

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Hallmark Venture Group, Inc.

A Florida Corporation

5112 West Taft Road Suite M, Liverpool, NY 13088

424-224-5358

www.hllkinc.com

info@hllkinc.com

SIC Code #6719

Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

216,403,374 as of December 31, 2022

216,403,374 as of December 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, 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 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.

¹ "Change in Control" shall mean any events resulting in:

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

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

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

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

- Hallmark Venture Group, Inc. was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc.
- On July 12, 1999, the Company changed its name to Homesmart USA, Inc.
- On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc.
- On March 6, 2008, the Company changed its name to Speech Phone, Inc.
- On June 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.

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

- Hallmark Venture Group, Inc. was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc.
- On July 12, 1999, the Company changed its name to Homesmart USA, Inc.
- On March 3, 2006, the Company moved its domicile to Nevada.
- On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc.
- On March 6, 2008, the Company changed its name to Speech Phone, Inc.
- On June 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.
- On March 22, 2022, the Company converted to a Florida corporation.
- The Company is in Good Standing and active with the Florida Secretary of State.

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

N/A

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

- In May of 2020, a reorganization of the Company occurred that resulted in change of control and assets of the Company being divested.
- Upon the successful completion of the reorganization, the Company was able to become PINK Current with OTC Markets.
- On November 4, 2020, the Company disclosed a 3(a)10 settlement as part of a debt restructuring effort.
- On March 15, 2021, the Company announced that it signed a Plan of Merger and Acquisition Agreement for The Mall at Stonecrest.
- On July 12, 2021, the company canceled the Stonecrest Mall acquisition agreement and the board decided to pursue a different strategy.
- Going forward, the Company anticipates it will seek to conduct one or more of the following actions; recapitalization, merger, SEC registration statement, acquisition, reverse merger

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

- The Company's principal executive office is located at 5112 West Taft Road, Suite M, Liverpool, NY 13088.

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

Check 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:

2) Security Information

Transfer Agent

Name: Liberty Stock Transfer, Inc.
 Phone: (732) 372-0707
 Email: info@@libertystocktransfer.com

Address: 788 Shrewsbury Ave., Suite 2163, Tinton Falls, NJ 07724

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.

2) Security Information

Trading symbol:	<u>HLLK</u>
Exact title and class of securities outstanding:	<u>Common Shares</u>
CUSIP:	<u>406268102</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>2,499,900,000</u> as of date: <u>12/31/2022</u>
Total shares outstanding:	<u>216,403,374</u> as of date: <u>12/31/2022</u>
Number of shares in the Public Float ² :	<u>93,346,709</u> as of date: <u>12/31/2022</u>
Total number of shareholders of record:	<u>1,881</u> as of date: <u>12/31/2022</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 the security:	<u>Series A Preferred</u>
CUSIP (if applicable):	<u> </u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>200,000</u> as of date: <u>12/31/2022</u>
Total shares outstanding (if applicable):	<u>100,000</u> as of date: <u>12/31/2022</u>
Total number of shareholders of record (if applicable):	<u>2</u> as of date: <u>12/31/2022</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.**

No dividend. 1:1 voting rights

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

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.

Series A Preferred:

