

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## FONU2, Inc.

A Florida Corporation

5112 West Taft Road

Suite M

Liverpool, NY 13088

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424-224-5358

www.fonuinc.com

info@fonuinc.com

SIC Code # 5399

## Quarterly Report

For the period ending March 31, 2023 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

21,305,174.911 as of March 31, 2023 (the current reporting period)

25,732,411,563 as of September 30, 2022 (most recent 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, 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 Control<sup>1</sup> 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.

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<sup>1</sup> "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.

- 10/25/2011: Incorporated in Nevada as Zaldiva, Inc.
- 04/11/2012: name change to FONU2, 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):

- 10/25/2011: Incorporated in Nevada as Zaldiva, Inc.
- 04/11/2012: name change to FONU2, Inc.
- 04/16/2021: converted to a Florida domicile entity.
- The Company is currently **active** and in good standing in the state of Florida.

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:

- The Company has been reorganized.
- The Company has increased its authorized capital stock.
- Going forward, the Company anticipates it will seek to conduct one or more of the following actions; reverse split, forward split, recapitalization, merger, SEC registration statement, acquisition.

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:

- 4/28/2020: Order granting appointment of universal Management Association as custodian approved
- 12/03/2021: The Company entered into a 3(a)10 settlement agreement.

## 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.*

Trading symbol: FONU  
 Exact title and class of securities outstanding: Common Shares

CUSIP:	<u>30255C201</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>39,999,993,746 as of date: 3/31/2023</u>
Total shares outstanding:	<u>21,305,174,911 as of date: 3/31/2023</u>
Number of shares in the Public Float <sup>2</sup> :	<u>20,272,658,287 as of date: 3/31/2023</u>
Total number of shareholders of record:	<u>306 as of date: 3/31/2023</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):	_____
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>4 as of date: 3/31/2023</u>
Total shares outstanding (if applicable):	<u>4 as of date: 3/31/2023</u>
Total number of shareholders of record (if applicable):	<u>1 as of date: 3/31/2023</u>

Exact title and class of the security:	<u>Series B Preferred</u>
CUSIP (if applicable):	_____
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>6,250 as of date: 3/31/2023</u>
Total shares outstanding (if applicable):	<u>6,250 as of date: 3/31/2023</u>
Total number of shareholders of record (if applicable):	<u>1 as of date: 3/31/2023</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.**

Series A Preferred:

- Voting rights equal to of Sixty Percent (60%) of the issued and outstanding Common Stock for each Series A Preferred Stock held as of the record date for a vote or, if no record date is specified, as of the date of a vote and shall be entitled to vote on all matters submitted to the shareholders for a vote, voting together as a single class with the Common Stock and other securities that vote together with the Common Stock. The holders of the Series A Preferred Stock shall be entitled to notice of all meetings of

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<sup>2</sup> "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.

shareholders and the rights related to voting in accordance with the Act and the Bylaws of the Corporation.

- Dividend: No dividend
- Conversion: No conversion
- Liquidation preference over Series B Preferred & Common Stock

Series B Preferred:

- voting rights 500:1
- Dividend: Yes, when declared.
- Conversion: Yes, subject to conversion notice at \$0.10.
- Liquidation preference over Common Stock

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

N/A

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

N/A

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any 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: 9/30/2021 <u>Opening Balance</u> Common: 2,906,362,851 Preferred A: 0 Preferred B: 6.250			*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. *You must disclose the control person(s) for any entities listed.	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.
10/5/2021	New issue	266,666,667	CS	0.00015	Yes	Vigere, Robert Gomer	debt conversion	unrestricted	4(a)1
10/08/2021	New issue	184,184,787	CS	0.000854	Yes	Union Capital, Yakov Borenstein	debt conversion	unrestricted	4(a)1

