

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Cann American Corp.

320 Santana Dr. #C
Cloverdale, CA 95425

770-866-6250
cannamericancorp.com
cannamericanholdings@gmail.com
6719

Quarterly Report
For the Period Ending: 08/31/2022
(the "Reporting Period")

As of 08/31/2022, the number of shares outstanding of our Common Stock was:

261,666,851

As of 05/31/2022, the number of shares outstanding of our Common Stock was:

261,666,851

As of 02/28/2022, the number of shares outstanding of our Common Stock was:

265,000,186

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 Control¹ 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:	<u>CNNA</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>13764N207</u>	
Par or stated value:	<u>.0001</u>	
Total shares authorized:	<u>1,998,000,000</u>	as of date: <u>09/16/2020</u>
Total shares outstanding:	<u>261,666,851</u>	as of date: <u>08/31/2022</u>
Number of shares in the Public Float ² :	<u>167,422,834</u>	as of date: <u>08/31/2022</u>
Total number of shareholders of record:	<u>17</u>	as of date: <u>08/31/2022</u>

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

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

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

Trading symbol: CNNA
 Exact title and class of securities outstanding: Series A Preferred
 Par or stated value: .00001
 Total shares authorized: 500 as of date: 09/16/2020
 Total shares outstanding: 500 as of date: 08/31/2022

Trading symbol: CNNA
 Exact title and class of securities outstanding: Series B Preferred
 Par or stated value: .00001
 Total shares authorized: 1,500,000 as of date: 09/16/2020
 Total shares outstanding: 1,500,000 as of date: 08/31/2022

Transfer Agent

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

Is the Transfer Agent registered under the Exchange Act?⁶ 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: <u>Opening Balance</u> Date <u>03/01/2020</u> Common: <u>169,324,715</u> Preferred: <u>2,000,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

⁶ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<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>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 Web Design</u>	<u>Unrestricted</u>	<u>Reg-A</u>
<u>06/11/2020</u>	<u>New Issuance</u>	<u>6,666,667</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>Reg-A</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>Reg-A</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>Reg-A</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 Consulting</u>	<u>Restricted</u>	<u>None</u>
<u>09/16/2021</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>.0001</u>	<u>Yes</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>144</u>
<u>09/24/2021</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>.0001</u>	<u>Yes</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>144</u>
<u>10/05/2021</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>.0001</u>	<u>Yes</u>	<u>Capitol Capital Corp</u> <u>Howard Salamon</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>144</u>
<u>03/02/2022</u>	<u>Cancellation</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>

Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>08/31/2022</u>									
Common: <u>261,666,851</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: ☐

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>09/01/20</u>	<u>\$98,180</u>	<u>\$90,125</u>	<u>\$8,055</u>	<u>09/02/21</u>	<u>9% per annum - .0001 conversion</u>	<u>Capitol Capital Corp Howard Salamon</u>	<u>Loan</u>
<u>12/01/20</u>	<u>\$75,000</u>	<u>\$70,830</u>	<u>\$4,170</u>	<u>12/02/21</u>	<u>9% per annum - .001 conversion</u>	<u>Capitol Capital Corp 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)⁴:

Name: Jason Black
Title: CEO
Relationship to Issuer: President

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:

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

- 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 two subsidiaries. Cannequipt, LLC and Hourglass Enterprises LLC. Cannequipt intends to act as a research and development division. Hourglass intends to focus on developing new assets in the state of Oklahoma.

- 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% 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>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. 4th Floor Valetta VLT 1103 Malta</u>	<u>68,825,000</u>	<u>Common</u>	<u>32.6%</u>	
<u>Bradley Hanger</u>	<u>Director</u>	<u>Perry, OK</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>Director as of 07/14/21</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:	<u>Anthony Newton</u>
Firm:	<u>The Law Offices of Anthony F. Newton</u>
Address 1:	<u>PO Box 16877</u>
Address 2:	<u>Sugar Land, TX 77496</u>
Phone:	<u>832-452-0269</u>
Email:	<u>tony.newton@yahoo.com</u>

Accountant or Auditor

Name: Michael Gillespie
Firm: Michael Gillespie & Associates PLLC
Address 1: 10544 Alton Ave NE
Address 2: Seattle, WA 98125
Phone: 206-353-5736
Email: mgillespiecpa@outlook.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.