- Voting. Each share of Series A Preferred shall have Super Voting rights of 100,000 votes at any meeting for each 1 share of Series A Preferred held. The holders of the Series A Preferred Stock shall be entitled to notice of all meetings of shareholders and the rights related to voting in accordance with the Act and the Bylaws of the Corporation.
- Conversion. Each share of Series A Preferred may be converted into 900 shares of common stock (1:900) conversion rate. The right to convert rests solely upon the holder.
- Dividends. Each holder of Series A Preferred shall be paid twice the amount of dividends issued by the Company to common stockholders on a pro rata basis with the number of Series A Preferred shares held.
- Liquidation Preference.
 - General. In the event of any sale of all or substantially all of the assets of the Corporation, a sale of the Corporation, a dissolution, liquidation, bankruptcy, reorganization or other wind-down of the Corporation, whether voluntary or otherwise (a “**Liquidation Event**”), after payment or provision for payment of the Corporation’s debts and other liabilities, the holders of the Series A Preferred Stock, on a pro rata basis, shall be entitled to receive, prior and in preference to any distribution or payment made to the holders of any of the issued and outstanding shares of Common Stock, out of the Corporation’s remaining net assets, an aggregate amount equal to \$4,000,000.
 - Insufficient Funds. If, upon the occurrence of a Liquidation Event, after payment or provision for payment of the debts and other liabilities of the Corporation and preferences or other rights granted to the holders of the Series A Preferred Stock, the remaining net assets and funds of the Corporation legally available for distribution to shareholders by reason of their ownership of stock of the Corporation shall be insufficient to pay the liquidation preference of the holders of the Series A Preferred Stock, then no such distribution shall be made on account of any shares of any other class or series of capital stock of the Corporation and the entire assets and funds of the Corporation legally available for distribution to shareholders by reason of their ownership of stock of the Corporation shall be distributed pro rata among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.
- Registration. The holders of the Series A Preferred Stock shall have a right of first refusal to participate in or purchase stock in any registration statement filed by the Corporation.
- Transfer. Subject to compliance with federal, state or jurisdictional securities laws, the Series A Preferred Stock are freely assignable and transferable by the holder.

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 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:

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

Shares Outstanding as of Second Most Recent Fiscal Year End: 12/31/2020 <u>Opening Balance</u> Common: 146,257,847 Preferred A: <u>100,000</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 canceled)	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.
11/6/2020	New Issuance	1,387,000	Common Stock	\$0.001	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
11/09/2020	New Issuance	10,000,000	Common Stock	\$0.001	No	Endicott Holdings Group, LLC / Mahmoud Jrab	services	Restricted	N/A
12/1/2020	New Issuance	120,000,000	Common Stock	\$0.001	No	Endicott Holdings Group, LLC / Mahmoud Jrab	services	Restricted	N/A
12/4/2020	New Issuance	11,000,000	Common Stock	\$0.001	Yes	Top Knot, Inc.- John Kellas, President	debt conversion	Unrestricted	3a10
02/06/2021	New Issuance	12,000,000	Common Stock	\$0.0001	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
02/10/2021	New Issuance	12,000,000	Common Stock	\$0.005	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
01/14/2022	New Issuance	16,855,527	Common Stock	\$0.005	Yes	Bruce Bent	debt conversion	Unrestricted	3a10
02/18/2022	New Issuance	10,290,000	Common Stock	\$0.005	Yes	Trillium Partners- Steven Hicks	debt conversion	Unrestricted	3a10
07/22/2022	New Issuance	19,000,000	Common Stock	0.0012	Yes	Green Horseshoe, LLC/ Mark Pena	debt conversion	Unrestricted	3a10
Shares Outstanding on <u>December 31, 2022:</u> <u>Ending Balance:</u> Common: 216,403,374 Preferred A: 100,000									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2022, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2020 through September 30, 2022 pursuant to the tabular format above.

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

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 (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
2/02/2022	\$154,000	\$300,000	N/A	N/A	Payable upon completion of defined transaction per agreement	JMJ Associates, LLC- John D. Murphy, Jr.	Management Loan to Company
10/06/2022	\$4,854.39 ^{1,2}	\$50,000	0	10/05/2023	10% Note. 55% discount 20 day lookback average of lowest bid.	Selkirk Global Holdings, LLC- Paul Strickland	loan

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

1. \$50,000 Note, 10% OID, Initial Principal Amount: \$4,854.39
2. \$24,219.85 in additional debt funding provided during period

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.otcmarket.com).

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")
- The Company is in the process of restructuring its business to focus on real estate acquisitions.
- B. List any subsidiaries, parent company, or affiliated companies.
- NA
- C. Describe the issuers' principal products or services.
- The Company is focused on becoming a real estate acquisitions, development, and value-added development company.

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 Company maintains offices located at 5112 West Taft Road, Suite M, Liverpool, NY 13088.
- The Company does not pay rent.

