

Disclosure Statement Pursuant to Pink Basic Disclosure Guidelines

Nitches, Inc.

A Nevada Corporation

1333 N Buffalo Dr, Unit 210

Las Vegas, NV 89128

(678) 999-6242

www.nitchescorp.com

jm850fl@gmail.com

8700

Quarterly Report

For the period ending: November 30, 2022 **(the "Reporting Period")**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

56,759,644 as of November 30, 2022

56,759,644 as of August 31, 2022

Shell Status

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 and Rule 15c2-11 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: ☒

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

Yes ☐ No ☒

⁵ 'Change of 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 13(d)-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.

Nitches, Inc. (1995-present)

Beeba's Creations, Inc. (1973-1995)

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

Nevada, registered 05/02/2007, active

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

None

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

None

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

1333 N Buffalo Dr, Unit 210, Las Vegas, NV 89128

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?

No ☒ Yes ☐ If Yes, provide additional details below:

n/a

2. **Security Information**

Transfer Agent

Name: Vstock Transfer LLC

Phone: (212) 828-8436

Email: pasquale@vstocktransfer.com

Address: 18 Lafayette Place, Woodmere, NY 11598

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | | | |
|--|---------------------|------------|-------------------|
| Trading symbol: | <u>NICH</u> | | |
| Exact title and class of securities outstanding: | <u>Common Stock</u> | | |
| CUSIP: | <u>65476M109</u> | | |
| Par or stated value: | <u>\$0.001</u> | | |
| Total shares authorized: | <u>300,000,000</u> | as of date | <u>11/30/2022</u> |
| Total shares outstanding: | <u>56,759,644</u> | as of date | <u>11/30/2022</u> |
| Number of shares in the Public Float: | <u>4,761,714</u> | as of date | <u>11/30/2022</u> |
| Total number of shareholders of record: | <u>82</u> | as of date | <u>11/30/2022</u> |

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

| | | | |
|--|------------|------------|------------|
| Trading symbol: | <u>n/a</u> | | |
| Exact title and class of securities outstanding: | <u>n/a</u> | | |
| CUSIP: | <u>n/a</u> | | |
| Par or stated value: | <u>n/a</u> | | |
| Total shares authorized: | <u>n/a</u> | as of date | <u>n/a</u> |
| Total shares outstanding: | <u>n/a</u> | as of date | <u>n/a</u> |

Other Classes of Authorized or Outstanding Equity Securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | | | |
|---|--------------------------------------|------------|-------------------|
| Exact title and class of securities outstanding: | <u>2020 Series A Preferred Stock</u> | | |
| CUSIP (if applicable): | <u>n/a</u> | | |
| Par or stated value: | <u>\$0.001</u> | | |
| Total shares authorized: | <u>1</u> | as of date | <u>11/30/2022</u> |
| Total shares outstanding: | <u>0</u> | as of date | <u>11/30/2022</u> |
| Total number of shareholders of record (if applicable): | <u>0</u> | as of date | <u>11/30/2022</u> |

Security Description

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

n/a

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

One share of 2020 Series A Preferred Stock converts into 100,000,000 shares of common stock.

3. Describe any other material rights of common or preferred stockholders.

n/a

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

n/a

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods.

No: ☐ Yes: ☒ (If yes, you must complete the table below)

| Shares Outstanding as of the Second Most Recent Fiscal Year End | | | *Right-click the rows below and select 'insert' to add rows as needed | | | | | | |
|--|--|--|---|---|--|--|--|--|--------------------------------|
| Date <u>Opening balance:</u> <u>8/31/2020</u> Common: <u>5,659,644</u> Preferred: <u>1</u> | | | | | | | | | |
| Date of Transaction | Transaction Type (eg. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or Cancelled) | Class of Securities | Value of Shares Issued (\$/share) at issuance | Were the shares issued at a discount to market price at time of issuance (Y/N) | Individual / Entity shares were issued to (entities must have individual with voting / investment control disclosed) | Reason for share issuance (eg. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing | Exemption or Registration Type |
| <u>8/3/2021</u> | <u>New Issuance</u> | <u>100,000,000</u> | <u>Common</u> | <u>\$0.14</u> | <u>N</u> | <u>John Morgan</u> | <u>Remuneration</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>10/12/2021</u> | <u>New Issuance</u> | <u>1,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>Y</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>10/12/2021</u> | <u>New Issuance</u> | <u>9,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Consultancy</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>11/4/2021</u> | <u>New Issuance</u> | <u>1,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>Y</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>11/4/2021</u> | <u>Conversion of Preferred</u> | <u>100,000,000</u> | <u>Common</u> | <u>\$0.001</u> | <u>Y</u> | <u>Accelerate Global Market Solutions, Inc. - John Morgan</u> | <u>Conversion</u> | <u>Unrestricted</u> | <u>144</u> |
| <u>11/4/2021</u> | <u>New Issuance</u> | <u>5,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Consultancy</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>11/4/2021</u> | <u>Cancellation</u> | <u>-1</u> | <u>2020 Series A Preferred</u> | <u>\$0.001</u> | <u>N</u> | <u>Accelerate Global Market Solutions, Inc. - John Morgan</u> | <u>Conversion</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>12/14/2021</u> | <u>New Issuance</u> | <u>2,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>1/7/2022</u> | <u>New Issuance</u> | <u>2,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>3/9/2022</u> | <u>New Issuance</u> | <u>2,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |

| | | | | | | | | | |
|--|---------------------|---------------------|---------------|----------------|----------|---|---------------------|---------------------|---------------------|
| <u>3/18/2022</u> | <u>New Issuance</u> | <u>1,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>J P Carey Partners - Joe Canouse</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>3/31/2022</u> | <u>Cancellation</u> | <u>-100,000,000</u> | <u>Common</u> | <u>\$0.00</u> | <u>N</u> | <u>Accelerate Global Market Solutions, Inc. - John Morgan</u> | <u>Cancellation</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>3/31/2022</u> | <u>Cancellation</u> | <u>-75,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>John Morgan</u> | <u>Cancellation</u> | <u>Restricted</u> | <u>n/a</u> |
| <u>3/31/2022</u> | <u>Cancellation</u> | <u>-25,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cancellation</u> | <u>Unrestricted</u> | <u>n/a</u> |
| <u>4/11/2022</u> | <u>New Issuance</u> | <u>2,500,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>4/11/2022</u> | <u>New Issuance</u> | <u>1,000,000</u> | <u>Common</u> | <u>\$0.03</u> | <u>N</u> | <u>J P Carey Partners - Joe Canouse</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>5/9/2022</u> | <u>New Issuance</u> | <u>2,100,000</u> | <u>Common</u> | <u>\$0.024</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>6/7/2022</u> | <u>New Issuance</u> | <u>4,500,000</u> | <u>Common</u> | <u>\$0.024</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>7/15/2022</u> | <u>New Issuance</u> | <u>1,000,000</u> | <u>Common</u> | <u>\$0.024</u> | <u>N</u> | <u>J P Carey Partners - Joe Canouse</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>7/19/2022</u> | <u>New Issuance</u> | <u>3,000,000</u> | <u>Common</u> | <u>\$0.024</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| <u>7/25/2022</u> | <u>New Issuance</u> | <u>3,000,000</u> | <u>Common</u> | <u>\$0.024</u> | <u>N</u> | <u>World Market Ventures - Chad Curtis</u> | <u>Cash</u> | <u>Unrestricted</u> | <u>Regulation A</u> |
| Shares Outstanding as of Date of This Report | | | | | | | | | |
| Date | Ending balance: | | | | | | | | |
| <u>11/30/2022</u> | Common: | <u>56,759,644</u> | | | | | | | |
| | Preferred: | <u>0</u> | | | | | | | |

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

n/a

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion terms (eg. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder (entities must have individuals with voting / investment control disclosed) | Reason for Issuance (eg. Services, Loan, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|---|--|--|
| 10/19/2022 | \$ 27,785 | \$ 27,500 | \$ 285 | 7/19/2023 | 50% of the lowest price in the past 30 days | World Market Ventures - Chad Curtis | Loan |
| 10/19/2022 | \$ 27,785 | \$ 27,500 | \$ 285 | 7/19/2023 | 50% of the lowest price in the past 30 days | Strategic Enterprises LLC - Chad Curtis | Loan |

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

n/a

4. Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcm Markets.com).

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

The Company is in the business of wholesale manufactured goods, with a phased implementation plan to partner with global manufacturers of high margin household, lifestyle, and travel/leisure goods, white label their products under our "Nitches" brand and market them using a stable of social media influencers.

Phase I has been the onboarding of social media influencers into the Nitches sales and marketing team and the launch of the Nitches "athleisure" clothing line to be marketed by our Nitches social media influencers in the social lifestyle content they create. Those influencers that meet certain analytics and sales thresholds will qualify for the Nitches Equity Incentive Plan for Social Media Influencers ("Equity Incentive Plan").

