

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Aphex BioCleanse Systems Inc
Formerly Known as:

Sunset Capital Assets Inc.

1820 State Rd 13, Unit 11-43. St. Johns FL 32259

904-610-9600

www.aphexus.com

info@aphexus.com

SIC Code: 6199

Annual Report

Amended

For the Period Ending December 31, 2022
(the "Reporting Period")

Outstanding Shares

265,915,785 as of 12/31/2022 (the most recent current reporting period)

265,915,785 as of 12/31/2022 (the most recent completed fiscal year end)

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):

Yes: No: **X**

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No: **X**

Change In Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No: **X**

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.

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.

The name of the issuer is Aphex BioCleanse Systems, Inc as of September 10, 2020
Formerly know as Sunset Capital Assets, Inc. as of January 25, 2012.
Formerly known as Sunset Brands Inc, as of October 2, 2004.
Formerly known as Cascade Sled Dog , as of August 1, 2001.
Incorporated as Novanet International, Inc. on May 1, 1998 in the State of Nevada,

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

The issuer is incorporated in the State of Nevada in good standing and "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:

1820 State Rd. 13, Unit 11-43 St. Johns FL 32259

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

Check box if principal executive office and principal place of business are the same address:

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

Yes: No:

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

See Note 15 – Notes to Financial Statements

2) Security Information

Transfer Agent

Name: Issuer Direct
Phone: 919-744-2722
Email: David.Klimczak@issuerdirect.com
Address: One Glenwood Ave, Suite 1001, Raleigh, NC 27603

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

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>SNST</u> | |
| Exact title and class of securities outstanding: | <u>Common Stock</u> | |
| CUSIP: | <u>86769A305</u> | |
| Par or stated value: | <u>\$0.0001</u> | |
| Total shares authorized | 750,000,000 | |
| Total shares outstanding: | <u>265,915,785</u> | as of date: 12/31/2022 |
| Total number of shareholders of record: | <u>376</u> | as of date: 12/31/2022 |

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

| | |
|--|-------------|
| Trading symbol: | <u>None</u> |
| Exact title and class of securities outstanding: | |
| CUSIP: | |
| Par or stated value: | |
| Total shares authorized: | |
| Total shares outstanding: | |
| Total number of shareholders of record: | |

| | |
|--|-------------|
| Trading symbol: | <u>None</u> |
| Exact title and class of securities outstanding: | |
| CUSIP: | |
| Par or stated value: | |
| Total shares authorized: | |
| Total shares outstanding: | |
| Total number of shareholders of record: | |

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.

Trading symbol: NA
Exact title and class of securities outstanding: Series A Preferred Stock
CUSIP: N/A
Par or stated value: \$0.0001
Total shares authorized: 10,000,000 as of date: 12/31/2022
Total shares outstanding: 10,000,000 as of date: 12/31/2022

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

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.

Each common share votes 1 vote. There are no declared dividends or preemptive rights.

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

The holder of the Series A Preferred stock votes as a single class with the Common Shares. The Series A Preferred stock hold 99.99% of all voting rights and are entitled to vote at each meeting of stockholders and written actions of stockholders in lieu of meetings with respect to all matters. There are 10,000,000 Series A Preferred Shares outstanding. The Series A Preferred stock are convertible at a rate equal to 50.01 % of all outstanding Common Shares for 1 Series A Preferred share. The Series A Preferred shares vote as though they have been converted. There are no redemption or sinking fund provisions.

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

There are no other material rights of the common or preferred stockholders.

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.

There have been no material modifications to the rights of holders of the company's securities that have occurred over the reporting period covered by this report.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

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

| Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2020 Common: 246,120,537 Preferred: 10,000,000_ | | | | | | | | | |
|--|--|--|---------------------|---|--|---|--|--|--------------------------------|
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed) | Reason for share issuance (e.g., for cash or debt conversion) -or- Nature of Services Provided | Restricted or Unrestricted as of this filing | Exemption or Registration Type |