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.

Names of All Officers, Directors and Control Persons	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	Names of control person(s) if a corporate entity
John D. Murphy, Jr	Director & CEO	Liverpool, NY				Elected to Board & appointed CEO on 5/27/2020.
JMJ Associates, LLC/ John D. Murphy, Jr.	Affiliate >5%	Liverpool, NY	75,000	Pref A	75%	Majority holder as of 7/07/2022
Paul Strickland	Director & Secretary	Olympia, WA				Appointed Secretary on 5/27/2020. Director as of 7/12/2022
Beartooth Asset Holdings, LLC/ Paul Strickland	Affiliate >5%	WY	25,000	Pref A	25%	as of 6/30/2022
Beartooth Asset Holdings, LLC/ Paul Strickland	Affiliate >5%	WY	98,259,679	CS	45.41%	as of 6/30/2022
Endicott Holdings Group, LLC/ Mahmoud Jrab	>5%	Tampa, FL	19,353,321	CS	8.94%	as of 6/30/2022
OC SPARKLE INC/ Abraham Abu	>5%	LAGUNA NIGUEL, CA	24,000,000	CS	11.09%	as of 6/30/2021
INFINITY FUND CANADA LTD / Mark Pena	>5%	Tampa, FL	19,000,000	CS	8.78%	as of 12/22/2022
Top Knot, Inc./ John Kellas	>5%	Ossining, NY	12,387,000	CS	5.72%	as of 6/24/2022

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);

N/A

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;

N/A

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

N/A

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.

N/A

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.

- On November 3, 2020, the Company completed a 3(a)10 Court Ordered Settlement Agreement.
- On September 24, 2022, the Company entered into a 90 day Standstill Agreement with an unrelated third party relating to a disputed claim against the Company.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Edward Normandin (Partner)
Firm: Pryor Cashman LLP
Address 1: 7 Times Square (Times Square Tower)
Address 2: New York, New York 10036-6569
Phone: 212-421-4100
Email:

Name: Nicholas F. Coscia, Esq.
Firm:
Address 1: 1270 Pasatiempo Rd.
Address 2: Palm Springs, CA 92267
Phone:
Email: Nick@CosciaSEC.com

Auditor

Name: Jimmy Lee
Firm: JLKZ CPA LLP
Address 1: _____
Address 2: _____
Phone: _____
Email: <http://www.jlkzcpa.com>

Investor Relations

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

Phone: _____
Email: _____

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn: _____
Facebook: _____

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), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Rachel Boulds
Firm: _____
Nature of Services: Accounting
Address 1: _____
Address 2: _____
Phone: _____
Email: rachelbouldscpa@hotmail.com

9) Financial Statements

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

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)³:

Name: Rachel Boulds
Title: Accountant
Relationship to Issuer: Accountant

Describe the qualifications of the person or persons who prepared the financial statements: CPA

Provide the following financial statements 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 persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

³ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

I, John D. Murphy, Jr. certify that:

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

March 29, 2023

/s/John D. Murphy, Jr. [Officer's Signature]

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

Principal Financial Officer:

I, Paul Strickland certify that:

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

March 29, 2023

/s/Paul Strickland [Secretary's Signature]

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

HALLMARK VENTURE GROUP, INC.
BALANCE SHEETS
(Unaudited)

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash	—	—
Total Current Assets	—	—
TOTAL ASSETS	\$ —	\$ —
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 264,228	\$ 225,128
Due to related parties	151,620	111,366
Convertible note payable – related party, net of debt discount of \$23,586	7,862	—
Accrued interest	741	—
Derivative liability	53,967	—
Stock payable	36,130	36,130
Settlement liability	139,821	—
Settlement liability - related party	248,348	406,876
Total Current Liabilities	902,717	779,500
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT:		
Series A Preferred stock, 200,000 shares authorized, \$0.001 par value; 100,000 and 100,000 issued and outstanding, respectively	100	100
Common stock, 2,499,900,000 shares authorized, \$0.001 par value; 216,403,374 and 170,257,847 issued and outstanding, respectively	216,403	170,258
Additional paid-in capital	1,940,226	1,816,673
Accumulated deficit	(3,059,446)	(2,766,531)
Total Stockholders' Deficit	(902,717)	(779,500)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ —	\$ —

The accompanying notes are an integral part of these unaudited financial statements.

