

GELSTAT CORPORATION

QUARTERLY REPORT

QUARTER ENDED JUNE 30, 2021

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UNAUDITED

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GELSTAT CORPORATION
BALANCE SHEETS
JUNE 30, 2021 AND DECEMBER 31, 2020

| | June 30, 2021 | December 31, 2020 |
|---|----------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 956 | \$ 767 |
| Accounts receivable | 73 | 30 |
| Inventories | 75,142 | 75,263 |
| Total current assets | 76,171 | 76,060 |
| Other assets: | | |
| Warehouse right of use | 50,160 | 62,160 |
| Lease deposits | 2,000 | 2,000 |
| Total other assets | 52,160 | 64,160 |
| Total assets | \$ 128,331 | \$ 140,220 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 61,063 | \$ 51,565 |
| Accrued expenses | 147,584 | 91,450 |
| Loans - PPP Cares Act | 67,497 | 33,750 |
| Loans - Related party | 97,690 | 51,095 |
| Due to/from related party | 3,925 | 3,925 |
| Warehouse lease liability current portion | 24,720 | 24,360 |
| Preferred stock payable | 50,000 | 50,000 |
| Total current liabilities | 452,479 | 306,145 |
| Other liabilities | | |
| Warehouse lease liability long-term portion | 25,440 | 37,800 |
| Total liabilities | 477,919 | 343,945 |
| Stockholders' equity: | | |
| Common stock \$0.01 par value; 500,000,000 shares authorized; 499,993,540 and 499,993,540 issued and outstanding | 4,999,935 | 4,999,935 |
| Additional paid in capital | 13,795,217 | 13,795,217 |
| Accumulated deficit | (19,144,740) | (18,998,877) |
| Total stockholders' equity | (349,588) | (203,725) |
| Total Liabilities and stockholders' equity | \$ 128,331 | \$ 140,220 |

See notes to Financial Statements

GELSTAT CORPORATION
STATEMENTS OF OPERATIONS
FOR THE THREE MONTH AND SIX MONTH PERIODS JUNE 30, 2021, AND 2020

| | Three Month June 30, 2021 | Three Month June 30, 2020 | Six Month June 30, 2021 | Six Month June 30, 2020 |
|--|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Revenues | \$ 1,929 | \$ - | \$ 3,899 | \$ - |
| Cost of goods sold | <u>526</u> | <u>-</u> | <u>1,936</u> | <u>-</u> |
| Gross profit | <u>1,403</u> | <u>-</u> | <u>1,963</u> | <u>-</u> |
| Operating expenses: | | | | |
| Personnel costs | 79,168 | 27,440 | 90,604 | 27,440 |
| Consulting expense | 23,206 | 60 | 25,068 | 810 |
| Rent expense | 4,756 | - | 11,890 | - |
| Selling, general and administrative expenses | <u>4,748</u> | <u>2,300</u> | <u>16,450</u> | <u>4,364</u> |
| Total operating expenses | <u>111,878</u> | <u>29,800</u> | <u>144,012</u> | <u>32,614</u> |
| Income loss | <u>(110,475)</u> | <u>(29,800)</u> | <u>(142,049)</u> | <u>(32,614)</u> |
| Other Income and (expense): | | | | |
| Other income (settlement with creditors) | - | 2,000 | - | 2,000 |
| Other expense | <u>(2,180)</u> | <u>-</u> | <u>(3,815)</u> | <u>-</u> |
| Total other income and (expense) | <u>(2,180)</u> | <u>2,000</u> | <u>(3,815)</u> | <u>2,000</u> |
| Provision for income taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income loss | <u>\$ (111,252)</u> | <u>\$ (27,800)</u> | <u>\$ (145,864)</u> | <u>\$ (30,614)</u> |
| Basic and diluted earnings per common share | <u>\$ (0.00)</u> | <u>\$ 0.00</u> | <u>\$ (0.00)</u> | <u>\$ 0.00</u> |
| Basic and diluted weighted average common shares outstanding | 499,993,540 | 499,993,540 | 499,993,540 | 499,993,540 |