10/14/2021	New issue	100,000,000	CS	0.000	Yes	Mammoth, Brad Hare	debt conversion	unrestricted	4(a)1
11/08/2021	New issue	100,000,000	CS	0.00024	Yes	Mammoth, Brad Hare	debt conversion	unrestricted	4(a)1
11/29/2021	New issue	150,000,000	CS	0.00024	Yes	Mammoth, Brad Hare	debt conversion	unrestricted	4(a)1
12/06/2021	Retired	1,000	CS	N/A	N/A	KEITH E & KIMBERLY A O'BRIEN Joint Account	Retired	unrestricted	N/A
12/15/2021	New issue	219,298,245	CS	\$0.000228	Yes	Mammoth, Brad Hare	debt conversion	unrestricted	4(a)1
12/17/2021	New issue	388,724,742	CS	\$0.000475	Yes	MSW, Bruce Bent	debt conversion	unrestricted	3(a)10
12/23/2021	New issue	205,118,421	CS	\$0.000228	Yes	Mammoth, Brad Hare	debt conversion	unrestricted	4(a)1
12/30/2021	New issue	300,129,500	CS	0.00022	Yes	JDF Capital/ John Fierro	debt conversion	unrestricted	4(a)1
12/30/2021	New issue	447,515,216	CS	0.000505	Yes	Bruce Bent	debt conversion	unrestricted	3(a)10
1/06/2022	New issue	491,819,222	CS	0.000375	Yes	Bruce Bent	debt conversion	unrestricted	3(a)10
1/12/2022	New issue	492,602,406	CS	0.000345	Yes	Bruce Bent	debt conversion	unrestricted	3(a)10
2/01/2022	New issue	311,995,800	CS	0.00006	Yes	Auctus Fund, LLC- Louis Posner	debt conversion	unrestricted	4(a)1
2/15/2022	New issue	649,877,269	CS	0.000231	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
3/14/2022	New issue	714,215,118	CS	0.000176	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
4/26/2022	New issue	784,922,415	CS	0.000159	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
05/03/2022	New issue	862,629,734	CS	0.00013	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
5/10/2022	New issue	948,030,078	CS	0.000107	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
5/23/2022	New issue	363,700,882	CS	0.000068	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
5/26/2022	New issue	376,279,265	CS	0.000068	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1

7/4/2022	New issue	1,115,143,090	CS	0.000053	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
7/11/2022	New issue	1,225,542,256	CS	0.000061	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
7/14/2022	New issue	1,000,000,000	CS	0.00002	Yes	Selkirk Global Holdings, LLC/ Paul Strickland	Management Fee debt conversion	restricted	N/A
7/18/2022	New issue	1,445,870,939	CS	0.000059	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
7/22/2022	New issue	1,589,012,162	CS	0.000061	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
7/26/2022	New issue	1,746,324,367	CS	0.000064	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
8/8/2022	New issue	1,919,210,479	CS	0.000071	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
8/25/2022	New issue	2,109,212,316	CS	0.000056	Yes	Bruce Bent	debt conversion	unrestricted	4(a)1
8/30/2022	New issue	2,318,024,336	CS	0.000047	Yes	V2IP, Inc./Dawn Bronson	debt conversion	unrestricted	4(a)1
10/28/2022	New issue	2,547,508,745	CS	0.000032	Yes	Dr. Judy Goss	debt conversion	unrestricted	4(a)1
12/12/2022	Retired	(2,109,212,316)	CS	N/A	N/A	Bruce Bent	cancel transaction	N/A	N/A
12/12/2022	Retired	(2,547,508,745)	CS	N/A	N/A	Dr. Judy Goss	cancel transaction	N/A	N/A
12/15/2022	Retired	(2,318,024,336)	CS	N/A	N/A	V2IP, Inc./Dawn Bronson	cancel transaction	N/A	N/A

Shares Outstanding on

3/31/2023:

Ending Balance:

Common: 21,305,174,911

Preferred A: 4

Preferred B: 6,250

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, 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.)
5/15/2020	\$64,492	\$66,000 <sup>1</sup>	\$4,492	1/15/2021	Scaled conversion price beginning with 70%, 60%, 50% at 60 days, 120 days, and thereafter. 18% default rate.	Mammoth Corp- Brad Hare	loan
3/03/2021	\$498,410.96	N/A	N/A	N/A	90 day past due fees convertible at 75% discount to lowest 30 day average closing bid	Selkirk Global Holdings, LLC- Paul Strickland	Management Agreement
9/01/2021	\$22,515.08	\$22,515.08	\$1,801.21	9/01/2022	8% Note. 45% discount 5 day lookback average of lowest bid.	Coventry Enterprises, LLC- Jack Bodenstein	loan
10/10/2022	\$14,629.89 <sup>2,3</sup>	\$50,000	\$607.14	10/09/2023	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. \$550,000 Note; \$60,000 initial tranche paid on 5/15/2020 resulting in balance of \$66,000, OID amortized resulting in \$64,492 outstanding balance as of this reporting period.
2. \$50,000 Note, 10% OID, Initial Principal Amount: \$4,443.33
3. Q2 2023 funding= \$4,786.56

#### 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](http://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.