HALLMARK VENTURE GROUP INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Years Ended December 31,	
	2022	2021
REVENUES	\$ —	\$ —
EXPENSES:		
General and administrative	107,943	143,936
Total operating expenses	107,943	143,936
LOSS FROM OPERATIONS	(107,943)	(143,936)
OTHER EXPENSE:		
Interest expense	(741)	—
Imputed interest expense	(11,170)	(3,773)
Amortization of debt discount	(7,862)	—
Change in fair value of derivative	7,615	—
Loss on issuance of convertible note	(32,993)	—
Settlement expense	(139,821)	—
Total other expense	(184,972)	(3,773)
Net loss before income taxes	(292,915)	(147,709)
Provision for income tax	—	—
Net Loss	(292,915)	(147,709)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding - basic and diluted	203,808,340	168,581,135

The accompanying notes are an integral part of these unaudited financial statements.

HALLMARK VENTURE GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Unaudited)

	Series A Preferred Stock		Common Stock		Additional Paid-in capital	Accumulated Deficit	Total Stockholder' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2020	100,000	\$ 100	146,257,847	\$146,258	\$ 1,716,900	\$ (2,618,822)	\$ (755,564)
Common stock issued for payment on settlement liability - related party	—	—	24,000,000	24,000	96,000	—	120,000
Imputed interest on amounts due to related party	—	—	—	—	3,773	—	3,773
Net loss	—	—	—	—	—	(147,709)	(147,709)
Balance, December 31, 2021	100,000	100	170,257,847	170,258	1,816,673	(2,766,531)	(779,500)
Common stock issued for payment on settlement liability - related party	—	—	46,145,527	46,145	112,383	—	158,528
Imputed interest on amounts due to related party	—	—	—	—	11,170	—	11,170
Net loss	—	—	—	—	—	(292,915)	(292,915)
Balance, December 31, 2022	100,000	\$ 100	216,403,374	\$216,403	\$ 1,940,226	\$ (3,059,446)	\$ (902,717)

The accompanying notes are an integral part of these unaudited financial statements.

HALLMARK VENTURE GROUP, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Years Ended December 31,	
	2022	2021
Cash Flows from Operating Activities:		
Net loss	\$ (292,915)	\$ (147,709)
Adjustments to reconcile net loss to net cash used by operating activities:		
Imputed interest on amounts due to related party	11,170	3,773
Amortization of debt discount	7,862	—
Change in fair value of derivative	(7,615)	—
Loss on issuance of convertible debt	32,993	—
Settlement expense	139,821	—
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	39,100	84,393
Accrued interest	741	—
Net cash used in operating activities	<u>(68,843)</u>	<u>(59,543)</u>
Cash Flows from Investing Activities:		
	—	—
Cash Flows from Financing Activities:		
Proceeds from convertible note payable - related party	28,589	—
Proceeds from related parties	40,254	59,543
Net cash provided by financing activities	<u>68,843</u>	<u>59,543</u>
Net Change in Cash	<u>—</u>	<u>—</u>
Cash beginning of year	<u>—</u>	<u>—</u>
Cash end of year	<u>\$ —</u>	<u>\$ —</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$ —	\$ —
Income taxes	\$ —	\$ —
NON-CASH TRANSACTIONS		
Common stock issued for payment on settlement liability - related party	\$ 158,528	\$ 120,000

The accompanying notes are an integral part of these unaudited financial statements.