See notes to Financial Statements

GELSTAT CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
JUNE 30, 2021 AND 2020

| | <u>Common Stock Issued</u> | | <u>Additional</u> | | <u>Accumulated</u> | | <u>Stockholders'</u> |
|-----------------------------------|----------------------------|---------------------|------------------------|--|------------------------|--|----------------------|
| | <u>Shares</u> | <u>Amount</u> | <u>Paid In Capital</u> | | <u>Deficit</u> | | <u>Equity</u> |
| Balance, December 31, 2019 | 499,993,540 | \$ 4,999,935 | \$ 13,795,217 | | \$ (18,821,039) | | \$ (25,887) |
| Issuance of common stock for cash | - | - | - | | - | | - |
| Stock-based compensation | - | - | - | | - | | - |
| Additional paid in capital | - | - | - | | - | | - |
| Net income for the period | - | - | - | | \$ (30,614) | | (30,614) |
| Balance, June 30, 2020 | <u>499,993,540</u> | <u>\$ 4,999,935</u> | <u>\$ 13,795,217</u> | | <u>\$ (18,851,652)</u> | | <u>\$ (56,501)</u> |
| Balance, December 31, 2020 | 499,993,540 | \$ 4,999,935 | \$ 13,795,217 | | \$ (18,998,877) | | \$ (203,725) |
| Issuance of common stock for cash | - | - | - | | - | | - |
| Stock-based compensation | - | - | - | | - | | - |
| Additional paid in capital | - | - | - | | - | | - |
| Net income for the period | - | - | - | | (145,864) | | (145,864) |
| Balance, June 30, 2021 | <u>499,993,540</u> | <u>\$ 4,999,935</u> | <u>\$ 13,795,217</u> | | <u>\$ (19,144,741)</u> | | <u>\$ (349,589)</u> |

See notes to Financial Statements

GELSTAT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|---|-----------------|-----------------|
| Cash Flows from operating activities | | |
| Net loss | \$ (145,864) | \$ (30,614) |
| Adjustments to reconcile net loss to net cash flows used in Operating activities: | | |
| Changes in current assets and liabilities: | | |
| Accounts receivable | (43) | (78) |
| Inventory | 121 | 2 |
| Accounts payable | 9,498 | 3,357 |
| Accrued expenses | 56,135 | 88 |
| Loans payable | 46,595 | 200 |
| NET CASH USED IN OPERATING ACTIVITIES | (33,558) | (27,045) |
| NET CASH USED IN INVESTING ACTIVITIES | - | - |
| Cash flows from Financing Activities | | |
| Proceeds from PPP loan | 33,747 | 33,750 |
| Repayment of note payable | - | 360 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 33,747 | 34,110 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 189 | 7,065 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD | 767 | 1,141 |
| CASH AND CASH EQUIVALENTS, END OF THE PERIOD | \$ 956 | \$ 8,206 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid during the years for: | | |
| Interest | \$ - | \$ - |
| Taxes | \$ - | \$ - |

See notes to Financial Statements

GELSTAT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

UNAUDITED

NOTE 1 – Business

GelStat Corporation ("the Company" or "GelStat") is a consumer health care company dedicated to the cost-effective development and marketing of over-the-counter (OTC) and other non-prescription consumer health care products. Our efforts are focused on proprietary, innovative products that address the multi-billion dollar global markets.

In March 2020, a new CEO was appointed. In July 2020, the CEO initiated operations with the purchase of inventory and leasing of office and warehouse space. In late 2020, the Company began reengaging with capital markets and seeking additional financing which is ongoing at this time.

NOTE 2 – Going Concern

As shown in the accompanying unaudited financial statements, the Company has incurred recurring losses from operations to date. As of June 30, 2021, the Company had working capital deficit of \$376,308. The Company used \$33,558 of cash in operations for the quarter ended June 30, 2021. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might arise as a result of this uncertainty. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management's plan includes obtaining additional funds by equity financing and/or related party advances; however, there is no assurance of additional funding being available.

NOTE 3 - Summary of Significant Accounting Policies

Basis of Presentation

In the opinion of the Company, the accompanying unaudited financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting, include all adjustments (consisting only of normal recurring accruals) which we considered as necessary for a fair presentation of the results for the periods presented. It is suggested that these financial statements be read in conjunction with the Company's Annual Report for the year ended December 31, 2020. The results of operations for the six months ended June 30, 2021, are not necessarily indicative of the results to be expected for future periods or the full year.

Management's Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. The Company's significant estimates include: the valuation of inventories and the realizability of income tax assets. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows.