Phase II will be to match up our sales team of social influencers with "Nitches" white-labeled household, lifestyle and travel leisure goods of our manufacturing partners, with whom we partner in revenue sharing arrangements and to whom we may also provide financing and consulting services. For our Nitches social influencers, equity grants they receive from the Equity Incentive Plan will vest with the achievement, again, of certain social analytics and sales thresholds. Phase II use of proceeds will be for marketing campaigns for the Nitches white-labeled lifestyle goods and for financing of certain manufacturers of these goods for those that meet historic sale thresholds.

Phase III will be to consult for, partner with, or acquire our manufacturing partners whose goods do the best in Phase II to rework their supply chains to qualify for certain Sustainable Manufacturing Certifications.

B. List any subsidiaries, parent company, or affiliated companies.

n/a

C. Describe the issuers' principal products or services.

The Nitches brand is an entryway to strategic partnerships with global manufacturers of product ready to scale production to take advantage of the effects of our marketing campaigns. We will act as consultants - and financiers - to these manufacturers to scale their production in a sustainable supply and distribution chain. Management plans that the payments for such consultancies will be in the form of revenue- or profit-sharing arrangements with these manufacturers in order to generate multiple streams of revenue. Management believes that, when mature, these revenue streams could be bundled and securitized for later stage financing, which the Company could use to finance or acquire and scale those manufacturers showing most promising growth.

5. 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.

The CEO works from a small leased office, with the manufacturing outsourced to an overseas facility.

6. Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, 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.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

| Name of Officer, Director or Control Person | Affiliation with Company (eg. 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 | Names of control person(s) if a corporate entity |
|---|---|--|------------------------|------------------|---|--|
| John Morgan | CEO | 1333 N Buffalo Dr, Unit 210, Las Vegas, NV 89128 | 25,000,000 | Common | 44.0% | |

7. Legal/Disciplinary History

A. 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.

None

8. Third Party Providers

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

Securities Counsel (must include Counsel preparing Attorney Letters)

Name: Jeff Turner
Firm: JDT Legal PLLC
Address1: 897 W Baxter Dr
Address2: South Jordan, Utah 84095
Phone: (801) 810-4465
Email: jeff@jdt-legal.com

Accountant or Auditor

Name: Olayinka Oyebola
Firm: Olayinka Oyebola & Co
Address1: 2nd Floor, Nurses House, PC43, Churchgate Street
Address2: Victoria Island, Lagos
Phone: 0803 333 8600
Email: yinka@olayinkaoyebolaandco.com

Investor Relations

Name: -----
Firm: -----
Address1: -----
Address2: -----
Phone: -----
Email: -----

All other means of Investor Communication:

Twitter: -----
Discord: -----
LinkedIn: -----
Facebook: -----
[Other]: -----

Other Service Providers

Provide the name of any other service provider(s) **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: -----
Address1: -----
Address2: -----
Phone: -----
Email: -----

9. Financial Statements

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

☐ IFRS
☒ US GAAP

B. The financial statements were prepared by (name of individual)⁶:

Name: John Morgan
Title: CEO
Relationship to Issuer: Employee
Describe the qualifications of the person or persons who prepared the financial statements: Accounting experience

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.

- a. Audit Letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- f. Financial Notes.

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

The certifications shall follow the format below:

I, John Morgan, certify that:

- 1. I have reviewed this Disclosure Statement of Nitches, Inc.;
- 2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or
- 3. Based on my knowledge, the financial statements, and other financial information included or incorporated by

1/14/2023

/s/ John Morgan (CEO's Signature)

Principal Financial Officer

I, John Morgan, certify that:

- 1. I have reviewed this Disclosure Statement of Nitches, Inc.;
- 2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or
- 3. Based on my knowledge, the financial statements, and other financial information included or incorporated by

1/14/2023

/s/ John Morgan (CFO's Signature)

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.



