ 20</u>	<u>205,000,186</u>	<u>\$ 927,419</u>	<u>\$ 4,521,524</u>	<u>\$ (16,823,128)</u>	<u>\$ (11,374,165)</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

**CANN AMERICAN CORP.**  
**Condensed Consolidated Unaudited Financial Statements**  
**Notes For the Three Months Ended May 31, 2021**

**NOTE 1. NATURE AND BACKGROUND OF BUSINESS**

The accompanying consolidated financial statements include Cann American Corp. ('CNNA' or the 'Company'), a Wyoming corporation formerly known as Canamed4Pets, Inc. (from July 15, 2015 to December 20, 2019) and Bioflamex Corp (prior to July 15, 2015) ('CNNA' or the 'Company'), its wholly-owned subsidiaries and any majority controlling interests.

The Company held a special meeting of the shareholders on August 21, 2019, to approve the merger of the parent company, Canamed4Pets, Inc., with its wholly-owned subsidiary, Cann American Holdings, LLC, on August 21, 2019 and changed the name of the Company to Cann American Corp. This name change was finally approved by FINRA on December 20, 2019. The Company was qualified for tier 1 Reg A issues on February 3, 2020.

The Company is focused on the development of products that consist of a unique blend of cannabis sativa strains, also known as hemp. The products are made with pharmaceutical and laboratory grade equipment and in compliance with DEA, FDA and GMP recommendations.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared for Cann American Corp. in accordance with accounting principles generally accepted in the United States of America (US GAAP).

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the financial statements have been included. The financial statements include acquired subsidiaries, as discussed below, and include all consolidation entries required to include those subsidiaries.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the Balance Sheet and Statement of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. The Company had no cash equivalents as of May 31, 2021 or February 28, 2021.

**Income Taxes**

Income taxes are provided in accordance with the FASB Accounting Standards (ASC 740), Accounting for Income Tax. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Any deferred tax expense (benefit) resulting from the net change during the year is shown as deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it was more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

### **Basic and Diluted Net Income (Loss) Per Share**

Net income (loss) per unit is calculated in accordance with Codification topic 260, “Earnings per Share” for the periods presented. Basic net loss per share is computed using the weighted average number of common shares outstanding. Diluted loss per share has not been presented because the shares of common stock equivalents have not been included in the per share calculations as such inclusion would be anti-dilutive. Diluted earnings per share is based on the assumption that all dilutive stock options, warrants and convertible debt are converted or exercised applying the treasury stock method. Under this method, options, warrants and convertible debt are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase shares of common stock at the average market price during the period. Options, warrants and/or convertible debt will have a dilutive effect during periods of net profit only when the average market price of the units during the period exceeds the exercise or conversion price of the items.

### **Stock Based Compensation**

Codification topic 718 “Stock Compensation” requires that the cost resulting from all share-based transactions be recorded in the financial statements and establishes fair value as the measurement objective for share-based payment transactions with employees and acquired goods or services from non-employees. The codification also provides guidance on valuing and expensing these awards, as well as disclosure requirements of these equity arrangements. The Company adopted the codification upon creation of the Company and will expense share-based costs in the period incurred. The Company has not yet adopted a stock option plan and all share-based transactions and share based compensation has been expensed in accordance with the codification guidance.

### **Convertible Instruments**

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for “Accounting for Derivative Instruments and Hedging Activities”. Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as “The Meaning of Conventional Convertible Debt Instrument”.

The Company accounts for convertible instruments when it has determined that the embedded conversion options should not be bifurcated from their host instruments in accordance with professional standards when “Accounting for Convertible Securities with Beneficial Conversion Features,” as those professional standards pertain to “Certain Convertible Instruments.” Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying shares of common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares of common stock based upon the differences between the fair value of the underlying shares at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event not within the entity’s control could require net cash settlement, then the contract shall be classified as an asset or a liability.

### **Fair Value of Financial Instruments**

We adopted the guidance of ASC-820 for fair value instruments, which clarifies the definition of fair value, prescribes methods for determining fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value, as follows:

- Level 1            Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.
  
- Level 2            Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts for cash, accounts receivable, accounts payable and accrued expenses, and loans payable approximate their fair value based on the short-term maturity of these instruments. We did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance.

ASC 825-10 "Financial Instruments" allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. We did not elect to apply the fair value option to any outstanding instruments.

### **Derivative Liabilities**

Derivative financial instruments consist of convertible instruments and rights to shares of the Company's common stock. The Company assessed that it had derivative financial instruments as of May 31, 2021 but not at February 28, 2021, as detailed in Note 11, Derivative Liabilities.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirement of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional. as described.