GELSTAT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

UNAUDITED

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. As of June 30, 2021 and 2020, the Company did not record an allowance for uncollectible accounts.

Inventories

Inventories are valued using average actual cost. Inventory items replaced by an alternative and rendered unusable or diminished in value are considered to be obsolete. Obsolete inventory items are written down to zero.

Revenue Recognition

In accordance with ASC 606 revenue is recognized upon transfer of control of promised products and/or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products and services. The Company currently sells its products through direct, retail and distributor sales channels with a national reach across the USA. The Company recognizes revenue when persuasive evidence of a customer or distributor arrangement exists, shipment has occurred, the price is fixed or determinable, and the sales revenues are considered collectible. Subject to these criteria, the Company recognizes revenue at the time of shipment of the merchandise to the retail customer.

Cost of Revenue

Cost of revenues consists primarily of product costs and shipping and handling, which are directly attributable to the sale of products. Shipping and handling costs included in cost of revenue for the six-months ended June 30, 2021 and 2020, totaled \$1,936 and \$0, respectively.

Advertising

Advertising costs, including the cost of promotional products, which totaled \$4,711 and \$216 for the six-month periods ended June 30, 2021 and 2020, respectively, are charged to operations when incurred.

Impairment

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset.

Recent Accounting Standards

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

NOTE 4 – Debt

Notes Payable

The Company's notes payable relating to financing agreements classified as current liabilities consist of the following as of:

GELSTAT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

UNAUDITED

| Notes payable | June 30, 2021 | | December 31, 2020 | |
|----------------------------|----------------------|---------------|---------------------|---------------|
| | Balance | Interest rate | Balance | Interest rate |
| Related party note payable | 97,690 | 12% | 51,095 | 12% |
| PPP loan | 67,497 | 1% | 33,750 | 1% |
| Total | \$ 165,187.00 | | \$ 84,845.00 | |

Related Party

The Company entered into an agreement with a related party on July 31, 2020 ,whereby the related party loaned the Company the aggregate principal amount of up to \$78,750 in tranches, pursuant to a note, repayable on June 30, 2022. The note carries an annual interest rate of 12% and an Original Issue Discount (OID) of 5%. In addition, the Company will issue warrants permitting the related party to purchase for cash 78,750,000 shares of the Company’s common stock at a price to be determined once sufficient authorized shares are available for issuance such that these shares do not exceed the amount of available authorized shares. The balance of this note as of June 30, 2021 and December 31, 2020 was \$97,690 and \$51,095.

PPP Loan

On May 1, 2020, the Company entered into a promissory note (the “Note”) with Bank of America, which provides for a loan in the amount of \$33,750 (the “Loan”) pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The Loan has a two-year term and bears interest at a rate of 1.00% per annum (APR 1.014%). Monthly principal and interest payments are deferred for seven months after the date of disbursement and was extended additional six months from the date of disbursement. The Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Company applied for the PPP loan forgiveness.

On January 28, 2021, the Company entered into a further promissory note (the “Second Note”) with Bank of America, which provides for a loan in the amount of \$33,747 (the “Second Loan”) pursuant to the Second Draw of the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The Loan has a two-year term and bears interest at a rate of 1.00% per annum (APR 1.014%). Monthly principal and interest payments are deferred for seven months after the date of disbursement and was extended additional six months from the date of disbursement. The Loan may be prepaid at any time prior to maturity with no prepayment penalties.

Accounts payable and preferred stock payable

On June 13,2020, the company entered into an inventory purchase agreement with vendor to purchase the inventory for \$75,000 to be paid with \$25,000 cash and \$50,000 of GelStat preferred stock. The first cash payment of \$10,000 was made on June 29,2020. As of June 30,2021, the remaining \$15,000 of cash payment and the \$50,000 of preferred stock is still payable.

GELSTAT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

UNAUDITED

NOTE 5 – Accrued Salary

As of June 30, 2021 and December 31, 2020, GelStat has accrued \$58,334 and \$0 in salary to its CEO.