**NITCHES, INC.
(NICH)**

**QUARTERLY REPORT
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2022 and 2022**

January 14, 2023

1333 N Buffalo Dr, Unit 210
Las Vegas
NV 89128

NITCHES, INC.
QUARTERLY REPORT
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2022 and 2021

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| | |
|---|-----|
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NITCHES, INC.
Condensed Consolidated Financial Statements
Balance Sheet

| | Notes | As at November 30, 2022 | As at August 31, 2022 |
|--|-------|-------------------------------|-----------------------------|
| ASSETS | | | |
| <u>Current assets</u> | | | |
| Cash and cash equivalents | 2 | \$ 3,972 | \$ 71,392 |
| Inventory | | 140,550 | 130,550 |
| Total current assets | | 144,522 | 201,942 |
| <u>Fixed assets</u> | | | |
| Property, plant & equipment | 4 | 8,649 | 8,649 |
| Accumulated depreciation | 4 | (1,441) | (720) |
| Software | 5 | 11,900 | 8,400 |
| Accumulated amortization | 5 | (1,435) | (840) |
| TOTAL ASSETS | | \$ 162,195 | \$ 217,431 |
| LIABILITIES & STOCKHOLDERS' EQUITY | | | |
| <u>Current liabilities</u> | | | |
| Accrued expenses | | \$ 4,321 | \$ 22,000 |
| Loans & notes payable, short-term or current, net of unamortized debt discount of \$46,538 | 6 | 14,032 | - |
| Related party loans & notes payable, short-term or current | 10 | 20,500 | 12,000 |
| Derivative liability | 8 | 45,933 | - |
| TOTAL LIABILITIES | | \$ 84,786 | \$ 34,000 |
| STOCKHOLDERS' EQUITY | | | |
| Preferred stock Series A: par value \$0.001, 1 authorized and nil and 1 issued and outstanding at November 30, 2022 and August 31, 2022 respectively | 7 | - | - |
| Common stock: par value \$0.001, 300,000,000 authorized and 56,759,644 issued and outstanding at November 30, 2022 and August 31, 2022 | 7 | 56,759 | 56,759 |
| Additional paid-in capital | | 30,224,641 | 30,224,641 |
| Accumulated deficit | | (30,203,991) | (30,097,969) |
| TOTAL STOCKHOLDERS' EQUITY | | 77,409 | 183,431 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | \$ 162,195 | \$ 217,431 |

See accompanying notes to these condensed consolidated unaudited financial statements.

NITCHES, INC.
Condensed Consolidated Financial Statements
Statement of Operations

| | Three Months Ended November 30, | |
|--|------------------------------------|--------------|
| | 2022 | 2021 |
| Revenues | \$ 1,750 | \$ - |
| Cost of goods sold | 1,879 | - |
| Gross profit | (129) | - |
| Operating expenses | | |
| Selling, general & administrative expenses | 93,952 | 559,958 |
| Depreciation & amortization | 1,316 | - |
| Total operating expenses | 95,268 | 559,958 |
| Loss from operations | (95,397) | (559,958) |
| Other income (expenses) | | |
| Financing costs | (660) | (195) |
| Loan interest accrued | (570) | (2,660) |
| Non-cash interest, convertible loan | (5,000) | - |
| Amortization of debt discount | (13,462) | - |
| Gain (loss) on revaluation of derivative liability | 9,067 | - |
| Loss before income taxes | \$ (106,022) | \$ (562,813) |
| Provision for income taxes | - | - |
| Net loss | (106,022) | \$ (562,813) |
| Net loss per share | \$ (0.00) | \$ (0.10) |
| Weighted average shares outstanding | 116,722,144 | 5,659,644 |

See accompanying notes to these condensed consolidated unaudited financial statements.

NITCHES, INC.
Condensed Consolidated 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 September 1, 2021 | - | \$ - | 105,659,644 | \$ 105,659 | \$ 28,954,341 | \$ (29,247,001) | \$ (187,001) |
| Common stock issued on conversion of preferred stock | - | - | 100,000,000 | 100,000 | - | - | 100,000 |
| Common stock issued for services | - | - | 14,000,000 | 14,000 | 406,000 | - | 420,000 |
| Common stock issued for investment | - | - | (162,900,000) | (162,900) | 864,300 | - | 701,400 |
| Net loss, year ending August 31, 2022 | - | - | - | - | - | (850,968) | (850,968) |
| Balance b/f September 1, 2022 | - | \$ - | 56,759,644 | \$ 56,759 | \$ 30,224,641 | \$ (30,097,969) | \$ 183,431 |
| Net loss, three months ended November 30, 2022 | - | - | - | - | - | (106,022) | (106,022) |
| Balance c/f as at November 30, 2022 | - | \$ - | 56,759,644 | \$ 56,759 | \$ 30,224,641 | \$ (30,203,991) | \$ 77,409 |

See accompanying notes to these condensed consolidated unaudited financial statements.