### **Impact of New Accounting Standards**

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

### **NOTE 3. GOING CONCERN**

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern.

The Company has a limited operating history and had a cumulative net loss from inception to May 31, 2021 of \$16,823,128. The Company has a working capital deficit of \$11,374,165 as at May 31, 2021.

These financial statements for the three months ended May 31, 2021 have been prepared assuming the Company will continue as a going concern, which is dependent upon the Company's ability to generate future profits and/or obtain necessary financing to meet its obligations as they come due.

The management has committed to an aggressive growth plan for the Company. The Company's future operations are dependent upon external funding and its ability to execute its business plan, realize sales and control expenses. Management believes that sufficient funding will be available from additional borrowings and private placements to meet its business objectives including anticipated cash needs for working capital, for a reasonable period of time. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of its business operation, or if obtained, upon terms favorable to the Company.

#### NOTE 4. ACQUISITIONS AND DISPOSALS

On January 1, 2018, pursuant to an executed acquisition agreement, the Company acquired all outstanding membership interests in Cann American Holdings, LLC, a California limited liability company that operates as a hemp and cannabis industry development and consulting business. The consideration for the business was \$200,000 in total, with this purchase price paid through the issuance of a promissory note to the seller. This promissory note is due for redemption in cash by January 1, 2020. No interest will be charged on this promissory note during its term.

The purchase price allocation for the acquisition was as follows:

<b>Cann American Holdings, LLC</b>	<b>Allocation</b>
Cash on hand	\$ 2,262
Current assets	-
Fixed assets	12,000
Current liabilities	-
Goodwill	185,738
<b>Total</b>	<b>\$ 200,000</b>

The assets and liabilities acquired totaled \$14,262, with the balance of the purchase price of \$185,738 allocated to Goodwill.

On August 21, 2019, the Company effected a merger with its subsidiary, Cann American Holdings, LLC, with the result that these assets are now held directly by the parent entity, Cann American Corp. The promissory note for \$200,000 outstanding for the acquisition of Cann American Holdings, LLC was repaid through the issuance of 500,000 shares of Series A Preferred Shares and 1,500,000 Series B Preferred Shares on August 21, 2019, with all Preferred Shares issued at a valuation of \$0.10 per share.

On May 15, 2019, the Company entered into an agreement with Patrick King to purchase a 100% interest in Cannequipt, LLC, a California limited liability company in the business of equipment rental. The purchase price was \$50,000, to be paid as 10,000,000 shares of common stock at \$0.005 per share.

The purchase price allocation for the acquisition was as follows:

<b>Cannequipt, LLC</b>	<b>Allocation</b>
Cash on hand	\$ -
Current assets	-
Fixed assets	-
Current liabilities	-
Goodwill	50,000
<b>Total</b>	<b>\$ 50,000</b>

There were no tangible assets or liabilities acquired, with the entire purchase price of \$50,000 allocated to Goodwill.

#### NOTE 5. OTHER CURRENT ASSETS

Other current assets as at May 31, 2021 and February 28, 2021 are as follows:

	<b>May 31, 2021</b>	<b>February 28, 2021</b>
Loan to canned drinks entity	\$ 30,000	\$ 30,000
Loan to delivery company	150,000	65,000
Other debtor	25,000	-
<b>Totals</b>	<b>\$ 205,000</b>	<b>\$ 95,000</b>

**NOTE 6. FIXED ASSETS**

Through the acquisition of Cann American Holdings LLC, the Company holds fixed assets with values at May 31, 2021 and February 28, 2021 as follows:

<b>Asset</b>	<b>Useful Life (years)</b>	<b>May 31, 2021</b>	<b>February 28, 2021</b>
Furniture and equipment	3	\$ -	\$ 12,000
Accumulated depreciation		-	(12,000)
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>

During the three months ended May 31, 2021, there was no charge to the Statement of Operations for depreciation.

**NOTE 7. INTANGIBLE ASSETS**

The Company acquired Cann American Holdings, LLC on January 1, 2018, with the transaction including Goodwill valued at \$185,738, and Cannequipt, LLC on May 15, 2019, with the transaction including Goodwill valued at \$50,000. Goodwill is not amortized, but is tested on an annual basis for impairment and the value of the goodwill written down accordingly if the value is below the carrying value in the financial statements. An impairment test carried out during the year ending February 29, 2020 established that the carrying value of the goodwill for both Cann American Holdings LLC and Cannequipt LLC should be written down to nil. The goodwill impairment totaling \$235,738 was booked as a loss to the Statement of Operations for the year.