NOTE 6 – Inventory

Inventories are recorded at the lower of cost or net realizable value. The cost of finished goods is determined using average actual cost. The inventory category and balance as of June 30,2021 and December 31,2020 were as follows:

| <u>Inventory</u> | <u>June 30,2021</u> | <u>December 31,2020</u> |
|------------------|---------------------|-------------------------|
| Finished Goods | \$ 75,142 | \$ 75,263 |
| Total | \$ 75,142 | \$ 75,263 |

NOTE 7 – Warehouse lease agreement

On June 28,2020, the company entered into a warehouse and office lease agreement at its current address 7554 SW Jack James Drive, Stuart, Florida 34997. The lease started July 1,2020 and the right-to-use asset recorded is \$50,160 and \$62,160 on June 30, 2021 and December 31,2020.

At June 30,2021, future minimum payments under warehouse lease with terms of at least one year were as follows:

Warehouse lease right of use asset

| | <u>Total payment</u> | <u>End balance as</u> | <u>End balance as of</u> | <u>Monthly</u> | <u>Term</u> |
|------------|----------------------|-------------------------|--------------------------|----------------|------------------------|
| | <u>for year</u> | <u>of June 30. year</u> | <u>December 31. year</u> | <u>payment</u> | |
| 2020 | \$ 12,000 | \$ - | \$ 62,160 | \$ 2,000 | July 2020 to June 2021 |
| 2021 | \$ 24,360 | \$ 50,160 | \$ 37,800 | \$ 2,060 | July 2021 to June 2022 |
| 2022 | \$ 25,080 | \$ 25,440 | \$ 12,720 | \$ 2,120 | July 2022 to June 2023 |
| 2023 | \$ 12,720 | \$ - | \$ - | | |
| Thereafter | - | | | | |
| Total | <u>\$ 74,160</u> | | | | |

GELSTAT CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

UNAUDITED

NOTE 8 – Subsequent Event

On July 8, 2021, GelStat issued a one-year \$59,444 convertible note and received \$50,000 in proceeds after discount and fees. (The note bears no interest and is due July 8, 2022.) GelStat also issued 25,000,000 shares and a five-year warrant to purchase 5,944,444 shares as additional consideration for this note.

End of Financial Statements

Alternative Reporting Standard: Pink[®] Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines (“Guidelines”).¹ These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,² however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.³

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our [Privacy Policy](#).

Pink Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) may qualify for the Current Information Tier.

Qualification Process:

1. Subscribe to the OTC Disclosure & News Service by submitting an [OTCIQ Order Form](#) (available on www.otciq.com).
2. Upload the following documents through OTCIQ:
 - **Quarterly Reports** for Current Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below
 - **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form starting on Page 4).
 - **Financial Statements:** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited. Required financial statements include:
 - Balance Sheet
 - Statement of Income
 - Statement of Cash Flows
 - Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
 - Notes to Financial Statements

¹ This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements.

² Publication of information pursuant to these Guidelines also does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

³ OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier.

- Audit Letter, if audited
3. If financial statements are not audited by a PCAOB registered firm, provide the following:
 - **Attorney Letter Agreement:** Submit a signed Attorney Letter Agreement according to the [instructions](http://www.otcmarkets.com) on www.otcmarkets.com.
 - **Attorney Letter:** After following the appropriate procedures with a qualified attorney, upload an “Attorney Letter With Respect to Current Information” in accordance with the [Attorney Letter Guidelines](#) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.
 4. **Verified Profile:** Verify the Company Profile through OTCIQ. Profile information includes, but is not limited to, a complete list of officers, directors and service providers, outstanding shares, a business description and contact information.
 5. Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments.
 6. Companies will be only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
 7. To qualify for Current Information on an ongoing basis, companies must upload reports through OTCIQ on the following schedule:
 - Quarterly Report within **45 days** of the quarter end
 - Annual Report within **90 days** of the fiscal year end
 - Attorney Letter within **120 days** of the fiscal year end.

Pink Limited Information Tier

Companies that make the information described below publicly available through OTCIQ for a period within the prior 6 months may qualify for the Limited Information Tier.

8. **Financial Statements:** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
 - Balance Sheet
 - Statement of Income
 - Statement of Cash Flows
 - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
 - Notes to Financial Statements
 - Audit Letter, if audited
9. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors and service providers; outstanding shares; a business description and contact information.