10/14/2022

/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.

10/14/2022

/s/ Jason Black



**CANN AMERICAN CORP
(CNNA)**

**QUARTERLY REPORT
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2022**

October 14, 2022

320 Santana Dr #C
Cloverdale
CA 95425

CANN AMERICAN CORP
QUARTERLY REPORT
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2022
(Unaudited)

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CANN AMERICAN CORP
Condensed Consolidated Unaudited Financial Statements
Balance Sheet

	Notes	As at August 31, 2022	As at February 28, 2022
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	2	\$ 98	\$ 555
Inventory		-	-
Other current assets	4	170,000	170,000
Total current assets		170,098	170,555
<u>Fixed assets</u>			
TOTAL ASSETS		<u>\$ 170,098</u>	<u>\$ 170,555</u>
LIABILITIES & STOCKHOLDERS' DEFICIT			
<u>Current liabilities</u>			
Accounts payable, trade		\$ 42,545	\$ -
Accrued expenses		2,251	2,249
Loans & notes payable, short-term or current	5	175,224	171,135
Derivative liability	7	3,056,496	7,290,585
Related party loans & notes payable, short-term or current	9	77,103	76,793
TOTAL LIABILITIES		<u>\$ 3,353,619</u>	<u>\$ 7,540,762</u>
STOCKHOLDERS' DEFICIT			
Preferred stock:			
Preferred stock Series A: par value \$0.00001, 500,000 authorized and 500,000 issued and outstanding at August 31, 2022 and February 28, 2022	6	5	5
Preferred stock Series B: par value \$0.00001, 1,500,000 authorized and 1,500,000 issued and outstanding at August 31, 2022 and February 28, 2022	6	15	15
Common stock: par value \$0.0001, 1,998,000,000 authorized and 261,666,851 and 265,000,186 issued and outstanding at August 31, 2022 and February 28, 2022 respectively	6	933,086	933,419
Additional paid-in capital		4,521,857	4,521,524
Accumulated deficit		(8,638,484)	(12,825,170)
TOTAL STOCKHOLDERS' DEFICIT		<u>(3,183,521)</u>	<u>(7,370,207)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT		<u>\$ 170,098</u>	<u>\$ 170,555</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

CANN AMERICAN CORP
Condensed Consolidated Unaudited Financial Statements
Statement of Operations

	Three Months Ended August 31,		Six Months Ended August 31,	
	2022	2021	2022	2021
Revenues	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross profit	-	-	-	-
Operating expenses				
Selling, general & administrative expenses	7,936	33,616	43,093	20,788
Bad debt provision	-	-	-	-
Depreciation & amortization	-	-	-	-
Total operating expenses	7,936	33,616	43,093	20,788
Net operating loss	(7,936)	(33,616)	(43,093)	(20,788)
Other income (expenses)				
Bank charges	(90)	(90)	(180)	(90)
Bank/loan interest accrued	(2,044)	(4,294)	(4,130)	(12,902)
Non-cash interest, convertible loan	-	(5,104,080)	-	(34,877,241)
Amortization of debt discount	-	(75,907)	-	(143,918)
Gain (loss) on revaluation of derivative liability	(587,676)	7,666,962	4,234,089	9,670,006
Beneficial conversion feature	-	-	-	-
Net income (loss) before income taxes	\$ (597,746)	\$ 2,448,975	\$ 4,186,686	\$ (25,384,933)
Provision for income taxes	-	-	-	-
Net income (loss)	\$ (597,746)	\$ 2,448,975	\$ 4,186,686	\$ (25,384,933)
Net income (loss) per share	\$ (0.00)	\$ 0.01	\$ 0.02	\$ (0.12)
Weighted average shares outstanding	261,666,851	205,000,186	263,333,519	205,000,186

See accompanying notes to these condensed consolidated unaudited financial statements.