**NOTE 8. LOANS AND NOTES PAYABLE**

The Company had loans and notes payable as at May 31, 2021 totaling \$170,161, as follows:

<b>Description</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Date of Loan Note</b>	<b>Maturity Date</b>	<b>May 31, 2021</b>
Loan from principal director to cover cash flow requirements; no interest and repayable as cash flow is available	\$ 2,000	0.0%	11/30/2019	4/30/2020	\$ -
Convertible loan from Capitol Capital Corp for 12 months at an interest rate of 9% per annum and convertible at \$0.00001 per share	90,125	9.0%	9/1/2020	9/1/2021	96,170
Convertible loan from Capitol Capital Corp for 12 months at an interest rate of 9% per annum and convertible at \$0.0001 per share	70,830	9.0%	12/1/2020	12/1/2021	73,991
<b>Total</b>					<b>\$ 170,161</b>
Long-term total					\$ -
Short-term total					\$ 170,161
<b>Loans and Notes Amortization</b>					<b>Amount Due</b>
Due within 12 months					\$ 170,161
Due within 24 months					-
Due within 36 months					-
Due within 48 months					-
Due after 48 months					-
<b>Total</b>					<b>\$ 170,161</b>

## **NOTE 9. CAPITAL STOCK**

As at May 31, 2021 and February 28, 2021 respectively, the Company was authorized to issue preferred stock in two different classes, A and B, and common stock, all as detailed below.

### **Preferred Stock**

At May 31, 2021 the Company had authorized preferred stock in two designations totaling 2,000,000 shares:

**Preferred Stock Series A**                      The Company is authorized to issue 500,000 shares of Series A, with a par value of \$0.00001 per share. As at March 1, 2019, the Company had 500,000 shares of Series A preferred stock issued and outstanding.

On August 21, 2019, these shares were returned to the Company's treasury by the previous holder.

On August 21, 2019, all 500,000 shares were issued to Jason Black as part payment of the loan note outstanding in connection with the acquisition of Cann American Holdings, LLC. The payment ascribed to the issuance of these shares was \$50,000 against the outstanding loan note totaling \$200,000, or \$0.10 per share of Series A Preferred Stock.

**Preferred Stock Series B**                      The Company is authorized to issue 1,500,000 shares of Series B, with a par value of \$0.00001 per share. As at March 1, 2019, the Company had 500,000 shares of Series B preferred stock issued and outstanding.

On August 21, 2019, these shares were returned to the Company's treasury by the previous holder.

On August 21, 2019, the 500,000 shares of Series B Preferred Stock returned to treasury were issued to Jason Black as part payment of the loan note outstanding in connection with the acquisition of Cann American Holdings, LLC. The payment ascribed to the issuance of these shares was \$50,000 against the outstanding loan note totaling \$200,000, or \$0.10 per share of Series B Preferred Stock.

Also on August 21, 2019, the 1,000,000 shares of Series B Preferred Stock not previously issued were issued to Jason Black as the final payment of the loan note outstanding in connection with the acquisition of Cann American Holdings, LLC. The payment ascribed to the issuance of these shares was \$100,000 against the outstanding loan note totaling \$200,000, or \$0.10 per share of Series B Preferred Stock.

As a result of the issuances of both Series A and Series B Preferred Shares, there was a change of control in favor of the holder of these Preferred Shares, Jason Black. All issuances of preferred stock on August 21, 2019 were as a result of a Special Meeting of the Stockholders held on that date, at which meeting the issuance of the Preferred Stock was ratified.

As at May 31, 2021, the Company had a total of 2,000,000 shares of preferred stock issued and outstanding.

### **Common Stock**

As at May 31, 2021, the Company is authorized to issue 1,998,000,000 shares of common stock with par value \$0.00001, after the effect of a 1:10 reverse share split completed on November 13, 2020. All issuances and balances listed below take account of this reverse split.

As at March 1, 2019, the Company had 898,189,908 shares of common stock issued and outstanding.

On May 15, 2019 the Company issued 1,000,000 shares of Common Stock to owner of Cannequipt, LLC to effect the acquisition of a 100% interest in Cannequipt, LLC \$50,000, a price of \$.05 per share.

Between March 2, 2019 and May 31, 2019 the Company canceled 317,389,724 shares of Common Stock issued to various investors.

Between June 1, 2019 and July 5, 2019 the Company canceled 416,000,000 shares of Common Stock issued to various investors.

On September 9, 2019 the Company issued 200,000 shares of Common Stock to an investor in an unregistered sale of shares \$2,000, a price of \$.01 per share.

On February 24, 2020 the Company issued 3,333,334 shares of Common Stock to an investor in an unregistered sale of shares \$50,000, a price of \$.015 per share.