Current Reporting of Material Corporate Events

Companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by

disseminating a news release within 4 business days following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.⁴

Material corporate events include:

- Entry into or termination of a material definitive agreement
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities
- Material impairments
- Sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Amendments to articles of incorporation or bylaws; change in fiscal year
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure regarding stock promotion campaigns deemed material by the issuer
- Other events the issuer considers to be of importance

⁴ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcm Markets.com/corporate-services/products/disclosure-and-news-service>

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

GELSTAT CORPORATION

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info@gelstat.com

446190

Quarterly Report
For the Period Ending: 6/30/2021
(the "Reporting Period")

As of 8/31/2021, the number of shares outstanding of our Common Stock was:

524,993,540

As of 3/31/2021, the number of shares outstanding of our Common Stock was:

499,993,540

As of 12/31/2020, the number of shares outstanding of our Common Stock was:

499,993,540

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 Control⁵ of the company has occurred over this reporting period:

Yes: No:

⁵ "Change in Control" shall mean any events resulting in:

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

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

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

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

1) Name 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.

GelStat Corporation

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):

August 13, 2010. Delaware – Active.

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

N/A

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

N/A

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

7554 SW Jack James Dr, Stuart, FL 34997

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:

7554 SW Jack James Dr, Stuart, FL 34997

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:

N/A

2) Security Information

| | |
|--|---------------------|
| Trading symbol: | <u>GSAC</u> |
| Exact title and class of securities outstanding: | <u>Common Stock</u> |
| CUSIP: | <u>368533105</u> |
| Par or stated value: | <u>\$0.01</u> |

| | | |
|---------------------------|----------------------|------------------------------|
| Total shares authorized: | <u>5,000,000,000</u> | as of date: <u>6/30/2021</u> |
| Total shares outstanding: | <u>499,993,540</u> | as of date: <u>6/30/2021</u> |

Number of shares in the Public Float⁶: 54,683,854 as of date: 6/30/2021
 Total number of shareholders of record: 311 as of date: 6/30/2020

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

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

Transfer Agent

Name: Action Stock Transfer
 Phone: (801) 274-1088
 Email: action@actionstocktransfer.com
 Address: 2469 E. Fort Union Blvd, Suite 214 Salt Lake City, UT 84121

Is the Transfer Agent registered under the Exchange Act?⁷ 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

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> | | | *Right-click the rows below and select “Insert” to add rows as needed. | | | | | | |
|--|---|--|--|---|---|--|---|---|---------------------------------|
| Date <u>1/1/2018</u> | Common: <u>499,993,540</u> Preferred: <u>0</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 | Individual/ Entity Shares were issued to (entities must have individual with voting / investment | 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. |

⁶ “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.

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

| | | | | | issuance? (Yes/No) | control disclosed). | | | |
|--|--|------------------|-------------------------------|-------------|-----------------------|------------------------------|--|--------------------------------------|-------------|
| <u>7/7/2021</u> | <u>New</u> | <u>16</u> | <u>Series A Preferred</u> | <u>0</u> | <u>No</u> | <u>Javier G Acosta</u> | <u>Board Oversight</u> | <u>N/A</u> | <u>None</u> |
| <u>7/7/2021</u> | <u>New</u> | <u>15</u> | <u>Series A Preferred</u> | <u>0</u> | <u>No</u> | <u>Adrian G Goldfarb</u> | <u>Board Oversight</u> | <u>N/A</u> | <u>None</u> |
| <u>7/7/2021</u> | <u>New</u> | <u>10</u> | <u>Series A Preferred</u> | <u>0</u> | <u>No</u> | <u>William R Colucci</u> | <u>Board Oversight</u> | <u>N/A</u> | <u>None</u> |
| <u>7/7/2021</u> | <u>New</u> | <u>10</u> | <u>Series A Preferred</u> | <u>0</u> | <u>No</u> | <u>Paul Bucha</u> | <u>Board Oversight</u> | <u>N/A</u> | <u>None</u> |
| <u>7/19/2021</u> | <u>New</u> | <u>25,000.00</u> | <u>Common</u> | <u>0.01</u> | <u>No</u> | <u>Quick Capital</u> | <u>Convertible Promissory Note</u> | <u>Book Entry Restricted</u> | <u>None</u> |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| | | Ending Balance | | | | | | | |
| Ending Balance: | | | | | | | | | |
| Date <u>8/31/2021</u> | Common: <u>524,993,540</u> Preferred: <u>51</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:

Preferred Shares included in the table above were issued as of July 7, 2021.