| | | | | | | | | | |
|------------|-----|------------|--------|----------|-----|--------------------------------------|--------------------|------------|-------|
| 01/04/2021 | New | 25,000 | Common | \$1.00 | Yes | Christian Escher | Subscription | Restricted | Reg D |
| 01/05/2021 | New | 20,000 | Common | \$1.00 | Yes | Nolan Escher | Subscription | Restricted | Reg D |
| | | | | | | | | | |
| 01/05/2021 | New | 26,748 | Common | \$1.00 | Yes | Bonnie J Hook | Subscription | Restricted | Reg D |
| 01/09/2021 | New | 20,000 | Common | \$1.00 | Yes | Thomas J King | Subscription | Restricted | Reg D |
| 01/27/2021 | New | 5,000 | Common | \$1.00 | Yes | Mark A Olson Esq | Subscription | Restricted | Reg D |
| 01/29/2021 | New | 100,000 | Common | \$1.00 | Yes | Robin Opp | Subscription | Restricted | Reg D |
| 01/09/2021 | New | 5,000 | Common | \$1.00 | Yes | Wayne Staab | Subscription | Restricted | Reg D |
| 01/23/2021 | New | 50,000 | Common | \$1.00 | Yes | James Paola | Subscription | Restricted | Reg D |
| 02/01/2021 | New | 100,000 | Common | \$1.00 | Yes | Alan L Speck | Services | Restricted | Reg D |
| 02/01/2021 | New | 50,000 | Common | \$1.00 | Yes | Jefferey S. Betros | Services | Restricted | Reg D |
| 02/19/2021 | New | 40,000 | Common | \$1.00 | Yes | John F. Albert | Services | Restricted | Reg D |
| 04/09/2021 | New | 50,000 | Common | \$1.00 | Yes | Oiggy Back Ventures (Richard Felton) | Services | Restricted | Reg D |
| 04/29/2021 | New | 160,000 | Common | \$1.00 | Yes | Lisa Betros-Waller | Correction | Restricted | Reg D |
| 07/08/2021 | New | 3,750,000 | Common | \$0.0001 | Yes | US Biosolutions LLC (Scott Smith) | IP Acquisition | Restricted | Reg D |
| 07/08/2021 | New | 3,750,000 | Common | \$0.0001 | Yes | Aquaflex Holdings LLC (Scott Smith) | IP Acquisition | Restricted | Reg D |
| 07/23/2021 | New | 10,000 | Common | \$1.00 | Yes | Arnold Horn | Subscription | Restricted | Reg D |
| 08/04/2021 | New | 10,000 | Common | \$1.00 | Yes | Gary L. Krieg and Deborah L. Krieg | Subscription | Restricted | Reg D |
| 08/09/2021 | New | 10,000,000 | Common | \$0.0001 | Yes | Timm Investments LLC (Mark Timm) | Advisory Agreement | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Stacey H. Berman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 100,000 | Common | \$1.00 | Yes | John O. Berman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 110,000 | Common | \$1.00 | Yes | John O. Berman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Charles M. Boh | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 5,000 | Common | \$1.00 | Yes | Richard T. Dumont | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 5,000 | Common | \$1.00 | Yes | Richard T. Dumont | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Richard T. Dumont | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | James Todd Edds | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 15,000 | Common | \$1.00 | Yes | James Todd Edds | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Michael Greiger | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 15,000 | Common | \$1.00 | Yes | Michael Greiger | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Camille M. Hand | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Connor G. Hoffman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | William J. and Beth H. Hoffman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | William J. and Beth H. Hoffman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | Mark Hoffman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Mark Hoffman | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Clarence E. Johnson (Trustee) | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | Kenneth J. Johnson | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | John C. Kinney | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | Jeffery J. Krolosky | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Jeffery J. Krolosky | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | John Mach | Subscription | Restricted | Reg D |