NITCHES, INC.
Condensed Consolidated Financial Statements
Statement of Cash Flow

| | Three Months Ended November 30, | |
|---|------------------------------------|-----------------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (106,022) | \$ (5,007,500) |
| Adjustments to reconcile net loss to net cash (used in) operating activities: | | |
| Stock issued for services | - | 520,000 |
| Depreciation and amortization | 1,316 | - |
| Amortization of debt discount | 13,462 | - |
| (Gain) loss on revaluation of derivative liability | (9,067) | - |
| Non-cash interest, convertible loan | 5,000 | - |
| Financing costs | 660 | 195 |
| Changes in operating assets and liabilities: | | |
| Inventory | (10,000) | - |
| Accounts payable and other current liabilities | (17,678) | (425) |
| NET CASH (USED IN) OPERATING ACTIVITIES | (122,329) | (4,487,730) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale (purchase) of tangible assets | - | - |
| Sale (purchase) of intangible assets | (3,500) | - |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (3,500) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of equity | - | 60,000 |
| Proceeds from (repayment of) debt instruments | 55,570 | 5,660 |
| Related party loans | 8,500 | - |
| Financing costs | (5,660) | (195) |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 58,410 | 65,465 |
| NET (DECREASE) IN CASH | (67,419) | (4,422,265) |
| Cash, beginning of period | 71,391 | 1,354 |
| Cash, end of period | <u>\$ 3,972</u> | <u>\$ (4,420,911)</u> |

See accompanying notes to these condensed consolidated unaudited financial statements.

NITCHES, INC.
Condensed Consolidated Financial Statements
Notes For the Three Months Ended November 30, 2022 and 2021

NOTE 1. NATURE AND BACKGROUND OF BUSINESS

The accompanying consolidated financial statements include Nitches, Inc. ('NICH' or the 'Company'), a Nevada corporation, its wholly-owned subsidiaries and any majority controlled interests.

Nitches Inc is a diversified company that specializes in creating merchandise, manufacturing high end luxury brands, goods and collectibles for influencers and celebrities. Nitches is focused on sports clothing, athleisure brands, sustainable products, NFTs and technology. We are also taking tremendous steps to protect Nitches and our clients intellectual property by innovating technology to help prevent counterfeiting. In addition to the merchandise and manufacturing, Nitches is partnering with brands that are innovating outside of the box. Our business model is anchored in a long-term vision that builds on the heritage of our brands and stimulates creativity and excellence. Nitches empowers brands, celebrities and influencers with customized merchandise to increase their bottom line from their notoriety and social fame in this social age.

The Company was founded originally as a California corporation as a wholesale importer and distributor of clothing, home décor and tabletop products manufactured to our specifications and distributed in the United States under our brand labels and retailer-owned private labels. The Company moved jurisdiction to Nevada in 2008.

On November 5, 2020, International Ventures Society, LLC, a Nevada limited liability company, was appointed custodian of the Company pursuant to an Order of District Court of Clark County, Nevada. On November 6, the Company adopted amended Articles of Incorporation, which created the 2020 Series A Preferred Stock, with one share authorized. This one share effectively controls the Company by representing no less than 60% of all combined votes of Common and Preferred Stock at any time, and was issued to International Ventures Society LLC on the same day.

On December 16, 2020, International Ventures Society, LLC sold the one outstanding share of 2020 Series A Preferred Stock to Accelerate Global Market Solutions, Inc., a change of control transactions that resulted in John Morgan becoming CEO. This share of 2020 Series A Preferred Stock was converted into 100,000,000 shares of Common Stock on November 4, 2021.

Since February 2022, the Company has announced the completion and launch of its Nitches OVS mobile app, which can be used to prove ownership of the Company's luxury products, apparel and streetwear clothing items, as well as clothing collections in collaboration with legendary football coach Steve Calhoun; superstar vocal coach Nick Cooper; vegan influencer John Lewis; and world-famous artist Voodoo Fe with a collection to honor the legendary Miles Davis. In addition, the Company has announced an NFT campaign to focus on inclusivity and the development of its own exclusive clothing line to promote mental well-being.

On April 5, 2022, the Company executed amended loan notes which, in each case, changed the conversion terms from \$0.00001 per share to a 50% discount to the lowest market price experienced in the 20 trading days prior to conversion.

On July 21, 2022, the Company announced it had repaid all outstanding loan notes and convertible loan notes, leaving the Company completely debt-free.