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

- NA

C. Describe the issuers' principal products or services.

- The Company is in the process of restructuring its business.

#### 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
Paul Strickland	Director, Secretary	Olympia, WA	N/A	N/A	N/A	Director since 3/3/2021
Joel A. "Jake" Shapiro	>5%	New York, NY	6,250	Series B pref	100%	former officer
Selkirk Global Holdings, LLC- Paul Strickland	>5%+	Olympia, WA	4	Series A pref	100%	Acquired on 3/3/2021
Selkirk Global Holdings, LLC- Paul Strickland	>5%+	Olympia, WA	770,370,371	CS	3.62%	issued 7/14/2022 as part of management agreement balance conversion

## 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);

[SEC v. Medient Studios, Inc., FONU2, Inc., Manu Kumaran, Joel A. "Jake" Shapiro, and Roger Miguel](#)  
Case Number: 16-cv-00253 (United States District Court for the Southern District of Georgia)  
Date Filed: September 23, 2016  
Date of Qualifying Judgment/Order: August 3, 2018

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;

See above.

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

See above.

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.

See above.

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.

- 4/28/2020: Order granting appointment of universal Management Association as custodian approved in Nevada.
- 12/03/2021: The Company entered into a 3(a)10 settlement agreement.

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

#### Accountant or Auditor

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### *All other means of Investor Communication:*

Twitter: <https://twitter.com/Fonu2inc>  
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: Dave Dreslin  
Firm: Coast to Coast CFO, Inc.  
Nature of Services: Accounting  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: 727-393-7439  
Email: \_\_\_\_\_

## 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)<sup>3</sup>:

Name: Dave Dreslin

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:

I, Paul Strickland certify that:

1. I have reviewed this Disclosure Statement for FONU2, 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.

May 11, 2023 [Date]

/s/Paul Strickland [Secretary'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 FONU2, Inc.;

<sup>3</sup> 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.

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.

May 11, 2023 [Date]

/s/Paul Strickland [Secretary's Signature]

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

**FONU2, INC.**  
**BALANCE SHEETS**  
(Unaudited)

	March 31, 2023	September 30, 2022
<b>ASSETS</b>		
CURRENT ASSETS		
Total Current Assets	-	-
PROPERTY AND EQUIPMENT, NET	-	-
OTHER ASSETS		
Total Other Assets	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 156,336	\$ 156,336
Accrued interest	193,369	111,846
Due to related party	30,184	19,997
Convertible notes payable	1,304,375	1,077,312
Total Current Liabilities	1,684,264	1,365,491
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Common stock, 39,999,993,746 shares authorized, \$0.001 par value; 21,305,174,911 and 25,732,411,563 issued and outstanding, respectively	21,305,175	25,732,411
Additional paid-in capital	25,787,746	21,586,545
Accumulated deficit	(48,777,185)	(48,684,447)
Total Stockholders' Deficit	(1,684,264)	(1,365,491)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to unaudited interim financial statements.

FONU2, INC.  
STATEMENT OF OPERATIONS  
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2023	2022
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENSES				
General and administrative expenses	4,787	12,498	10,187	12,498
Total expenses	4,787	12,498	10,187	12,498
LOSS FROM OPERATIONS	(4,787)	(12,498)	(10,187)	(12,498)
OTHER INCOME (EXPENSE)				
Interest expense	(48,914)	(27,542)	(81,523)	(67,714)
Imputed interest expense	(562)	-	(1,028)	-
Total other income (expense)	(49,476)	(27,542)	(82,551)	(67,714)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>(54,263)</u>	<u>(40,040)</u>	<u>(92,738)</u>	<u>(80,212)</u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	<u>21,305,174,911</u>	<u>6,807,641,824</u>	<u>21,305,174,911</u>	<u>5,204,196,046</u>

See accompanying notes to unaudited interim financial statements.