| | | | | | | | | | |
|---|-----|---------|--------|----------|-----|---|--------------|------------|--------|
| 09/08/2021 | New | 15,000 | Common | \$1.00 | Yes | Bryan K. McDaniel | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Panayis Kirk | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | Kurt Rasmussen | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 15,000 | Common | \$1.00 | Yes | William A. and Diane Rodrigues | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | William A. and Diane Rodrigues | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Thomas and Sher Ross Revocable Living Trust (Sher Smith Ross Grantor) | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | IRA Innovations, LLC. FBO Lance Schultz | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 20,000 | Common | \$1.00 | Yes | IRA Innovations, LLC. FBO Lance Schultz | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 10,000 | Common | \$1.00 | Yes | Albert W. Yoder | Subscription | Restricted | Reg D |
| 09/08/2021 | New | 5,000 | Common | \$1.00 | Yes | Albert W. Yoder | Subscription | Restricted | Reg D |
| 09/09/2021 | New | 10,000 | Common | \$1.00 | Yes | Corey R. Junell | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 12,000 | Common | \$1.00 | Yes | Joseph M. Brothag, III | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 20,000 | Common | \$1.00 | Yes | Dennis Dickerson | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 10,000 | Common | \$1.00 | Yes | Wayne J. Gullick | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 20,000 | Common | \$1.00 | Yes | Dennis Lew | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 20,000 | Common | \$1.00 | Yes | Christopher A. Nissen | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 25,000 | Common | \$1.00 | Yes | David and Elena Olund JTWR0S | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 20,000 | Common | \$1.00 | Yes | Thomas G. Oswalt | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 10,000 | Common | \$1.00 | Yes | Sandra K. Smith | Subscription | Restricted | Reg D |
| 09/10/2021 | New | 10,000 | Common | \$1.00 | Yes | Jonathan Van Bogart | Subscription | Restricted | Reg D |
| 05/11/2022 | New | 250,000 | Common | \$0.0001 | Yes | Kevin DuBois | Services | Restricted | Reg. D |
| 05/11/2022 | New | 50,000 | Common | \$0.0001 | Yes | Milestone | Services | Restricted | Reg D |
| 05/11/2022 | New | 250,000 | Common | \$0.0001 | Yes | James Singletary | Services | Restricted | Reg D |
| 05/11/2022 | New | 80,000 | Common | \$0.0001 | Yes | Johns Payne III | Services | Restricted | Reg D |
| Shares Outstanding on Date of This Report: Ending Balance Date 12/31/2022 Common: 265,915,785 Preferred: 10,000,000 | | | | | | | | | |

Example: A company with a fiscal year end of December 31st, in addressing this item for its annual report would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above

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

None

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 (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|-------------------|--|--|---|
| <u>11/11/2021</u> | <u>\$10,000</u> | <u>\$10,000</u> | <u>\$800</u> | <u>11/11/2021</u> | <u>25% discount to average open market price</u> | <u>Brant Brice</u> | <u>Loan</u> |

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

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

The Company is the developer and manufacturer of the proprietary non-alcohol, non-toxic, hydrogen based disinfecting technology. Our product, Hy-IQ Water, uses a unique process that attaches water molecules to hydrogen ions to breach the cell walls of single celled exoskeleton organisms to more complex exoskeletons such as flying or crawling insects ("bugs").

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

None

C. Describe the issuers' principal products or services.

The Company produces proprietary hydrogen-based disinfectant and pesticide products known as Hy-IQ® Water. The product is distributed both in the USA and internationally for various sanitizing applications.

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 leases its manufacturing space at 8410 Redmac Street, Port Richey FL 34668

6) Company Insiders (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 issuer's 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 (e.g. Officer Title /Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | Share type/class | Ownership Percentage of Class Outstanding | Note |
|---|---|---|------------------------|---------------------------|---|---------------|
| <u>Tom Fitzgerald</u> | <u>CEO/Director</u> | <u>Rochester, NY</u> | <u>-0-</u> | <u>Common</u> | <u>0%</u> | <u>N/A</u> |
| <u>Chuck Ragland</u> | <u>CFO/Director</u> | <u>St. Johns FL</u> | <u>450,000</u> | <u>Common</u> | <u>0.02%</u> | <u>N/A.</u> |
| <u>David J. Weaver</u> | <u>Owner of more than 5%</u> | <u>Rochester, NY</u> | <u>24,172,154</u> | <u>Common</u> | <u>9.09%</u> | <u>Note 1</u> |
| <u>Anthony Fedor</u> | <u>Owner of more than 5%</u> | <u>Webster, NY</u> | <u>28,727,137</u> | <u>Common</u> | <u>11%</u> | <u>N/A</u> |
| <u>David R. Olund</u> | <u>Director/Owner of more than 5%</u> | <u>Venice FL</u> | <u>46,656,188</u> | <u>Common</u> | <u>18%</u> | <u>Note 2</u> |
| Julian Pierce Webb Rev Trust UAD 09/21/2012 (Julian Pierce TTEE) | <u>Owner of more than 5%</u> | <u>Pittsford, NY</u> | <u>21,056,752</u> | <u>Common</u> | <u>8%</u> | <u>N/A</u> |
| <u>Penny Stock Hustle Recovery Charitable Trust Inc</u> | <u>Owner of more than 5%</u> | <u>High Springs, FL</u> | <u>35,000,000</u> | <u>Common</u> | <u>13%</u> | <u>Note 3</u> |
| <u>David R. Olund</u> | <u>Director/Owner of more than 5%</u> | <u>Venice FL</u> | <u>10,000,000</u> | <u>Series A Preferred</u> | <u>100%</u> | <u>Note 2</u> |