To the end of August 2022, the Company continued to work on development and promotion of its clothing ranges.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared for Nitches, Inc. 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.

Revenue Recognition

The Company recognizes revenue under the Financial Accounting Standards Board's Topic 606, Revenue from Contracts with Customers ('Topic 606'). Topic 606 has established a five-step process to determine the amount of revenue to record from contracts with customers. The five steps are:

- Determine if we have a contract with a customer;
- Determine the performance obligations in that contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Determine when to recognize revenue.

Our revenues are generally earned under formal contracts with our customers and are derived from sales of branded clothing products to customers. Our contracts do not include the possibility for additional contingent consideration so that our determination of the contract price does not involve having to consider potential additional variable consideration.

For arrangements with multiple performance obligations (eg. multiple deliveries), we recognize product revenue by allocating the transaction revenue to each performance obligation based on the relative fair value of each deliverable and recognize revenue when performance obligations are met including when product is delivered. Our contracts sometimes require customer payments in advance of revenue recognition. These are recognized as revenue when the Company has fulfilled its obligations under the respective contracts. Until such time, we recognize this prepayment as deferred revenue.

Contracts in progress are included in revenue recognition as unbilled revenues until delivery is made and billing occurs.

On a quarterly basis, we examine all of our fixed-price contracts to determine if there are any losses to be recognized during the period. Any such loss is recorded in the quarter in which the loss first becomes apparent based upon costs incurred to date and the estimated costs to complete as determined by experience from similar contracts. Variations from estimated contract performance could result in adjustments to operating results.

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 November 30, 2022 or August 31, 2022.

Accounts Receivable

Accounts receivable are shown net of any allowance for doubtful accounts, determined as such when management has made a decision that an account is not collectible. As at November 30, 2022, the allowance for doubtful or non-collectible accounts receivable was nil.

Inventory

Inventory is stated at the lower of cost (First in, First Out method) or net realizable value.

Depreciation and Amortization

Depreciation is applied to all tangible fixed assets in accordance with the useful life of the type of asset, using the straight line method, for the following types of assets:

- Land and buildings - 40 years
- Plant and equipment - 3 years
- Motor vehicles - 3 years
- Leasehold improvements - based on the length of the lease

Amortization is applied to non-tangible assets in accordance with the useful life of the type of asset, using the straight line method, for the following types of assets:

- Software - 5 years

Goodwill is not amortized but is tested for impairment at the end of each financial year to assess the carrying value. If the carrying value is higher than the asset balance, then no impairment is charged to amortization. If the carrying value is lower than the asset balance then an impairment charge is made to amortization for the difference between the values.

Income Taxes

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

Basic and Diluted Net Income (Loss) Per Share

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

Stock Based Compensation

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

Convertible Instruments

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

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

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

Fair Value of Financial Instruments

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

| | |
|---------|--|
| Level 1 | Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date. |
| Level 2 | Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data. |
| Level 3 | Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information. |

The carrying amounts for cash, accounts receivable, accounts payable and accrued expenses, and loans payable approximate their fair value based on the short-term maturity of these instruments. We did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance as at November 30, 2022 but we did identify such assets or liabilities as at August 31, 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 no derivative liabilities as at November 30, 2022 and derivative liabilities as at August 31, 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 November 30, 2022 of \$30,203,991. The Company has a working capital surplus of \$59,736 as at November 30, 2022.

These financial statements for the three months ended November 30, 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. FIXED ASSETS

The Company holds fixed assets with values at November 30, 2022 and August 31, 2022 as follows:

| Asset | Useful Life (years) | November 30, 2022 | August 31, 2022 |
|--------------------------|------------------------|----------------------|--------------------|
| Property and equipment | 3 | \$ 8,649 | \$ 8,649 |
| Accumulated depreciation | | (1,441) | (720) |
| Total | | \$ 7,208 | \$ 7,929 |

During the three months ended November 30, 2022, a total of \$721 was charged to the Statement of Operations for depreciation.

NOTE 5. INTANGIBLE ASSETS

The Company owned the following intangible assets as at November 30, 2022 and August 31, 2022:

| Asset | November 30, 2022 | August 31, 2022 |
|----------------------------------|----------------------|--------------------|
| Nitches software app development | \$ 11,900 | \$ 8,400 |
| Accumulated amortization | (1,435) | (840) |
| Total | \$ 10,465 | \$ 7,560 |

During the three months ended November 30, 2022, a total of \$595 was charged to the Statement of Operations for amortization.