HALLMARK VENTURE GROUP, INC.
Notes to Financial Statements
December 31, 2022
(Unaudited)

NOTE 1 — ORGANIZATION AND OPERATIONS

Hallmark Venture Group, Inc., was originally incorporated in the state of Colorado on July 14, 1995, with the name CPC Office Systems, Inc. On July 12, 1999, the Company changed its name to Homesmart USA, Inc. On March 6, 2008, the Company changed its name to Speech Phone, Inc. On March 3, 2006, the Company moved its domicile to Nevada. On March 8, 2006, the Company changed its name to Smart Truck Systems, Inc. On July 16, 2008, the Company changed its name to Hallmark Venture Group, Inc.

On May 4, 2020, Living Waters, LLC (“LWLLC”) obtained management control of the Company from its previous CEO and Director, Robert Cashman (“Cashman”), pursuant to a contingent Share Purchase Agreement (the “SPA”), dated as of May 4, 2020, by and among LWLLC and Cashman, whereby certain preferred shares (the “Preferred Shares”) that represent the voting control interest in the Company were to be issued to LWLLC (the “Transaction”).

On May 27, 2020, in connection with the Transaction and in accordance with provisions of the SPA, LWLLC assigned the SPA to Medical Southern, LLC (“MSLLC”). On August 13, 2020, all issued and outstanding Preferred Shares were issued to a designee of MSLLC, Top Knot, Inc. USA (“TKIU”).

On August 17, 2020, in connection with the Transaction and in accordance with provisions of the SPA, MSLLC assigned the SPA to Stonecrest Acquisition, LLC (“SALLC”). As a consequence of the Transaction, a change of control of the Company occurred. As a result of the Transaction TKIU obtained voting control of the Company. Subsequently, on October 19, 2020, TKIU assigned 100% of the Preferred Shares it held to Endicott Holdings Group, LLC (“Endicott”).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

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

Stock-based Compensation

In June 2018, the FASB issued ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. ASU 2018-07 allows companies to account for nonemployee awards in the same manner as employee awards. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those annual periods.

Related Party Transactions

Under ASC 850 “Related Party Transactions” an entity or person is considered to be a “related party” if it has control, significant influence or is a key member of management personnel or affiliate. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company, in accordance with ASC 850 presents disclosures about related party transactions and outstanding balances with related parties.

Derivative Financial Instruments

The Company evaluates its convertible notes to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses a weighted-average Black-Scholes-Merton option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America under U.S. GAAP and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The carrying amount of the Company’s financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company’s notes payable approximates the fair value of such instruments as the notes bear interest rates that are consistent with current market rates.

The following table classifies the Company’s liabilities measured at fair value on a recurring basis into the fair value hierarchy as of December 31, 2022:

Description	Level 1	Level 2	Level 3	Total Gain
Derivative	\$ –	\$ –	\$ 53,967	\$ 7,615
Total	\$ –	\$ –	\$ 53,967	\$ 7,615

Basic and Diluted Income (Loss) Per Share

The Company computes income (loss) per share in accordance with FASB ASC 260. Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. As of December 31, 2022, the Company has 33,253,099 potentially dilutive shares from a convertible note payable and 90,000,000 potentially dilutive shares from Series A preferred stock. As of December 31, 2021, the Company has 90,000,000 potentially dilutive shares from Series A preferred stock. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there would be no difference in the amounts presented for basic and diluted loss per share.

Income Taxes

Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to tax net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of these differences, which will either be taxable or deductible when assets and liabilities are recovered or settled, as well as operating loss carryforwards. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established against deferred tax assets when in the judgment of management, it is more likely than not that such deferred tax assets will not become available. Because the judgment about the level of future taxable income is dependent to a great extent on matters that may, at least in part, be beyond the Company's control, it is at least reasonably possible that management's judgment about the need for a valuation allowance for deferred taxes could change in the near term.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of December 31, 2022 and 2021, no liability for unrecognized tax benefits was required to be reported.

Recently Issued Accounting Pronouncements

The Company has implemented all new applicable accounting pronouncements that are in effect. These pronouncements did not have any material impact on the unaudited financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 - GOING CONCERN

The Company's unaudited financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As of December 31, 2022, the Company had an accumulated deficit of approximately \$3,059,446 and requires additional funds to support its operations and to achieve its business development goals, the attainment of which are not assured.

