

Mesa Home Resources, Inc.

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Anaheim, CA 92807

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Quarterly Report

For the period ending September 30, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

1,606,965,619 as of September 30, 2024 (Current Reporting Period Date or More Recent Date)

1,606,965,619 as of December 31, 2023 (Most Recent Completed Fiscal Year End)

87,213,441 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 Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "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 and names used by predecessor entities, along with the dates of the name changes.

The Company was originally incorporated in the State of Delaware as New Ithaca Corporation on September 22, 1983. On May 29, 2007, the Company changed its name to American Uranium Mining, Inc. On April 23, 2008, the Company changed its name to F3 Technologies, Inc. On October 9, 2013, the Company changed its name to Here To Serve Holding Corp. On February 5, 2024, the Company changed its name to Mesa Home Resources, Inc.

Current State and Date of Incorporation or Registration: The Company was incorporated in the State of Delaware on September 22, 1983

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

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

None

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

On November 3, 2023, the Company acquired all outstanding shares of DCE Construction, Inc., doing business as Mesa Garage Doors ("MESA") in exchange for the issuance of 1.4 billion shares of the Company's common stock to the shareholders of MESA in a tax-free reorganization (the "MESA Transaction"). In conjunction with the MESA Transaction, the MESA shareholders also purchased all outstanding shares of Series A and Series C Preferred Stock.

On February 5, 2024, the Company changed its name from Here to Serve Holding Corp. to Mesa Home Resources, Inc. and also changed its ticker symbol from HTSE to MHRE. The Company also changed its fiscal year end from September 30 to December 31.

On April 12, 2024, the Company finalized a spin-off of its legacy subsidiaries, Fortune Nickel and Fold Inc. and ICF Industries Inc. (collectively, "Fortune"). Each MHRE shareholder of record as of November 2, 2023 received one share of Fortune common stock for each one share of MHRE common stock.

Address of the issuer's principal executive office:

4915 E. Hunter Ave.
Anaheim, CA 92807

Address 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: Securities Transfer Corporation
Phone: 469-633-0101
Email: sevans@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 380 Plano, Texas 75093

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:	MHRE
Exact title and class of securities outstanding:	Common Stock
CUSIP:	42710U106
Par or stated value:	\$0.001 par value
Total shares authorized:	2,500,000,000 as of date: September 30, 2024
Total shares outstanding:	1,606,965,619 as of date: September 30, 2024
Total number of shareholders of record:	93 as of date: September 30, 2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

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 that do not have a trading symbol). 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:	Series A Preferred Stock
Par or stated value:	\$0.001 par value
Total shares authorized:	1,000,000 as of date: September 30, 2024
Total shares outstanding:	1,000,000 as of date: September 30, 2024
Total number of shareholders of record:	3 as of date: September 30, 2024

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series C Preferred Stock</u>
Par or stated value:	<u>\$1.00 stated</u>
Total shares authorized:	<u>1,100,000 as of date: September 30, 2024</u>
Total shares outstanding:	<u>100,000 as of date: September 30, 2024</u>
Total number of shareholders of record:	<u>3 as of date: September 30, 2024</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.

Shareholders of the Company's common stock (the "Common Stock") have the right to one vote per share and the right to receive dividends if the board of directors authorizes dividends.

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

The Company has authorized 10,000,000 shares of preferred stock, of which 1,000,000 shares have been designated as Series A Preferred Stock, par value \$0.001 ("the Series A Preferred Stock"); 1,100,000 shares have been designated as Series C Preferred Stock, par value \$0.001 ("the Series C Preferred Stock"); and 7,900,000 shares undesignated preferred stock, par value \$0.001.

The powers, preferences, qualifications, limitations or restrictions, and relative rights of the Series A Preferred Stock are as follows:

The Series A Preferred Stock shall not be convertible into Common Stock of the Company. The outstanding shares of Series A Preferred Stock shall be entitled to the number of votes, collectively, which shall be equal to 70% of the total number of votes that may be cast (including the votes of the issued and outstanding Common Stock as well as any voting preferred stock) at the time of such vote, at each meeting (or by written consent) of shareholders of the Company for their action or consideration, including the election of directors. The Company shall not amend, alter or repeal the Series A Preferred Stock, special rights or other powers of the Series A Preferred Stock so as to affect adversely the Series A Preferred Stock, without written consent or affirmation vote of the holders of at least a majority of the then outstanding aggregate number of shares of such adversely affected Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case maybe) separately as a class.