- Note 1: David Weaver is the beneficial owner of 25,466,772 shares of the Company's common stock of which 1,194,618 shares are held by his spouse.
- Note 2: David R. Olund is the beneficial owner of 46,656,188 shares of the Company's common stock of which 23,788,825 shares are held by Sanitech Holdings, Inc., an entity over which he exercises beneficial control and 10,000,000 shares of Series A Preferred stock, and 25,000 shares of common stock are held by David and Elena Olund JTWROS.
- Note 3: David M. Graham exercises beneficial control of the Penny Stock Hustle Recovery Charitable Trust Inc

7) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities:

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

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

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Providers

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

Securities Counsel

Name: Robert J. Flynn
Firm: Flynn & Flynn Esq.
Address 1: 1629 K Street NW, STE 300
Address 2: Washington DC, 20006-1631
Phone: 703-610-9600
Email: rojynn@comcast.net

Accountant or Auditor

Name: Chuck Ragland, CPA
Firm: Chuck Ragland & Company, Inc.
Address 1: 1820 State Road 13, #11-43
Address 2: Saint Johns, FL 32259
Phone: 904-610-9600
Email: chuck@chuckragland.com

Investor Relations

Name: Anthony Marotti
Firm: N/A
Address 1: 1820 State Road 13, #11-43
Address 2: St. Johns FL 32259
Phone: 585-261-6829
Email: amarotti@iti-now.com

All other means of Investor Communication:

Twitter: None
Discord: None
LinkedIn: None
Facebook: None
[Other] None

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) :

Name: Chuck Ragland, CPA

Title: CFO

Relationship to Issuer: CFO

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

Licensed as a Certified Public Accountant in the State of Florida

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

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report

See Attached Financial Statements

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Tom Fitzgerald, certify that:

1. I have reviewed this Annual Disclosure Statement of Aphex BioCleanse Systems, Inc., formerly known as Sunset Capital Assets, 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.

05/02/2023 [Date]

/s/ Tom Fitzgerald [CEO's Signature]

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

Principal Financial Officer:

I, Chuck Ragland, certify that:

1. I have reviewed this Annual Disclosure Statement of Aphex BioCleanse Systems, Inc., formerly know as Sunset Capital Assets, 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.

05/02/2023 [Date]

/s/ Chuck Ragland [CFO's Signature]

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

APHEX BIOCLEANS SYSTEMS INC
BALANCE SHEETS
(unaudited)

| <u>ASSETS</u> | <u>31-Dec 2022</u> | <u>31-Dec 2021</u> |
|--|------------------------|------------------------|
| Current assets | | |
| Cash | \$ 1 | 14,960 |
| Accounts receivable | 15,984 | 6,435 |
| Inventory | 136,908 | 136,908 |
| Notes receivable - current portion | 55,000 | 55,000 |
| Prepaid expenses | - | 12,551 |
| Total current assets | <u>207,893</u> | <u>225,854</u> |
| Property and equipment | | |
| Machinery and equipment | 254,831 | 254,831 |
| Leasehold improvements | 202,504 | 202,504 |
| Less: accumulated depreciation | (130,092) | (70,702) |
| Total property and equipment | <u>327,243</u> | <u>386,633</u> |
| Total assets | \$ <u>535,136</u> | <u>612,487</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 515,665 | 480,446 |
| Credit cards payable | 54,558 | 51,580 |
| Administrative fine payable | 45,000 | 45,000 |
| Convertible notes payable | 10,000 | 10,000 |
| Other current liabilities | 205,033 | 68,321 |
| Total current liabilities | <u>830,256</u> | <u>655,347</u> |
| Total liabilities | <u>830,256</u> | <u>655,347</u> |
| Stockholders' equity: | | |
| Common stock, \$.0001 par value; 750,000,000 shares authorized, 265,915,785 issued and outstanding | 26,591 | 26,512 |
| Preferred stock, \$.0001 par value 10,000,000 authorized and issued | 1,000 | 1,000 |
| Additional paid-in capital | 6,496,179 | 6,496,179 |
| Retained earnings | (6,566,551) | (5,205,725) |
| Current year net income/(loss) | (252,339) | (1,360,826) |
| Total stockholders' equity | <u>(295,120)</u> | <u>(42,860)</u> |
| Total liabilities and stockholders' equity | \$ <u>535,136</u> | <u>612,487</u> |