On April 30, 2020 the Company issued 9,666,667 shares of Common Stock to a third-party consultant in payment of consulting fees \$97, a price of \$.00001 per share.

On June 8, 2020 the Company issued 11,000,000 shares of Common Stock to World Market Ventures in a Reg A registered offering \$165,000, a price of \$.015 per share.

On June 10, 2020 the Company issued 666,666 shares of Common Stock to World Market Ventures in a Reg A registered offering \$10,000, a price of \$.015 per share.

On June 23, 2020 the Company issued 3,333,334 shares of Common Stock to GPL Ventures, LLC in a Reg A registered offering \$50,000, a price of \$.015 per share.

On July 7, 2020 the Company issued 10,000,000 shares of Common Stock to Capitol Capital Corporation in a Reg A registered offering \$150,000, a price of \$.015 per share.

On July 13, 2020 the Company issued 1,000,000 shares of Common Stock to John Cerenzia in return for six months' consulting services.

As at May 31, 2021, there were 205,000,186 shares of common stock issued and outstanding.

#### **NOTE 10. STOCK OPTIONS AND WARRANTS**

The Company had no stock options or warrants outstanding as at May 31, 2021 or February 28, 2021.

#### **NOTE 11. DERIVATIVE LIABILITIES**

The Company applies the provisions of ASC Topic 815-40, Contracts in Entity's Own Equity ("ASC Topic 815-40"), under which convertible instruments, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the note exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date.

The Company identified embedded derivatives related to the Convertible Loan Notes issued on or around March 1, 2021 totaling \$160,955. These embedded derivatives included certain conversion features, whereby all amounts received are convertible at prices of \$0.0001 per share of common stock. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the Convertible Promissory Notes and to adjust the fair value as of each subsequent balance sheet date. At the inception of the Convertible Promissory Notes, the Company determined a fair value for the embedded derivative using the Black Scholes Model based on the following assumptions:

Dividend yield	0.00%
Volatility	222.07-223.42%
Risk-free rate	0.26-0.36%

The initial fair value of the embedded debt derivative was \$11,369,298. As this amount was in excess of the proceeds of the loan notes, the entire amount was charged as a loss to the Statement of Operations for the period ended May 31, 2021.

The fair value of the embedded debt derivative was reviewed at May 31, 2021, using the following inputs:

Dividend yield	0.00%
----------------	-------

Volatility	211.88%
Risk-free rate	0.79%

The fair value of the embedded debt derivative at May 31, 2021 was \$11,333,066. This was an decrease in the valuation of the embedded debt derivative of \$36,232, booked to the Statement of Operations for the period ending May 31, 2021 as a gain.

The following table provides a summary of changes in fair value of the Company's Level 3 derivative liabilities for the three month period ended May 31, 2021:

	May 31, 2021	February 28, 2021
Balance, beginning of period	\$ -	\$ -
Additions	11,369,298	-
Mark-to-market at modification date	(36,232)	-
Reclassified to additional paid-in capital upon modification of term	-	-
Balance, December 31, 2020	\$ 11,333,066	\$ -
Net gain due to change in fair value for the year, included in statement of operations	\$ 36,232	\$ -

## NOTE 12. INCOME TAXES

The Company uses the assets and liability method of accounting for income taxes pursuant to SFAS No. 109 "Accounting for Income Taxes". Under the assets and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." Specifically, the pronouncement prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken from year ended December 31, 2015 tax return onwards. The interpretation also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The Company adopted this interpretation effective on inception.

For the year ended February 28, 2021, the Company had available for US federal income tax purposes net operating loss carryovers of \$5,451,284, all of which will expire by 2040.

The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

	May 31, 2021	February 28, 2021
Statutory federal income tax rate	21.00%	21.00%
Statutory state income tax rate	0.00%	0.00%
Valuation allowance	(21.00%)	(21.00%)
Effective tax rate	0.00%	0.00%

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax assets result principally from the following:

<b>Deferred Tax Assets (Gross Values)</b>	<b>May 31, 2021</b>	<b>February 28, 2021</b>
Net operating loss carry forward	\$ (16,823,128)	\$ (5,451,284)
Less valuation allowance	16,823,128	5,451,284
Net deferred tax asset	\$ -	\$ -

**NOTE 13. RELATED PARTY TRANSACTIONS**

During the period ending May 31, 2021, there were no related party transactions.

**NOTE 14. COMMITMENTS AND CONTINGENCIES**

The Company believes that there are no commitments or contingencies to be disclosed as at May 31, 2021.

**NOTE 15. SUBSEQUENT EVENTS**

On June 26, 2021 Fly Beverage Co settled the \$30,000 USD loan issued to them by the Company.