The rights of the Series C Preferred Stock shareholders are as follows:

Conversion Rights.

Each outstanding share of Series C Preferred Stock may be converted at the option of the holder thereof (the "Holder") into fully paid, nonassessable shares of Common Stock of the Company. The number of shares of Common Stock issuable upon a conversion hereunder shall equal the quotient obtained by dividing (x) the stated value of the shares of Series C Preferred Stock to be converted by (y) the Conversion Price. The "Conversion Price" in effect on any Conversion Date shall be equal to the lesser of \$0.01 per share or 50% of the lowest closing market price for the Common Stock on the Principal Market during the 30 trading days preceding the Conversion Date. The "Conversion Date" shall be the business day on which the Company receives the Conversion Notice (defined below). The "Principal Market" shall be the national securities exchange or NASDAQ, if the Common Stock is so listed, and shall otherwise be the trading platform sponsored by OTC Markets on which the Common Stock is listed for quotation. No fractional shares of Common Stock shall be issued upon conversion of Series C Preferred Stock. In lieu of any fractional share to which the holder would otherwise be entitled, the Company shall round up to the nearest whole share.

Liquidation Preference.

Upon the liquidation, dissolution and winding up of the Company, the holders of the Series C Preferred Stock shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of Common Stock, a sum equal to the stated value per share, after which the holders of Series C Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the

appropriate distribution of available cash among the shareholders, each share of Series C Preferred Stock shall be deemed to have been converted into the number of shares of the Company's Common Stock into which that holder's Series C Preferred Stock could be converted on the record date for the distribution without giving effect to the limitation on conversion.

Voting Rights.

The holders of shares of Series C Preferred Stock shall have the following voting rights: Each share of Series C Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Company, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series C Preferred Stock are convertible on the record date for the stockholder action.

Dividends. In the event that the Company's Board of Directors declares a dividend payable to holders of any class of stock, the holder of each share of Series C Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Company's Common Stock into which that holder's Series C Preferred Stock could be converted on the record date for the dividend.

Protective Provisions.

So long as shares of Series C Preferred Stock are outstanding, the Company shall not take any action that would impair the rights of the holders of the Series C Preferred Stock set forth herein and shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock alter or change the rights, preferences or privileges of the shares of the Series C Preferred Stock or any other securities so as to affect adversely the Series C Preferred Stock.

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

None

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.**

None

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 for the two most recently completed fiscal years and any subsequent period.

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 <u>Opening Balance:</u> Date <u>12/31/2021</u> Common: <u>69,261,503</u> Preferred: <u>1,100,000</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 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. ***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.
<u>2/18/2022</u>	<u>New</u>	<u>285,714</u>	<u>Common</u>	<u>\$0.035</u>	<u>Yes</u>	<u>The Beling Family Trust (David Beling)</u>	<u>Cash -Private Placement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>3/07/2022</u>	<u>New</u>	<u>500,000</u>	<u>Common</u>	<u>\$0.04</u>	<u>Yes</u>	<u>Brian Holden</u>	<u>Cash -Private Placement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>3/10/2022</u>	<u>New</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.04</u>	<u>Yes</u>	<u>Curtis and Tammy Werner</u>	<u>Cash -Private Placement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>2/22/2022</u>	<u>New</u>	<u>1,358,426</u>	<u>Common</u>	<u>\$0.005</u>	<u>Yes</u>	<u>Brian Holden</u>	<u>Warrant Exercise</u>	<u>Unrestricted</u>	<u>Rule 144(b)(1)(ii)</u>
<u>3/31/2022</u>	<u>New</u>	<u>12,500</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Akia Gibbons</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>4,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Andranik Haitaian</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>6,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Arnetta Deal</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>2,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Arthur Anglin III</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Asmae Perez</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>4,101</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Edward Hazard</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Ellen Rosenthal</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Eric Jackson</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Glenn Goetzinger</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>15,999</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Gregory Gantt</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>