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

	Six Months Ended August 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 4,186,686	\$ (25,384,933)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of debt discount	-	143,918
(Gain) loss on revaluation of derivative liability	(4,234,089)	(9,670,006)
Non-cash interest, convertible loan	-	34,877,241
Financing costs	4,310	12,992
Changes in operating assets and liabilities:		
Accounts payable and other current liabilities	43,346	(51,078)
Other current assets	-	(75,000)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	253	(146,866)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of tangible assets	-	12,000
Sale (purchase) of intangible assets	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	12,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity	-	(104,245)
Proceeds from (repayment of) debt instruments	3,290	202,532
Related party loans	310	-
Financing costs	(4,310)	(12,992)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(710)	85,295
NET (DECREASE) IN CASH	(457)	(49,571)
Cash, beginning of period	555	68,141
Cash, end of period	<u>\$ 98</u>	<u>\$ 18,570</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	Accumulated	
	Number	Value	Number	Value	Paid-in Capital	Surplus (Deficit)	Total
Balance b/f as at March 1, 2021	2,000,000	\$ 20	205,000,186	\$ 927,419	\$ 4,521,524	\$ (5,451,285)	\$ (2,322)
Common stock issued to repay debt	-	-	60,000,000	6,000	-	-	6,000
Net loss, year ending February 28, 2022	-	-	-	-	-	(7,373,885)	(7,373,885)
Balance b/f March 1, 2022	2,000,000	\$ 20	265,000,186	\$ 933,419	\$ 4,521,524	\$ (12,825,170)	\$ (7,370,207)
Common stock issued for investment	-	-	(3,333,335)	(333)	333	-	-
Net income, six months ended August 31, 2022	-	-	-	-	-	4,186,686	4,186,686
Balance c/f as at August 31, 2022	<u>2,000,000</u>	<u>\$ 20</u>	<u>261,666,851</u>	<u>\$ 933,086</u>	<u>\$ 4,521,857</u>	<u>\$ (8,638,484)</u>	<u>\$ (3,183,521)</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

CANN AMERICAN CORP
Condensed Consolidated Unaudited Financial Statements
Notes For the Three and Six Months Ended August 31, 2022

NOTE 1. NATURE AND BACKGROUND OF BUSINESS

The accompanying consolidated financial statements include Cann American Corp (the 'Company', 'we' or 'us'), a Wyoming corporation, its wholly-owned subsidiaries and any majority controlled interests.

The Company was formerly known as Canamed4Pets, Inc. (from July 15, 2015 to December 20, 2019) and Bioflamex Corp (prior to July 15, 2015). 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 approved by FINRA on December 20, 2019.

The Company, through its subsidiaries, has expanded its focus toward developing assets, technologies, and acquisitions nationally in the legal cannabis and hemp industries..

On December 10, 2021, the Company announced the launch of its signature vape cartridge line, C-Juice, a proprietary Delta 8 THC hemp extract that can be legally consumed in most US states. It is offered in multiple flavors, and will be initially made available in retail outlets in Oklahoma, Kansas and Texas, eventually branching out into additional markets including online sales.

On December 21, 2021, the Company launched its new website, showcasing its current direction.

On January 3, 2022, the Company announced the retention of a PCAOB auditor, Michael Gillespie & Associates, PLLC, to prepare for full SEC reporting and an uplisting of the Company's stock.

On June 15, 2022, the Company announced it had entered into a lease agreement to develop a 10,000 square foot hemp farming operation in Glencoe, Oklahoma, allowing the Company to vertically integrate the expansion of its recently-launched "C-Juice" vape lines. It will be managed by the Company's director, Brad Hangar.

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), with all numbers shown in US Dollars.

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 at August 31, 2022 or February 28, 2022.

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 identified assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance as at August 31, 2022 and February 28, 2022, as detailed in Note 11, Derivative Liabilities.

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 liabilities as at August 31, 2022 and February 28, 2022, 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 August 31, 2022 of \$8,638,484. The Company has a working capital deficit of \$3,183,521 as at August 31, 2022.