See the accompanying notes to financial statements

APHEX BIOCLEANSE SYSTEMS, INC.
STATEMENTS OF OPERATIONS
(unaudited)

| | Year Ended December 31, | |
|---|-------------------------|-------------|
| | 2022 | 2021 |
| Revenues | \$ 12,392 | 399,200 |
| Cost of goods sold | (121) | (40,563) |
| Gross profit | 12,271 | 358,637 |
| Operating expenses: | | |
| Legal and professional fees | 62,346 | 513,747 |
| Occupancy costs | 69,676 | 123,341 |
| General and administrative expenses | 70,376 | 1,005,523 |
| Total operating expenses | 202,398 | 1,642,611 |
| Income (loss) from operations | (190,127) | (1,283,974) |
| Other income (expense) | | |
| Interest expense | (2,822) | (7,828) |
| Depreciation | (59,390) | (67,813) |
| Loss on sale of equipment | - | (1,211) |
| Net other income (loss) | (62,212) | (76,852) |
| Income (loss) before provision for income taxes | (252,339) | (1,360,826) |
| Provision for income taxes | - | - |
| Net income (loss) | \$ (252,339) | (1,360,826) |

See the accompanying notes to financial statements

APHEX BIOCLEANSSE SYSTEMS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2022 and December 31, 2021
(unaudited)

| | <u>Common Stock</u> | | <u>Preferred Stock</u> | | <u>Additional Paid-In Capital</u> | <u>Retained Earnings</u> | <u>Total Stockholders' Equity</u> |
|------------------------------|---------------------|------------------|------------------------|-----------------|---|------------------------------|---|
| | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | | | |
| Balance at January 1, 2021 | 246,120,537 | \$ 25,144 | 10,000,000 | \$ 1,000 | \$ 5,310,331 | \$ (5,040,059) | 296,416 |
| Divestiture of subsidiaries | | (532) | | | | (165,666) | (166,198) |
| Common stock issued | 19,003,748 | 1,900 | | | 1,185,848 | | 1,187,748 |
| Net loss | | | | | | (1,360,826) | (1,360,826) |
| Balance at December 31, 2021 | <u>265,124,285</u> | <u>\$ 26,512</u> | <u>10,000,000</u> | <u>\$ 1,000</u> | <u>\$ 6,496,179</u> | <u>\$ (6,566,551)</u> | <u>(42,860)</u> |
| | | | | | | | |
| Balance at January 1, 2022 | 265,124,285 | 26,512 | 10,000,000 | 1,000 | 6,496,179 | (6,566,551) | (42,860) |
| Common stock issued | 791,500 | 79 | - | - | - | - | 79 |
| Net income | | | | | | (252,339) | (252,339) |
| Balance at December 31, 2022 | <u>265,915,785</u> | <u>\$ 26,591</u> | <u>10,000,000</u> | <u>\$ 1,000</u> | <u>\$ 6,496,179</u> | <u>\$ (6,818,890)</u> | <u>(295,120)</u> |

See the accompanying notes to financial statements

APHEX BIOCLEANSSE SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

| | Year Ended December 31, 2022 | 2021 |
|--|---------------------------------|----------------|
| <u>Cash flows from operating activities</u> | | |
| Net income (loss) | \$ (252,339) | \$ (1,360,826) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 59,390 | 67,813 |
| Net cash flows from changes in: | | |
| Accounts receivable | (9,550) | (21,687) |
| Inventory | - | (43,733) |
| Prepaid expenses and other current assets | 12,551 | (1,873) |
| Accounts payable | 35,219 | 219,943 |
| Credit cards payable | 2,978 | (5,051) |
| Divestiture of liabilities in discontinued operations | - | (100,714) |
| Other current liabilities | 136,713 | 78,322 |
| Net cash provided by (used in) operating activities | (15,038) | (1,167,806) |
| <u>Cash flows from investing activities:</u> | | |
| Purchase of machinery & equipment - net | - | (98,595) |
| Divestiture of loans in discontinued operations | - | 67,414 |
| Issuance of notes receivable | - | (45,000) |
| Net cash used in investing activities | - | (76,181) |
| <u>Cash flows from financing activities:</u> | | |
| Common stock issued | 79 | 1,900 |
| Additional paid in capital | - | 1,185,848 |
| Divestiture of equity in discontinued operations | - | (166,198) |
| Net cash used in financing activities | 79 | 1,021,550 |
| Net increase (decrease) in cash | (14,959) | (222,437) |
| Cash, beginning of period | 14,960 | 237,397 |
| Cash, end of period | \$ 1 | \$ 14,960 |