<u>3/31/2022</u>	<u>New</u>	<u>5,080</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Joseph Andrews</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Konana Gregory</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,041</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Marcus Johnson</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>2,084</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Marilyn Herrera</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Paul Riss</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>34,166</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Sarkis Dovlatyan</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>30,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>The Beling Family Trust</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>2,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Tom Nichols</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Valerie Davies</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,000</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Vonda Howard</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,250</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>VORVAEH ENTERPRISES (Willie Henry)</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>2,002</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Zacharias Odeh</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>3/31/2022</u>	<u>New</u>	<u>1,111</u>	<u>Common</u>	<u>\$0.12</u>	<u>No</u>	<u>Zakiya Hoard</u>	<u>Regulation CF Offering</u>	<u>Restricted</u>	<u>4(a)(6)</u>
<u>4/12/2022</u>	<u>New</u>	<u>3,218,190</u>	<u>Common</u>	<u>\$0.005</u>	<u>Yes</u>	<u>Brian Holden</u>	<u>Warrant Exercise</u>	<u>Unrestricted</u>	<u>Rule 144(b)(1)(ii)</u>
<u>05/17/2022</u>	<u>New</u>	<u>333,333</u>	<u>Common</u>	<u>\$0.03</u>	<u>Yes</u>	<u>The Beling Family Trust (David Beling)</u>	<u>Cash -Private Placement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>9/27/2022</u>	<u>New</u>	<u>1,250,000</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Paul Riss</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>9/27/2022</u>	<u>New</u>	<u>232,441</u>	<u>Common</u>	<u>\$0.016</u>	<u>Yes</u>	<u>Jonathan Endman</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>9/28/2022</u>	<u>New</u>	<u>5,392,500</u>	<u>Common</u>	<u>\$0.005</u>	<u>Yes</u>	<u>Brian Holden</u>	<u>Warrant Exercise</u>	<u>Unrestricted</u>	<u>Rule 144(b)(1)(ii)</u>
<u>10/19/2022</u>	<u>New</u>	<u>5,000,000</u>	<u>Common</u>	<u>\$0.025</u>	<u>No</u>	<u>Duchess Group LLC (Alan Fishman)</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>1/10/2023</u>	<u>New</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.047</u>	<u>No</u>	<u>Axion Exploration Group (Doug Engel)</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>

<u>3/6/2023</u>	<u>New</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Cesar Herrera</u>	<u>Warrant Exercise</u>	<u>Unrestricted</u>	<u>Rule 144(b)(1)(ii)</u>
<u>5/3/2023</u>	<u>New</u>	<u>4,631,902</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Pinnacle Consulting Services Inc (Robert Hymers)</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>544,546</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Rebecca Riss</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>455,455</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Jacob Riss</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>4,620,909</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Nancy Riss Irrevocable Trust (Paul Riss)</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>2,045,455</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Nancy Riss Non Exempt Trust (Paul Riss)</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>455,455</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Cynthia Franklin</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>6/29/2023</u>	<u>New</u>	<u>2,323,529</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>Daniel Bishop</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/01/2023</u>	<u>New</u>	<u>335,965</u>	<u>Common</u>	<u>\$0.0111</u>	<u>Yes</u>	<u>KRTL Holding Group, Inc (Cesar Herrera)</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/01/2023</u>	<u>New</u>	<u>9,972,436</u>	<u>Common</u>	<u>\$0.003</u>	<u>Yes</u>	<u>KRTL Holding Group, Inc (Cesar Herrera)</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/01/2023</u>	<u>New</u>	<u>2,361,702</u>	<u>Common</u>	<u>\$0.005</u>	<u>Yes</u>	<u>Paul H Riss</u>	<u>Warrant Exercise</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/03/2023</u>	<u>New</u>	<u>567,260,940</u>	<u>Common</u>	<u>\$0.028</u>	<u>No</u>	<u>Michael Layman</u>	<u>Reverse Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/03/2023</u>	<u>New</u>	<u>265,478,120</u>	<u>Common</u>	<u>\$0.028</u>	<u>No</u>	<u>Mahoney Pony LLC (Tiffany Mahoney)</u>	<u>Reverse Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/03/2023</u>	<u>New</u>	<u>43,200,000</u>	<u>Common</u>	<u>\$0.028</u>	<u>No</u>	<u>Paul H Riss</u>	<u>Debt Extinguishment</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/03/2023</u>	<u>New</u>	<u>567,260,940</u>	<u>Common</u>	<u>\$0.028</u>	<u>No</u>	<u>Dwight Esnard</u>	<u>Reverse Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>11/15/2023</u>	<u>New</u>	<u>46,804,824</u>	<u>Common</u>	<u>\$0.028</u>	<u>No</u>	<u>Pinnacle Consulting Services Inc. (Robert Hymers)</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>9/30/2024</u> Common: <u>1,606,965,619</u>									
Preferred: <u>1,100,000</u>									