These factors and uncertainties raise substantial doubt about the Company's ability to continue as a going concern. The unaudited financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might incur in the event the Company cannot continue in existence. Management intends to seek additional capital from new equity securities offerings, debt financing and debt restructuring to provide funds needed to increase liquidity, fund internal growth and fully implement its business plan. However, management can give no assurance that these funds will be available in adequate amounts, or if available, on terms that would be satisfactory to the Company.

The timing and amount of the Company's capital requirements will depend on a number of factors, including maintaining its status as a public company and supporting shareholder and investor relations.

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of December 31, 2022 and 2021, accounts payable consist of legal fees incurred by the Company, of \$264,228 and \$225,128, respectively.

NOTE 5 – CONVERTIBLE NOTE PAYABLE – RELATED PARTY

On October 5, 2022, the Company issued a \$50,000, 10% convertible promissory note to Selkirk Global Holdings, LLC, (the "Note"). The Note matures October 5, 2023, has a 10% OID and is convertible into the Company's common stock at a price equal to 55% of the average closing price of the Company's common stock during the 20 consecutive trading days prior to the date on which the holder elects to convert all or part of the Note. The Note is being funded through the direct payment of Company expenses. As of December 31, 2022, \$28,589 has been used for expenses, plus \$2,859 OID. The derivative liability has been calculated on the total funds advanced plus OID. As of December 31, 2022, the Note is disclosed net of debt discount of \$23,586 and there is \$741 of accrued interest on the loan.

A summary of the activity of the derivative liability for the notes above is as follows:

Balance at December 31, 2021	\$	–
Increase to derivative due to new issuances		61,582
Decrease to derivative due to repayments		—
Derivative gain due to mark to market adjustment		(7,615)
Balance at December 31, 2022	\$	53,967

A summary of quantitative information about significant unobservable inputs (Level 3 inputs) used in measuring the Company's derivative liability that are categorized within Level 3 of the fair value hierarchy as of December 31, 2022 is as follows:

Inputs	December 31, 2022	Initial Valuation
Stock price	\$ 0.0019	\$ 0.0039
Conversion price	\$ 0.001	\$ 0.002
Volatility (annual)	285.34%	500.68%
Risk-free rate	4.75%	4.19%
Dividend rate	–	–
Years to maturity	0.76	1

NOTE 6 – SETTLEMENT LIABILITY

On September 15, 2022, the Company was informed through its council in regard to a past due note payable, with an unrelated third party, from 2017 in the amount of \$60,217 along with calculated past due interest of \$75,699 resulting in a total amount due of \$135,916. On September 24, 2022, the Company entered into a 90-day Standstill Agreement relating to the claim against the Company. The Company has acknowledged the liability, as well as additional interest, and has booked \$139,821 as a Settlement Liability as of December 31, 2022.

NOTE 7 – SETTLEMENT LIABILITY – RELATED PARTY

On September 17, 2020, the Company entered into a settlement agreement with Green Horseshoe, LLC., Inc. on its past due notes payable with a principal balance of \$285,206 and accrued interest of \$296,670 representing a total amount of the settlement of \$581,876. The settlement amount is non-interest bearing.

The agreement calls for the Company's transfer agent to issue free-trading common shares to Green Horseshoe, LLC. at a conversion rate of 50% of the average closing price of the Company's shares for the 10 prior trading days prior to any issuance notice issued by Green Horseshoe, LLC. The Company shall issue its unrestricted common stock in one or more tranches of less than 10% of the Company's then issued and outstanding shares until the agreed upon settlement is satisfied.

For the years ended December 31, 2022 and 2021, the Company issued 46,145,527 and 24,000,000 shares of its common stock, respectively, in payment of \$158,528 and \$120,000 towards the settlement with no gain or loss recorded (Note 11). As of December 31, 2022 and 2021, the balances of the settlement liability were \$248,348 and \$406,876, respectively.