These financial statements for the six months ended August 31, 2022 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. OTHER CURRENT ASSETS

The Company had the following current assets as at August 31, 2022 and February 28, 2022.

	August 31, 2022	February 28, 2022
Investment in canned drinks entity	\$ -	\$ -
Investment in dispensary	165,000	165,000
Other debtors - Seven Arts	5,000	5,000
Totals	\$ 170,000	\$ 170,000

NOTE 5. LOANS AND NOTES PAYABLE

The Company had loans and notes payable as at August 31, 2022 and February 28, 2022 totaling \$175,224 and \$171,135 respectively, as follows:

Description	Principal Amount	Date of Loan Note	Maturity Date	August 31, 2022	February 28, 2022
Convertible loan from Capitol Capital Corporation, 12 months at interest rate of 9%, convertible at \$0.0001 per share at holder's option	\$ 90,125	9/1/2020	9/1/2021	\$ 100,224	\$ 96,135
Convertible loan from Capitol Capital Corporation, 12 months at interest rate of 9%, convertible at \$0.001 per share at holder's option	70,830	12/1/2020	12/1/2021	75,000	75,000
Total				\$ 175,224	\$ 171,135
Long-term total				\$ -	\$ -
Short-term total				\$ 175,224	\$ 171,135
Loans and Notes Amortization				Amount Due	
Due within 12 months				\$ 175,224	
Due within 24 months				-	
Due within 36 months				-	
Due within 48 months				-	
Due after 48 months				-	
Total				\$ 175,224	

Notes

1. On February 16, 2022, the controlling director purchased the outstanding loan totaling \$30,598, immediately canceling the balance due by the Company.

NOTE 6. CAPITAL STOCK

As at August 31, 2022 and February 28, 2022, the Company was authorized to issue Preferred Stock and Common Stock as detailed below.

Preferred Stock

At August 31, 2022 the Company had authorized Preferred Stock in two designation 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, 2020, the Company had 500,000 shares of Series A preferred stock issued and outstanding.

On June 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, 2020, the Company had 500,000 shares of Series B preferred stock issued or outstanding.

On June 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 August 31, 2022, the Company had a total of 2,000,000 shares of Preferred Stock issued and outstanding.

Common Stock

As at August 31, 2022, the Company is authorized to issue up to 1,998,000,000 shares of Common Stock with par value \$0.0001.

As at March 1, 2021, the Company had 205,000,186 shares of Common Stock issued and outstanding.

On May 15, 2019 the Company issued 1,000,000 shares of Common Stock to a seller for an acquisition of \$50,000, or \$0.05 per share.

On May 31, 2019 the Company bought back and canceled 317,389,724 shares of Common Stock from various shareholders.

On July 5, 2019 the Company bought back and canceled 416,000,000 shares of Common Stock from various shareholders.

On September 9, 2019 the Company issued 200,000 shares of Common Stock to an investor for investment of \$2,000, or \$0.01 per share.

On February 24, 2020 the Company issued 3,333,334 shares of Common Stock to an investor for investment of \$50,000, or \$0.015 per share.

On April 30, 2020 the Company issued 9,666,667 shares of Common Stock to a consultant for services of \$14,500, or \$0.0015 per share.

On June 8, 2020 the Company issued 11,000,000 shares of Common Stock to an investor for investment of \$165,000, or \$0.015 per share.

On June 10, 2020 the Company issued 666,667 shares of Common Stock to an investor for investment of \$10,000, or \$0.015 per share.

On June 23, 2020 the Company issued 3,333,334 shares of Common Stock to an investor for investment of \$50,000, or \$0.015 per share.

On July 7, 2020 the Company issued 10,000,000 shares of Common Stock to an investor for investment of \$150,000, or \$0.015 per share.

On July 13, 2020 the Company issued 1,000,000 shares of Common Stock to a consultant for services of \$15,000, or \$.015 per share.

On September 2, 2021 the Company issued 20,000,000 shares of Common Stock to a debt holder for debt conversion of \$2,000, or \$.0001 per share.

On September 20, 2021 the Company issued 20,000,000 shares of Common Stock to a debt holder for debt conversion of \$2,000, or \$.0001 per share.