Example: A company with a fiscal year end of December 31st 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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. <small>*** You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
01/05/23	\$37,500	275,000	_____	12/31/24	_____	Tiffany Mahoney	Loan
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

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

Mesa Home Resources, Inc. "MESA", is a leader in the otherwise highly fragmented business of sales, installation, and service for garage doors in Southern California. Over 30 years, MESA has serviced well over a half million customers utilizing its own staff of installers, technicians, and repair employees. With a strong reputation and extensive customer base, MESA has leveraged its financial strength, scalability, operations & service call center and professional management to arguably become the single largest garage door specialty company in the United States. The Company also provides installations and services for entry doors, custom wood gates, and garage door openers and is planning additional expansion to other areas of home and property improvement.

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

As disclosed above, on April 12, 2024, the Company spun-off both of its legacy subsidiaries, Fortune Nickel and Gold Inc. and ICF Industries Inc. Fortune Nickel and Gold Inc. is an exploration company that owns 190 mining claims in the heart of the Abitibi greenstone belt in the Timmins mining camp in Ontario, Canada.

ICF Industries Inc. seeks to participate in earth-friendly and sustainable businesses. It owns a license to grow hemp in the state of Iowa. Executive Industries, a division of ICF Industries Inc., offers corporate advisory, consulting, and financial reporting services to publicly owned companies.

C. Describe the issuers' principal products or services.

The Company's principal business is the sales, installation, and service for garage doors as well as other related installations and services for entry doors, custom wood gates, and garage door openers. The Company is planning additional expansion to its product and service offerings to other areas of home and property improvement.

5) Issuer's Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company leases its Operational Headquarters & Product Showroom at 4915 E. Hunter Avenue, Anaheim, California 92807. The lease is on a month-to-month basis for \$45,365 per month.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	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
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<u>Dwight Esnard</u>	<u>CEO, Director</u>	<u>Newport Beach, CA</u>	<u>567,260,940</u>	<u>Common</u>	<u>35%</u>	_____
<u>Dwight Esnard</u>	<u>CEO, Director</u>	<u>Newport Beach, CA</u>	<u>405,000</u>	<u>Series A Preferred</u>	<u>40.5%</u>	_____
<u>Dwight Esnard</u>	<u>CEO, Director</u>	<u>Newport Beach, CA</u>	<u>40,500</u>	<u>Series C Preferred</u>	<u>40.5%</u>	_____
<u>Michael Layman</u>	<u>CFO, Director</u>	<u>Cle Elum, WA</u>	<u>567,260,940</u>	<u>Common</u>	<u>35%</u>	_____
<u>Michael Layman</u>	<u>CFO, Director</u>	<u>Cle Elum, WA</u>	<u>405,000</u>	<u>Series A Preferred</u>	<u>40.5%</u>	_____
<u>Michael Layman</u>	<u>CFO, Director</u>	<u>Cle Elum, WA</u>	<u>40,500</u>	<u>Series C Preferred</u>	<u>40.5%</u>	_____
<u>Richard H. Golubow</u>	<u>Independent Director</u>	<u>Newport Beach, CA</u>	<u>none</u>	<u>none</u>	<u>none</u>	_____
<u>Mahoney Pony, LLC</u>	<u>Other Insider</u>	<u>Rancho Santa Fe, CA</u>	<u>265,478,120</u>	<u>Common</u>	<u>17%</u>	<u>Tiffany Mahoney</u>
<u>Mahoney Pony, LLC</u>	<u>Other Insider</u>	<u>Rancho Santa Fe, CA</u>	<u>190,000</u>	<u>Series A Preferred</u>	<u>19%</u>	<u>Tiffany Mahoney</u>
<u>Mahoney Pony, LLC</u>	<u>Other Insider</u>	<u>Rancho Santa Fe, CA</u>	<u>19,000</u>	<u>Series C Preferred</u>	<u>19%</u>	<u>Tiffany Mahoney</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

On June 30, 2023, the United States District Court for the Southern District of California accepted a guilty plea from James Mahoney for one count of conspiracy to commit securities fraud, in violation of 18 USC 371 (the "Mahoney Matter"). James Mahoney is the spouse of Tiffany Mahoney, the beneficial owner of Mahoney Pony, LLC.