NOTE 8 – STOCK PAYABLE

The Company's related party settlement liability (Note 7) included the requirement to issue 5,000,000 shares of the Company's common stock in order to cover litigation and legal expenses associated with the settlement agreement. The value of the shares at the settlement date was \$0.01 resulting in a total value of \$50,000. The Company issued 1,387,000 shares of common stock on November 5, 2020, at a value of \$13,870. The balance due is \$36,130 as of December 31, 2022 and 2021.

NOTE 9 – COMMON STOCK

Effective January 29, 2021, the Company decreased its authorized shares of \$0.001 par value common stock from 2,500,000,000 shares to 2,499,900,000 shares.

As of December 31, 2022, there were 8,800 shares held in the Company's name. The shares were carry forward from prior ownership and have been subsequently cancelled by the Company.

Refer to Note 11 for common stock issued to related parties.

NOTE 10 – PREFERRED STOCK

The Company is authorized to issue 200,000 shares of \$0.001 par value Series A preferred stock. The Company increased the number of authorized shares of the Series A preferred stock from 100,000 to 200,000 on January 19, 2021. Each share of the Series A Preferred Stock is convertible at the option of the holder into 900 shares of common stock. The holder has voting rights of 100,000 votes for each share of preferred stock held, and shall be paid twice the amount of dividends issued by the Company to common shareholders on a pro rata basis with the number of preferred shares held.

The Company had 100,000 shares of Series A Preferred Stock issued and outstanding as of December 31, 2022 and 2021, respectively. Beartooth Asset Holdings, LLC, an entity controlled by Paul Strickland, the Company's Secretary and a member of the board of directors, acquired the Series A Preferred Stock on June 20, 2022 from Endicott Holding Group, LLC.

On July 7, 2022, Beartooth Asset Holdings, LLC, transferred 75,000 Series A Preferred Shares to JMJ Associates, LLC (an entity controlled by John D. Murphy, Jr., the Company's Chief Executive Officer and President and a member of the board of directors) resulting in a change of control of the Company.

NOTE 11 – RELATED PARTY TRANSACTIONS

Related parties of the company during the year ended December 31, 2022 and December 31, 2021 consist of the following:

Name of Related Party	Related Relationship
John D. Murphy Jr.	Principal Executive Officer of the Company, member of the Board of Directors, and Controller of JMJ Associates, LLC
Paul Strickland	Secretary of the Company, member of the Board of Directors, and Managing Member of Beartooth Asset Holdings, LLC.
Selkirk Global Holdings, LLC	Entity owned by Paul Strickland, the Company's Secretary, and a member of its Board of Directors.
Green Horseshoe, LLC	Significant debt holder and former shareholder
OC Sparkle Inc.	Significant shareholder

Common stock transactions

On January 13, 2021, the Company issued 12,000,000 shares of its common stock to Intermarket & Associates LLC, the designated holder of Green Horseshoe, LLC, for the repayment of the settlement liability in the amount of \$60,000. The value was determined based on the conversion price of \$0.005 per share, according to the Settlement Agreement. On February 6, 2021, the shares were transferred to OC Sparkle Inc.

On February 9, 2021, the Company issued 12,000,000 shares of its common stock to Green Horseshoe, LLC for the repayment of the settlement liability in the amount of \$60,000. The value was determined based on the conversion price of \$0.005 per share, according to the Settlement Agreement. On March 3, 2021, the shares were transferred to OC Sparkle Inc.

On January 14, 2022, the Company issued 16,855,527 shares of its common stock to Green Horseshoe, LLC designee, Bruce Bent, for the repayment of the settlement liability in the amount of \$84,278. The value was determined based on the conversion price of at \$0.005 per share, according to the Settlement Agreement.

On January 18, 2022, the Company issued 10,290,000 shares of its common stock to Green Horseshoe, LLC designee, Trillium Partners, LP, for the repayment of the settlement liability in the amount of \$51,450. The value was determined based on the conversion price of \$0.005 per share, according to the Settlement Agreement. The control person of Trillium Partners, LP is Steve Hicks.