FONU2, INC.  
STATEMENTS OF STOCKHOLDERS' DEFICIT  
(Unaudited)

	Common Stock		Additional Paid-in capital	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount			
Balance, September 30, 2021	2,906,362,851	\$ 2,906,363	\$ 41,669,277	\$ (48,549,474)	\$ (3,973,834)
Common stock issued for payment on convertible promissory notes for the year ending September 30, 2022	22,826,048,712	22,826,048	(20,083,504)		2,742,544
Imputed Interest on amounts due to related party			772		772
Net loss for the year ending September 30, 2022				(134,973)	(134,973)
Balance, September 30, 2022	25,732,411,563	\$ 25,732,411	\$ 21,586,545	\$ (48,684,447)	\$ (1,365,491)
Common stock issued for payment on convertible promissory notes for the quarter ending December 31, 2022	2,547,508,745	2,547,509	(2,465,989)		81,520
Common stock previously issued for payment on convertible promissory notes retired during the quarter ending December 31, 2022	(6,974,745,397)	(6,974,745)	6,666,162		(308,583)
Imputed Interest on amounts due to related party			466		466
Net loss for the three months ending December 31, 2022				(38,475)	(38,475)
Balance, December 31, 2022	21,305,174,911	\$ 21,305,175	\$ 25,787,184	\$ (48,722,922)	\$ (1,630,563)
Imputed Interest on amounts due to related party			562		562
Net loss for the three months ending March 31, 2023				(54,263)	(54,263)
Balance, March 31, 2023	21,305,174,911	\$ 21,305,175	\$ 25,787,746	\$ (48,777,185)	\$ (1,684,264)

See accompanying notes to unaudited interim financial statements.

FONU2, INC.  
STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six Months Ended	
	March 31,	
	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (92,738)	\$ (80,212)
Adjustments to reconcile net loss to net cash used in operating activities:		
Imputed interest on amounts due to related party	1,028	
Changes in operating assets and liabilities		
Increase (decrease) in accrued interest	81,523	67,714
Net cash used in operating activities	<u>(10,187)</u>	<u>(12,498)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from related party	10,187	12,498
Net cash provided by financing activities	<u>10,187</u>	<u>12,498</u>
Increase (decrease) in Cash	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ -</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
<b>NON-CASH TRANSACTIONS</b>		
Conversion of convertible debt into common stock	<u>\$ -</u>	<u>\$ 1,542,652</u>

See accompanying notes to unaudited interim financial statements.

**FONU2, INC.**  
Notes to the Financial Statements  
Six Months Ended March 31, 2023 and 2022  
(Unaudited)

**Note 1 — Organization and Operations**

The Company was incorporated in Nevada on October 25, 2011 as Zaldiva, Inc. On April 11, 2012, the Company changed its name to FONU2, Inc. On April 16, 2021 the Company converted to a Florida domicile entity. The Company is currently active and in good standing in the state of Florida.

**Note 2 — Basis of Presentation and Going Concern**

*Basis of Presentation*

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation are included.

*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 March 31, 2023, the Company had an accumulated deficit of \$48,777,185 million and requires additional funds to support its operations and to achieve its business development goals, the attainment of which are not assured. The Company has been able to satisfy certain liabilities with convertible debentures and common shares and enter into debt settlement arrangements. Convertible instruments have also been converted into equity. However, substantial indebtedness remains and recurring losses from operations and additional liabilities continue to be incurred.

These factors and uncertainties raise substantial doubt about the Company's ability to continue as a going concern. The 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, from 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.

**FONU2, INC.**  
Notes to the Financial Statements  
Six Months Ended March 31, 2023 and 2022  
(Unaudited)

**Note 3 — Summary of Significant Accounting Policies**

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-Based Compensation

The Company issues stock options and warrants, shares of Common Stock, and equity interests as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation to employees in accordance with FASB ASC 718, Compensation – Stock Compensation. Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period.

The fair value of the Company's common stock option and warrant grants is estimated using the Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Fair Value of Financial Instruments

The Company follows 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 and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about 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 (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 (3) broad levels. The three (3) 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 observable inputs and not corroborated by market data.

**FONU2, INC.**  
Notes to the Financial Statements  
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Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

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. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's other financial assets and liabilities, such as cash, prepaid expense, accounts payable and accrued payables and notes payable, approximate their fair values because of the short maturity of these instruments.