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

The September 5, 2023, judgment in the Mahoney Matter conditioned that James Mahoney was not to engage in the profession of broker, dealer, or issuer for the purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any stock without the prior approval of his probation officer.

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

See above regarding the Mahoney Matter.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

None

5. Been the subject 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

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

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 to 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.

The Company incurred a use tax obligation with the California Department of Tax and Fee Administration (“CDTFA”) related to purchases it made from FlexiForce Canada, Inc. (“FlexiForce”), during the period of January 2015 through December 2020. The Company filed a timely Petition for Redetermination against the billings and it is currently in an active administrative appeal with the CDTFA. All collection action on the debt at issue has been withheld as the case proceeds through the appeals process. The Company contends that the applicable tax at issue is sales tax due FlexiForce, not use tax due the Company. CDTFA contends that use tax is due the Company because the items purchased were shipped into California from outside of the state with little to no in-state involvement from FlexiForce with regards to negotiating and/or consummating the sale inside the state. The anticipated date of resolution on the matter is in 2026.

The liability, as of February 16, 2024, consists of the following disputed amounts:

Date of Assessment	October 1, 2020	September 16, 2021
Period	January 2015 through December 2018	January 2019 through December 2020
Tax	415,567	277,975
Interest	164,836	63,452
Penalty	N/A	27,896
Total	580,403	369,323

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.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Robert Brantl
Firm: Robert Brantl, Esq
Address 1: 181 Dante Avenue,
Address 2: Tuckahoe, NY 10707-3042
Phone: 917-513-304296
Email: rbrantl21@gmail.com

Name: Lynne Bolduc
Firm: FitzGerald Kreditor Bolduc Risbrough LLP
Address 1: 2 Park Plaza, Suite 850
Address 2: Irvine, CA 92614
Phone: 949-788-8900
Email: lbolduc@fkbrlegal.com

Accountant or Auditor

Name: Tony Zhang
Firm: L&L CPAs PA
Address 1: 900 S. Pine Island Road, Suite 310
Address 2: Plantation, FL 33324
Phone: (704) 897-8336
Email: tzhang@llcpas.net

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Dwight Esnard
Title: CEO
Relationship to Issuer: Officer & Director

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

- IFRS
 U.S. GAAP

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

Name: Michael Layman
Title: CFO
Relationship to Issuer: Officer & Director

Describe the qualifications of the person or persons who prepared the financial statements:⁵ **Bachelor of Science in Accounting from California State University Long Beach in 1986, followed by achieving the status of Certified Public Accountant (CPA).**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁵ 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.

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, Dwight Esnard certify that:

1. I have reviewed this Disclosure Statement for Mesa Home Resources, 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.

November 27, 2024

/s/ Dwight Esnard

Principal Financial Officer:

I, Michael Layman certify that:

1. I have reviewed this Disclosure Statement for Mesa Home Resources, 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.

November 27, 2024

/s/ Michael Layman

Mesa Home Resources, Inc. and Subsidiaries
f/k/a Here To Serve Holding Corp.
Condensed Consolidated Balance Sheets
As of September 30, 2024 and December 31, 2023

	September 30, 2024 (Unaudited)	December 31, 2023 (Restated)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,369	\$ 36,764
Accounts receivable, net	673,785	352,736
Inventory	1,972,838	2,087,993
Prepaid expense	199,178	607,734
Due from related party	2,479,273	2,378,012
Other receivable	953,333	954,833
TOTAL CURRENT ASSETS	6,315,776	6,418,072
NON-CURRENT ASSETS		
Property, plant and equipment, net	89,746	187,294
Capitalized software, net	-	58,342
Equity securities at fair value	-	700,470
Related party equity securities at fair value	-	722,400
Mineral interests	-	340,880
Right-of-use assets	502,833	802,254
Long-term investment	100,000	103,150
Goodwill	-	1,788,982
TOTAL NON-CURRENT ASSETS	692,579	4,703,772
TOTAL ASSETS	\$ 7,008,355	\$ 11,121,844
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 2,475,507	\$ 2,452,802
Accrued liabilities	2,245,495	2,165,513
Due to related parties	37,500	594
Deferred revenue	-	123,038
Lease liabilities, current	442,286	435,588
SAFE notes payable, current	1,100,000	1,125,000
Current portion of long-term notes	124,119	143,984
TOTAL CURRENT LIABILITIES	6,424,907	6,446,519
LONG-TERM LIABILITIES		
Notes payable	3,211,070	3,322,148