NOTE 6. LOANS AND NOTES PAYABLE

The Company had loans and notes payable as at November 30, 2022 and August 31, 2022 totaling \$55,570 and nil respectively, as follows:

| Description | Principal Amount | Date of Loan Note | Maturity Date | November 30, 2022 | August 31, 2022 |
|--|------------------|-------------------|---------------|-------------------|-----------------|
| Convertible loan note from World Market Ventures for 12 months at interest rate of 9%, convertible at 50% disc. to lowest price in past 30 days | 27,500 | 10/19/2022 | 7/19/2023 | 27,785 | - |
| Convertible loan note from CC Strategic Enterprises LLC for 12 months at interest rate of 9%, convertible at 50% disc. to lowest price in past 30 days | 27,500 | 10/19/2022 | 7/19/2023 | 27,785 | - |
| | | | | <u>\$ 55,570</u> | <u>\$ -</u> |
| Total | | | | <u>\$ 55,570</u> | <u>\$ -</u> |
| Long-term total | | | | <u>\$ -</u> | <u>\$ -</u> |
| Short-term total | | | | <u>\$ 55,570</u> | <u>\$ -</u> |
| | | | | | |
| Loans and Notes Amortization | | | | Amount Due | |
| Due within 12 months | | | | \$ 55,570 | |
| Due within 24 months | | | | - | |
| Due within 36 months | | | | - | |
| Due within 48 months | | | | - | |
| Due after 48 months | | | | - | |
| Total | | | | <u>\$ 55,570</u> | |

NOTE 7. CAPITAL STOCK

The Company is a Nevada corporation with shares of preferred and common stock authorized and issued. As at November 30, 2022 and August 31, 2022, the Company was authorized to issue Preferred Stock and Common Stock as detailed below.

Preferred Stock

#NAME?

Preferred Stock Series A

The Company is authorized to issue 1 share of Series A, with a par value of \$0.001 per share. As at September 1, 2020, the Company had no shares of Series A preferred stock issued and outstanding.

On November 6, 2020, the Company adopted amended Articles of Incorporation, which created the 2020 Series A Preferred Stock, with one share authorized with a par value of \$0.001. This one share effectively controls the Company by representing no less than 60% of all combined votes of Common and Preferred Stock at any time. This one share is also convertible into 100,000,000 shares of common stock at any time.

On November 6, 2020, in accordance with a Court Order, the Company issued the one authorized share of 2020 Series A Preferred Stock to its legally appointed Custodian, International Ventures Society, LLC.

On December 16, 2020, International Venture Society, LLC sold the one share of issued and outstanding 2020 Series A Preferred Stock to Accelerate Global Market Solutions for a total of \$55,000, resulting in a change of control.

On November 4, 2021, the holder of the one share of issued and outstanding 2020 Series A Preferred Stock converted this share into 100,000,000 shares of Common Stock.

At November 30, 2022 the Company had no shares of Preferred Stock Series A issued and outstanding.

As at November 30, 2022, the Company had no shares of Preferred Stock issued and outstanding.

Common Stock

As at November 30, 2022, the Company is authorized to issue up to 300,000,000 shares of Common Stock with par value \$0.001.

As at September 1, 2021, the Company had 105,659,644 shares of Common Stock issued and outstanding.

On August 3, 2021 the Company issued 100,000,000 shares of Common Stock to an officer for services of \$14,000,000, or \$.14 per share.

On October 12, 2021 the Company issued 1,000,000 shares of Common Stock to an investor for investment of \$30,000, or \$.03 per share.

On October 12, 2021 the Company issued 9,000,000 shares of Common Stock to an officer for services of \$270,000, or \$.03 per share.

On November 4, 2021 the Company issued 1,000,000 shares of Common Stock to an investor for investment of \$30,000, or \$.03 per share.

On November 4, 2021 the Company issued 100,000,000 shares of Common Stock to an investor for preferred stock conversion of \$100,000, or \$.001 per share.

On November 4, 2021 the Company issued 5,000,000 shares of Common Stock to an officer for services of \$150,000, or \$.03 per share.

On December 14, 2021 the Company issued 2,000,000 shares of Common Stock to an investor for investment of \$60,000, or \$.03 per share.

On January 7, 2022 the Company issued 2,000,000 shares of Common Stock to an investor for investment of \$60,000, or \$.03 per share.

On March 9, 2022 the Company issued 2,000,000 shares of Common Stock to an investor for investment of \$60,000, or \$.03 per share.