*Property and Equipment*

Expenditures for major equipment are capitalized when such costs are determined to extend the useful life of the asset or are part of the cost of acquiring the asset. Maintenance and repairs costs are charged to expense as incurred. Gains and losses on sales of property used in operations are classified within operating expenses.

For financial reporting purposes, we record depreciation and amortization of property and equipment on a straight-line basis over the asset's service life or related lease term, if shorter. For income tax purposes, depreciation is computed using accelerated methods when applicable.

*Derivative Financial Instruments*

The Company evaluates its financial instruments to determine if such instruments are 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. 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. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

*Revenue Recognition*

On January 1 2018, we adopted Accounting Standards Update No. 2014-09, (*Revenue from Contracts with Customers*) (*Topic 606*), which supersedes the revenue recognition requirements in Accounting Standards Codification (ASC), *Revenue Recognition*. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606. The impact of adopting the new

**FONU2, INC.**  
Notes to the Financial Statements  
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(Unaudited)

revenue standard was not material to our financial statements and there was no adjustment to beginning retained earnings on January 1, 2018.

Topic Under 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract;
- and
- recognition of revenue when, or as, we satisfy a performance obligation.

The Company recognizes revenues based on monthly fees for services provided to customers. Some customers prepay for annual services and the Company defers such amounts and amortizes them into revenues as the service is provided.

The adoption of Topic 606 has no impact on the Company's financials as the Company has not generated any revenues.

*Net Income (Loss) Per Share*

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. Potentially dilutive contingent shares, which primarily consist of convertible notes, stock issuable to the exercise of stock options and warrants have been excluded from the diluted loss per share calculation because their effect is anti-dilutive.

*Income Taxes*

The Company accounts for income taxes using the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. 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.

**FONU2, INC.**  
Notes to the Financial Statements  
Six Months Ended March 31, 2023 and 2022  
(Unaudited)

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Company's Statements of Operations in the period that includes the enactment date.

*Recently Issued Accounting Pronouncements*

Recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission are not believed by management to have a material impact on the Company's present or future financial statements.

**Note 4 – Convertible Notes Payable**

	March 31, 2023	September 30, 2022
Convertible promissory notes issued between August 26, 2014 and September 1, 2021 with interest ranging from 8% to 18%. The conversion prices range from 35% to 75% discount of the lowest trading price of the Company's common stock during a range of 5 and as much as 30 consecutive trading days prior to the date on which Holder elects to convert all or part of the Note.	\$1,304,375	\$1,077,312
Total Convertible Debt	\$1,304,375	\$1,077,312

**Note 5– Stockholders' Equity**

The Company is authorized to issue 39,999,993,746 shares of \$0.001 par value common stock. The increase to the Company's authorized shares occurred on August 10, 2022. During the quarter ended December 31, 2022 the Company issued 2,547,508,745 shares for the conversion of notes payable in the amount of \$81,520. The Company has 21,305,174,911 and 25,732,411,563 common shares issued and outstanding as of March 31, 2023 and September 30, 2022.

**Note 6– Common Stock Retirements**

During the quarter ended December 31, 2022 the Company retired 6,974,745,397 shares that were previously issued for the conversion of notes payable in the amount of \$308,583. The parties involved reassessed their conversions in light of market conditions that were not favorable to them at the time and cancelled the conversions.

**FONU2, INC.**  
Notes to the Financial Statements  
Six Months Ended March 31, 2023 and 2022  
(Unaudited)

**Note 7 – Related Party Transactions**

Related party transactions of the company during the six months ended March 31, 2023 and March 31, 2022 consist of the following:

For the six months ended March 31, 2022, the Company's Chief Executive Officer, Paul Strickland, directly paid for various company expenses in the amount of \$12,498. The amount is unsecured, non-interest bearing, and due on demand.

For the six months ended March 31, 2023, the Company's Chief Executive Officer, Paul Strickland, directly paid for various company expenses in the amount of \$10,187. The amount is unsecured, non-interest bearing, and due on demand.

**Note 8 – Subsequent Events**

Management has evaluated all activity since March 31, 2023 through the date the financial statements were issued and has concluded that no additional subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.