Lease liabilities, noncurrent	114,876	443,490
Other liabilities	362,223	362,223
TOTAL LONG-TERM LIABILITIES	3,688,169	4,127,861
TOTAL LIABILITIES	10,113,076	10,574,380
STOCKHOLDERS' EQUITY		
Preferred stock, 10,000,000 shares authorized		
Series A, par value \$.001, 1,000,000 shares issued and outstanding	\$ 1,000	\$ 1,000
Convertible preferred stock, \$.001 par value		
Series C, par value \$.001, 100,000 shares issued and outstanding	100	100
Common stock (par value \$0.001, 2,500,000,000 shares authorized, of which 1,606,965,619 and 1,606,965,619 shares issued and outstanding as of September 30, 2024 and December 31, 2023)	1,606,965	1,606,965
Common stock subscribed	237,500	-
Additional paid in capital	1,226,999	3,015,980
Accumulated deficit	(6,177,285)	(4,076,581)
TOTAL STOCKHOLDERS' EQUITY	(3,104,721)	547,464
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,008,355	\$ 11,121,844

Mesa Home Resources, Inc. and Subsidiaries
f/k/a Here To Serve Holding Corp.
Condensed Consolidated Statements of Operations

	For the three months ended September 30,	For the three months ended September 30,	For the nine months ended September 30,	For the nine months ended September 30,
	2024	2023	2024	2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenues	\$ 5,797,532	\$ 5,987,415	\$ 16,449,058	\$ 16,440,574
Cost of revenues	3,716,924	3,065,506	10,312,388	8,575,212
Gross profit	<u>2,080,608</u>	<u>2,921,908</u>	<u>6,136,670</u>	<u>7,865,361</u>
Operating expenses:				
Depreciation and amortization	40,375	44,825	124,133	124,547
Selling, general and administrative	531,920	537,996	1,618,106	1,558,105
Advertising and marketing	836,857	867,527	2,314,955	2,490,696
Professional services	107,695	122,726	911,716	567,034
Salaries and wages	460,014	751,144	1,602,416	2,091,801
Exploration cost	-	-	25,481	-
Total operating expenses	<u>1,976,861</u>	<u>2,324,218</u>	<u>6,596,807</u>	<u>6,832,183</u>
Income (loss) from operations	103,747	597,690	(460,137)	1,033,178
Other income (expenses):				
Interest expense, net	(24,567)	-	(53,159)	(10,395)
Other income	34,000	32,740	101,261	96,714
Gain from sale of assets	-	-	-	6,000
Unrealized loss on investments	-	-	(519,470)	-

Total other income (expenses)	9,433	32,740	(471,368)	92,319
	-		-	
Income (loss) from operations before income taxes	113,180	630,430	(931,505)	1,125,497
Provision for income taxes	-	-	-	-
Net Income (loss)	\$ 113,180	\$ 630,430	\$ (931,505)	\$ 1,125,497
Basic net income (loss) per common share	\$ 0.0001	\$ 0.0066	\$ (0.0006)	\$ 0.0118
Diluted net income (loss) per common share	\$ 0.0001	\$ 0.0049	\$ (0.0006)	\$ 0.0088
Weighted average number of common shares outstanding - Basic	1,606,965,619	95,129,007	1,606,965,619	95,129,007
Weighted average number of common shares outstanding - Diluted	1,639,531,473	127,362,487	1,606,965,619	127,362,487

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

Mesa Home Resources, Inc. and Subsidiaries
f/k/a Here To Serve Holding Corp.
Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock A		Preferred Stock C		Common Stock		Common Stock Subscribed	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Stockhold ers' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2022 (Restated presentation following the reverse acquisition)		\$ 1,000	100,000	\$ 100	87,213,441	\$ 87,213	\$ -	\$ 283,819	\$(3,562,003)	\$(3,189,871)
Stock-based compensation	-	-	-	-	1,000,000	1,000	-	(1,000)	-	-
Exercise of warrant	-	-	-	-	1,000,000	1,000	-	(1,000)	-	-
Net income	-	-	-	-	-	-	-	-	305,310	305,310
Balance, March 31, 2023	1,000,000	1,000	100,000	100	89,213,441	89,213	-	281,819	(3,256,693)	(2,884,561)
Exercise of warrant	-	-	-	-	15,077,251	15,077	-	(15,077)	-	-
Net income	-	-	-	-	-	-	-	-	125,783	125,783
Balance, June 30, 2023	1,000,000	1,000	100,000	100	104,290,692	104,290	-	266,742	3,130,910	(2,758,778)
Net income	-	-	-	-	-	-	-	-	597,690	597,690
Balance, September 30, 2023	1,000,000	1,000	100,000	100	104,290,692	104,290	-	266,742	2,533,220	(2,161,088)
Exercise of warrant	-	-	-	-	12,670,103	12,670	-	(12,670)	-	-
Shares issued in Reverse Acquisition	-	-	-	-	1,400,000,000	1,400,000	-	1,478,401	-	2,878,401