See the accompanying notes to financial statements

APHEX BIOCLEANSSE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2022
(Unaudited)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1: Nature of Business

Sunset Capital Assets, Inc. (the Predecessor Company) was originally incorporated under the laws of the State of Nevada on May 1, 1998. Effective July 31, 2020, the Company acquired Aphex BioCleanse Systems, Inc. and will operate as Aphex (the Company) on a forward going basis. On September 10, 2020, the Company filed an Amendment with the State of Nevada to change its corporate name to Aphex BioCleanse Systems, Inc. Aphex is a manufacturing company that has developed and manufactures the world's first proprietary non-alcohol, non-toxic, and hydrogen based disinfecting technology. Further information is available at www.aphexus.com.

Note 2: Method of Accounting

The Company utilizes the accrual method of accounting for financial statement presentation. Cash and Cash Equivalents consist of cash held in bank accounts adjusted for reconciling items and petty cash funds. The Company had no other cash or cash equivalents as of December 31, 2022. For purposes of the statement of cash flows, the Company considers all highly liquid instruments with an initial maturity of three months or less when purchased to be cash equivalents.

Note 3: Inventory

Inventory is stated at the lower of cost or market value. The cost of inventories is determined using the FIFO method. When the Company determines that gross inventories exceed usage requirements, or if inventories become obsolete or otherwise not saleable, the Company records a provision for such loss.

Note 4: Property and Equipment

Property and equipment are recorded at cost of acquisition. Depreciation provided in the financial statements is computed using the straight line method applied to individual property items based on estimated useful lives ranging from three to forty years.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the income for the period. The cost of maintenance and repairs is charged to income as incurred, whereas significant renewals and betterments are capitalized.

APHEX BIOCLEANSSE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2022
(Unaudited)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Note 5: Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the differences between the basis of certain assets and liabilities for financial and tax reporting and for operating losses that are available to offset future taxable income.

Note 6: 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, liabilities, revenues, and expenses during the year. Actual results could differ from those estimates.

Note 7: Business Combinations

As stated in Note 1, Sunset Capital Assets, Inc. acquired Aphex BioCleanse Systems, Inc. on July 31, 2020 and is now operating as Aphex BioCleanse Systems, Inc. on a forward going basis.

Note 8: Deferred Income Taxes

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (using accelerated depreciation methods for income tax purposes) and intangible assets being amortized for tax purposes but expensed for financial statement purposes.

Note 9: Loans Payable

As of December 31, 2022, the Company had a note payable in the amount of \$145,630 with an interest rate of 8%. The loan was due on December 31, 2022 and has been renewed until December 31, 2023.

Note 10: Convertible Notes Payable

As of December 31, 2022, the Company had an outstanding Convertible Notes Payable in the amount of \$10,000. The Convertible Notes Payable had a term date of November 11, 2022 as well the option to convert the Note to common stock beginning May 11, 2022 and ending November 11, 2022.

Note 11: Operating Lease Commitments

As of December 31, 2022, the Company had operating lease commitments for a corporate office in Pittsford, New York and a manufacturing facility in Port Richey, Florida.

APHEX BIOCLEANSE SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2022
(Unaudited)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Note 12: Compensated Absences

The Company has not accrued compensated absences since the amount cannot be reasonably estimated.

Note 13: Concentrations of Credit Risk

The Company does not have deposits with a financial institution in excess of the federally insured limit of \$250,000.00.

Note 14: Related Party Transactions

There were no related party transactions for the nine months ended September 30, 2022.

Note 15: Bankruptcy Filing

On May 12, 2022, the Company filed a voluntary petition under the Federal Bankruptcy Code, Chapter 11, Subchapter V. The Company has submitted its reorganization plan with the U.S. Bankruptcy Court, Middle District of Florida, Tampa Division on a timely basis. On October 12, 2022, the United States Trustee for Region 21 appointed a Chapter 11 Trustee for the bankruptcy case of the Company.

Note 16: Subsequent Events

The Company evaluated its December 31, 2022, financial statements for subsequent events through April 11, 2023, the date the financial statements were available to be issued. Management is not aware of any significant events that occurred after the balance sheet date that would have a material effect on the financial statements thereby requiring adjustment or disclosure, other than those noted below:

None