On March 18, 2022 the Company issued 1,000,000 shares of Common Stock to an investor for investment of \$30,000, or \$.03 per share.

On March 31, 2022 the Company bought back and canceled 189,000,000 shares of Common Stock from various shareholders.

On April 11, 2022 the Company issued 2,500,000 shares of Common Stock to an investor for investment of \$75,000, or \$.03 per share.

On April 11, 2022 the Company issued 1,000,000 shares of Common Stock to an investor for investment of \$30,000, or \$.03 per share.

On May 9, 2022 the Company issued 2,100,000 shares of Common Stock to an investor for investment of \$50,400, or \$.024 per share.

On June 7, 2022 the Company issued 4,500,000 shares of Common Stock to an investor for investment of \$108,000, or \$.024 per share.

On July 15, 2022 the Company issued 1,000,000 shares of Common Stock to an investor for investment of \$24,000, or \$.024 per share.

On July 19, 2022 the Company issued 3,000,000 shares of Common Stock to an investor for investment of \$72,000, or \$.024 per share.

On July 25, 2022 the Company issued 3,000,000 shares of Common Stock to an investor for investment of \$72,000, or \$.024 per share.

As at November 30, 2022, there were 56,759,644 shares of Common Stock issued and outstanding.

NOTE 8. 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 as a Beneficial Conversion Feature of the 2020 Series A Preferred Stock, issued on November 6, 2020. This was evaluated as \$5,000,000, based on the conversion terms of one share of preferred stock for 100,000,000 shares of Common Stock and the price of the Common Stock on the date of issue of \$0.05 per share. This was posted to Additional Paid-in Capital and as a loss to the Statement of Operations for the year ended August 31, 2021.

On October 19, 2022, the Company entered into two identical convertible loan notes with a face value of \$27,500 each, including an original issuer discount ('OID') of \$2,500 in each. The Company identified embedded derivatives related to these Convertible Loan Notes totaling \$27,497 for each loan note. These embedded derivatives included certain conversion features, whereby they are convertible at an initial price of \$0.0025 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 | 248.05% |
| Risk-free rate | 4.35% |

The initial fair value of the embedded debt derivative was \$54,994. The proceeds of the note of \$50,000 was allocated as a debt discount. The amount in excess of the proceeds of the loan note of \$4,994 was charged as interest to the Statement of Operations for the period.

The fair value of the embedded debt derivative was reviewed at November 30, 2022, using the following inputs:

| | |
|----------------|---------|
| Dividend yield | 0.00% |
| Volatility | 245.95% |
| Risk-free rate | 3.92% |

The fair value of the embedded debt derivative at November 30, 2022 was \$45,933, a decrease in the valuation of the embedded debt derivative of \$9,061 for the period.

The following table provides a summary of changes in fair value of the Company's Level 3 derivative liabilities as at November 30, 2022:

| | November 30, 2022, | August 31, 2022, |
|---|-----------------------|---------------------|
| Balance, beginning of period | \$ - | \$ - |
| Additions | 55,000 | - |
| Mark-to-market at modification date | (9,067) | - |
| Reclassified to additional paid-in capital upon modification of term | - | - |
| Balance, November 30, 2022 | \$ 45,933 | \$ - |
| Net gain due to change in fair value for the period included in statement of operations | \$ 9,067 | \$ - |

This mark-to-market decrease of \$9,067 for the period ended November 30, 2022 was charged to the statement of operations as a gain on change in value of derivative liabilities.

NOTE 9. INCOME TAXES

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

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

For the year ended August 31, 2022, the Company had available for US federal income tax purposes net operating loss carryovers of \$30,085,969, 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.

| | November 30, 2022 | August 31, 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) | November 30, 2022 | August 31, 2022 |
|------------------------------------|----------------------|--------------------|
| Net operating loss carry forward | \$ (25,183,491) | \$ (25,085,969) |
| Less valuation allowance | 25,183,491 | 25,085,969 |
| Net deferred tax asset | \$ - | \$ - |

NOTE 10. RELATED PARTY TRANSACTIONS

There were related party transactions during the three months ended November 30, 2022 and year ending August 31, 2022. The Company's CEO accrued certain amounts of pay, with \$18,500 due as at November 30, 2022. In addition, the CEO paid certain invoices on behalf of the Company, totaling \$2,000, for a total of \$20,500 due to the CEO at November 30, 2022.

NOTE 11. SUBSEQUENT EVENTS

There were no events to report subsequent to November 30, 2022.