Issuance of shares for debt extinguishment	-	-	-	-	43,200,000	43,200	-	(27,879)	-	15,321
Common stock issued for services	-	-	-	-	46,804,824	46,805	-	1,263,730	-	1,310,535
Debt paid by Shareholder	-	-	-	-	-	-	-	47,656	-	47,656
Net loss	-	-	-	-	-	-	-	-	(1,543,361)	(1,543,361)
Balance, December 31, 2023 (As restated)	1,000,000	1,000	100,000	100	1,606,965,619	1,606,965	-	3,015,980	(4,076,581)	547,465
Net loss	-	-	-	-	-	-	-	-	(703,296)	(703,296)
Balance, March 31, 2024 (As restated)	1,000,000	1,000	100,000	100	1,606,965,619	1,606,965	-	3,015,980	(4,779,877)	(155,831)
Common stock subscription	-	-	-	-	-	-	67,500	-	-	67,500
Fortune Nickel and Gold Inc Spin-off	-	-	-	-	-	-	-	-	(1,169,199)	(1,169,199)
Derecognize Goodwill related to Spin-off	-	-	-	-	-	-	-	(1,788,982)	-	(1,788,982)
Net loss	-	-	-	-	-	-	-	-	(341,389)	(341,389)
Balance, June 30, 2024 (As restated)	1,000,000	\$ 1,000	100,000	\$ 100	1,606,965,619	\$1,606,965	\$ 67,500	\$ 1,226,999	\$(6,290,465)	\$(3,387,901)
Common stock subscription	-	-	-	-	-	-	170,000	-	-	170,000
Net income	-	-	-	-	-	-	-	-	113,180	113,180
Balance, September 30, 2024	1,000,000	1,000	100,000	100	1,606,965,619	1,606,965	237,500	1,226,999	(6,177,285)	(3,104,721)

Mesa Home Resources, Inc. and Subsidiaries
f/k/a Here To Serve Holding Corp.
Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2024 and 2023

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income (loss)	\$ (931,505)	\$ 1,125,497
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	124,133	124,547
Unrealized loss from investment	519,470	-
Non-cash operating lease expense	272,976	280,045
Gain from sale of assets	-	(6,000)
Bad debt allowance	51,720	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(408,362)	72,860
Other receivable	1,500	-
Inventory	115,155	(875,198)
Prepaid expense	408,556	(24,710)
Due from related party	(101,261)	(266,600)
Other Asset	-	(21,746)
Accounts payable	76,574	112,537
Accrued liabilities	86,850	67,655
Deferred revenue	16,273	-
Due to related parties	46,440	-
Lease liabilities	(321,916)	(299,993)
Net cash provided by (used in) operating activities	(43,397)	288,894
Cash flows from investing activities:		

Cash flow out in Spin-off transaction	(37,555)	-
Proceeds form disposal of fixed assets	-	43,878
Purchase of fixed assets	-	(108,784)
Net cash (used in) provided by investing activities	(37,555)	(64,906)
Cash flows from financing activities:		
Proceeds from notes payable	841,740	-
Proceeds from common stock subscription	237,500	-
Proceeds from SAFE payable	-	100,000
Payments of notes payable	(972,683)	(279,178)
Payments of SAFE Notes payable	(25,000)	-
Net cash provided by (used in) financing activities	81,557	(179,178)
Net change in cash	605	44,810
Cash and cash equivalents, beginning of period	36,764	4,360
Cash and cash equivalents, end of period	<u>\$ 37,369</u>	<u>\$ 49,170</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>-</u>	=
Cash paid for taxes	<u>-</u>	=
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Net assets disposed of related to the Spin-off	<u>1,169,199</u>	=
Goodwill disposed of related to the Spin-off	<u>1,788,982</u>	=