On July 22, 2022, the Company issued 19,000,000 shares of its common stock to Green Horseshoe, LLC for the repayment of the settlement liability in the amount of \$22,800. The value was determined based on the conversion price of \$0.0012 per share, according to the Settlement Agreement.

Manager Promissory Note

On February 1, 2022, the Company and its Board of Directors approved an 8% Manager Promissory Note for up to \$300,000 from JMJ Associates, LLC, an entity controlled by John D. Murphy, Jr., the Company's Chief Executive Officer and President. JMJ Associates, LLC has not yet made any loans to the Company.

Loans and Cash Advances

For the years ending December 31, 2022 and 2021, John D. Murphy, Jr., directly paid for various company expenses in the amount of \$33,135 and \$59,543, respectively. The amount is unsecured, non-interest bearing, and due on demand. As of December 31, 2022 and 2021, the outstanding balance due to Mr. Murphy was \$144,501 and \$111,366, respectively.

For the years ending December 31, 2022 and 2021, Paul Strickland, directly paid for various company expenses in the amount of \$7,119 and \$0, respectively. The amount is unsecured, non-interest bearing, and due on demand. As of December 31, 2022 and 2021, the outstanding balance due to Mr. Strickland was \$7,119 and \$0, respectively.

Imputed interest is assessed as an expense to the business operations and an addition to paid in capital. The imputed interest rate is 8%. During the years ended December 31, 2022 and 2021 the imputed interest was \$11,170 and \$3,773, respectively.

NOTE 12 — COMMITMENTS AND CONTINGENCIES

From time to time, the Company may be a defendant in pending or threatened legal proceedings arising in the normal course of its business. Management is not aware of any pending, threatened or asserted claims.

See "Note 6 – Settlement Liability".

See "Note 7 - Settlement Liability – Related Party".

NOTE 13 – INCOME TAXES

The reconciliation of income tax benefit (expenses) at the U.S. statutory rate at 21%

	December 31, 2022	December 31, 2021
Tax expenses at statutory rate	\$ 61,500	\$ 31,019
Tax effect of valuation allowance	(61,500)	(31,019)
Tax expenses, net	\$ —	\$ —

The Company has current net operating loss carryforwards in excess of \$2,767,000 as of December 31, 2022, to offset future taxable income, which expire beginning 2035.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
NOL carryforwards	\$ 642,500	\$ 580,972
Valuation allowance	(642,500)	(580,972)
Deferred tax asset, net	<u>\$ —</u>	<u>\$ —</u>

At December 31, 2022, the Company provided a full valuation allowance for the deferred tax asset because it could not be determined whether it was more likely than not that the deferred tax asset would be realized.

In this case the larger numbers at the bottom are determined by the accumulated deficit times 21% and the top number is the current year loss times 21%. The net operating loss amount in the narrative would be the accumulated deficit at December 31, 2022.

NOTE 14 — SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) management has performed an evaluation of subsequent events through the date that the unaudited financial statements were issued and has determined that it does not have any material subsequent events to disclose in these unaudited financial statements other than the following.

Subsequent to December 31, 2022, Selkirk Global Holdings, LLC, funded an additional \$2,535 towards its convertible note.

On February 18, 2023, the Company issued 21,000,000 shares of its common stock to Green Horseshoe, LLC for the repayment of the settlement liability in the amount of \$25,200. The value was determined based on the conversion price of \$0.0012 per share, according to the Settlement Agreement.

On March 7, 2023, the Company, Phase I Operations, Inc, and The Robert Papiri Defined Benefit Plan entered into an Assignment of Debt Agreement (the "Agreement"), whereby, the note payable for \$139,821, was purchased by and assigned to Phase I Operations, Inc.

On March 15, 2023, the Company issued 23,502,934 shares of its common stock to Phase I Operations, Inc. for conversion of \$28,204 of debt.

On March 23, 2023, the Company cancelled 8,800 shares of common stock that were held in the Company's name. The shares were returned to shares available to be issued.