On October 16, 2021 the Company issued 20,000,000 shares of Common Stock to a debt holder for debt conversion of \$2,000, or \$.0001 per share.

On March 3, 2022 the Company bought back and canceled 3,333,335 shares of Common Stock from various shareholders.

As at August 31, 2022, there were 261,666,851 shares of Common Stock issued and outstanding.

NOTE 7. 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 \$165,951. These embedded derivatives included certain conversion features, whereby one loan note for \$90,125 is convertible at prices of \$0.0001 per share of common stock, with a second loan note for \$70,830 convertible at \$0.001 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 \$29,934,116. The proceeds of the notes of \$160,955 were allocated as a debt discount. The amount in excess of the proceeds of the loan notes of \$29,773,161 was charged as interest to the Statement of Operations for the period.

The Company also identified embedded derivatives related to the Convertible Loan Note issued on or around June 1, 2021 totaling \$28,675. The embedded derivatives included certain conversion features, whereby the amounts received are convertible at a price of \$0.001 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	211.99%
Risk-free rate	0.81%

The initial fair value of the embedded debt derivative was \$5,132,755. The proceeds of the notes of \$28,675 was allocated as a debt discount. The amount in excess of the proceeds of the loan notes of \$5,104,080 was charged as interest to the Statement of Operations for the period.

The fair value of the embedded debt derivative was reviewed at February 28, 2022, using the following inputs:

Dividend yield	0.00%
Volatility	159.81%
Risk-free rate	1.89%

The fair value of the embedded debt derivative at February 28, 2022 was \$7,499,670. This was a decrease in the valuation of the embedded debt derivative of \$59,446, booked to the Statement of Operations for the year ending February 28, 2022 as a gain.

	February 28, 2022	February 28, 2021
Balance, beginning of period	\$ -	\$ -
Additions	35,066,871	-
Mark-to-market at modification date	(27,776,286)	-
Reclassified to additional paid-in capital upon modification of term	-	-
Balance, February 28, 2022	\$ 7,290,585	\$ -
Net gain due to change in fair value for the period included in statement of operations	\$ 27,776,286	\$ -

This mark-to-market decrease of \$27,776,286 for the year was charged to the statement of operations as a gain on change in value of derivative liability.

The fair value of the embedded debt derivative was reviewed at August 31, 2022, using the following inputs:

Dividend yield	0.00%
Volatility	212.58%
Risk-free rate	3.28%

The fair value of the embedded debt derivative at August 31, 2022 was \$3,056,496, a decrease in the valuation of the embedded debt derivative of \$4,234,089 for the period.

The following table provides a summary of changes in fair value of the Company's Level 3 derivative liabilities as at August 31, 2022:

	August 31, 2022,	February 28, 2022,
Balance, beginning of period	\$ 7,290,585	\$ -
Additions	-	35,066,871
Mark-to-market at modification date	(4,234,089)	(27,776,286)
Reclassified to additional paid-in capital upon modification of term	-	-
Balance, August 31, 2022	\$ 3,056,496	\$ 7,290,585
Net gain due to change in fair value for the period included in statement of operations	\$ 4,234,089	\$ 27,776,286

This mark-to-market decrease of \$4,234,089 for the period ended August 31, 2022 was charged to the statement of operations as a gain on change in value of derivative liabilities.

NOTE 8. 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

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, 2022, the Company had available for US federal income tax purposes net operating loss carryovers of \$12,654,035, all of which will expire by 2042.

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.

	August 31, 2022	February 28, 2022
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:

Deferred Tax Assets (Gross Values)	August 31, 2022	February 28, 2022
Net operating loss carry forward	\$ (5,581,988)	\$ (5,534,585)
Less valuation allowance	5,581,988	5,534,585
Net deferred tax asset	\$ -	\$ -

NOTE 9. RELATED PARTY TRANSACTIONS

There were no related party transactions during the six months ended August 31, 2022 or year ending February 28, 2022.

NOTE 10. SUBSEQUENT EVENTS

The Company believes there were no events to report subsequent to August 31, 2022.