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.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|------------------|--|--|---|
| <u>7/31/2020</u> | <u>50,895</u> | <u>46,500</u> | <u>4,395</u> | <u>7/31/2025</u> | <u>Convertible upon default on payment or at anytime at the lowest price 10-day</u> | <u>Adrian G Goldfarb</u> | <u>Interim working capital</u> |

| | | | | | <u>Volume Weighted Average Price (VWAP) upon conversion into stock.</u> | | |
|------------------|---------------|---------------|--------------|------------------|---|------------------------|----------------------------|
| <u>1/28/2021</u> | <u>33,747</u> | <u>33,747</u> | <u>141</u> | <u>1/28/2026</u> | <u>N/A</u> | <u>Bank of America</u> | <u>PPP Cares</u> |
| <u>7/19/2021</u> | <u>59,444</u> | <u>50,000</u> | <u>9,444</u> | <u>1/19/2022</u> | <u>N/A</u> | <u>Quick Capital</u> | <u>Working capital</u> |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

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

4) Financial Statements

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

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁸:

Name: Javier G. Acosta
Title: CEO
Relationship to Issuer: CEO

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

⁸ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

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.

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")

GelStat is engaged in research, development, marketing and branding of innovative over-the-counter (OTC) consumer healthcare products addressing very large markets. The Company's strategy is to build shareholder value through organic growth and strategic acquisitions.

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

N/A

- C. Describe the issuers' principal products or services.

GelStat Migraine, GelStat Sleep

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.

GelStat presently leases a warehouse/distribution facility of approximately 2,100 square feet in Stuart, Florida. The Company believes that its facilities are adequate for its operations for the foreseeable future and that such facilities could be replaced without great difficulty.

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>Javier G. Acosta</u> | <u>CEO / Director</u> | <u>Miami, FL</u> | <u>0</u> | <u>None</u> | <u>0</u> | _____ |
| <u>Adrian G. Goldfarb</u> | <u>Chairman Non Exec</u> | <u>Jacksonville, FL</u> | <u>540,400</u> | <u>Common</u> | <u>0.10</u> | _____ |
| <u>William R. Colucci</u> | <u>Director Ind.</u> | <u>Roswell, GA</u> | <u>1,575,000</u> | <u>Common</u> | <u>0.30</u> | _____ |
| <u>Paul Bucha</u> | <u>Director Ind.</u> | <u>Ridgefield, CT</u> | <u>500,000</u> | <u>Common</u> | <u>0.10</u> | _____ |
| <u>Lawrence Gershman</u> | <u>Control Person</u> | <u>Ridgefield, CT</u> | <u>133,419,578</u> | <u>Common</u> | <u>25.41</u> | _____ |
| <u>William Brisben</u> | <u>Control Person</u> | <u>Jupiter, FL</u> | <u>143,683,150</u> | <u>Common</u> | <u>27.37</u> | _____ |
| <u>Quick Capital</u> | <u>Corporation</u> | <u>Miami, FL</u> | <u>25,000,000</u> | <u>Common</u> | <u>4.76</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);

No

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;

No

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

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

- 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.

N/A

9) Third Party Providers

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

Securities Counsel

Name: Lawrence Metelitsa, Partner
Firm: Lucosky Brookman, LLP
Address 1: 101 Wood Avenue South, 5th Floor
Address 2: Woodbridge, NJ 08830
Phone: (732) 395-4405
Email: lmetelista@lucbro.com

Accountant or Auditor

Name: Ciro E. Adams, CPA
Firm: Ciro E. Adams, CPA, LLC
Address 1: 56 Rockford Rd.
Address 2: Wilmington, DE 19806-1004
Phone: (302) 652-4783
Email: ciro@ciroadams CPA.com

Investor Relations

Name: Javier G. Acosta
Firm: GelStat Corporation
Address 1: 7554 SW Jack James Drive
Address 2: Stuart, Florida 34997
Phone: (772) 212-1368
Email: info@gelstat.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.

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, Javier G. Acosta certify that:

1. I have reviewed this quarterly disclosure statement of GelStat Corporation;
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.

9/2/2021 [Date]

/s/ Javier G. Acosta [CEO's Signature]

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

Principal Financial Officer:

I, Javier G. Acosta certify that:

1. I have reviewed this quarterly disclosure statement of GelStat Corporation;
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.

9/2/2021 [Date]

/s/ Javier G. Acosta [CFO's Signature]

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