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

MESA HOME RESOURCES INC. AND SUBSIDIARIES
F/K/A HERE TO SERVE HOLDING CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**As of September 30, 2024 and December 31, 2023 and for the Nine Months Ended September 30, 2024
and 2023**

NOTE 1 - ORGANIZATION AND NATURE OF THE BUSINESS

Mesa Home Resources, Inc. and its wholly owned subsidiary, DCE Construction, Inc. dba: Mesa Garage Doors (collectively, "Mesa," or the "Company") began as a family-owned construction business. Mesa Garage Doors was founded in 1989 by Dwight Esnard and then was incorporated on December 29, 1993 as "DCE Construction, Inc." ("DCE"). The Company is a contractor of new garage door installation and is a builder of custom wood garage doors and provides installation and servicing for these customized garage doors, entry doors, gates, and fencing for residential and commercial properties throughout the Los Angeles, San Diego, San Bernardino, Riverside, and Orange County areas of California. The Company assists its customers in installing the highest quality products and services to enhance their residential properties. The Company operates its business from its office located in Anaheim, California.

The parent company, Mesa Home Resources, Inc., was initially incorporated in the State of Delaware as New Ithaca Corporation on September 22, 1983. Then, in 2006, New Ithaca Corporation changed its name to F3 Technologies and began trading on the OTC Market Exchange under the symbol "FTCH". In September 2013, it began operating as Here To Serve Holding Corp. ("HTSC") quoted under the symbol "HTSC". Then, on February 5, 2024, HTSC changed its name to Mesa Home Resources, Inc. under the symbol "MHRE."

On November 3, 2023, the Company acquired all of the shares of DCE which was accounted for as a Reverse Acquisition (see Basis of Presentation below).

Spin-off

Mesa agreed to spin off its legacy subsidiaries, Fortune Nickel and Gold Inc. and ICF Industries Inc. (collectively referred to as "Fortune"), so that Fortune could focus on its mineral exploration and renewable energy business and Mesa could focus on the home improvement sector. All shareholders of record as of November 2, 2023 were entitled to receive ownership shares in such spin-off entities. The spin-off was consummated on April 12, 2024 (see Note 18 Spin-off). This spin-off transaction did not have a major effect on the Company's financial results. Post spin-off, Mesa remained quoted on the OTC Pink Market under the symbol "MHRE" and Fortune is currently held privately.

NOTE 2 – LIQUIDITY AND GOING CONCERN

The Company's financial statements as of September 30, 2024, are prepared on a going concern basis. The Company reported net loss of \$931,505 for the nine months ended September 30, 2024, compared to net income of \$1,125,497 for the nine months ended September 30, 2023. This decrease is primarily attributed to unrealized loss on investments and increased professional services expenses. To provide a clearer view of the Company's operations, pro forma financial information is presented, which assumes the spin-off of Fortune occurred on January 1, 2024 (see Note 18 *Pro Forma Financial Information*). This adjustment removes the \$519,470

unrealized loss on investments associated with Fortune from the Company's operational activities, thus offering a more accurate representation of the Company's performance.

Notably, for the nine months ended September 30, 2024, net cash used in operating activities was \$43,397, compared to net cash provided by operating activities of \$288,894 for the nine months ended September 30, 2023. This decrease was mainly due to an increase in accounts receivable.

Additionally, the Company completed the Reverse Acquisition with DCE (Note 17).

Management is actively implementing the following strategies to enhance liquidity:

- **Capital Raising:** Initiatives to issue equity and debt securities.
- **Strategic Partnerships:** Forming alliances to support business growth.
- **Business Development:** Engaging in transactions to ensure operational continuity.

These measures reflect management's commitment to improving the Company's financial position and ensuring its viability as a going concern.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - On November 3, 2023, the Company and DCE completed a reverse acquisition resulting in the Company acquiring all issued shares of common stock of DCE in exchange for issuing 1.4 billion shares of the Company's common stock to the shareholders of DCE. DCE's business became the primary business of the Company, and the former shareholders of DCE became controlling shareholders of the Company. The acquisition was effected pursuant to the terms of a Share Exchange and Reorganization Agreement, which was executed on October 23, 2023. The merger occurred on November 3, 2023. The financial statements are prepared using Reverse Acquisition Accounting and as such, for legal purposes DCE was the acquiring company and for generally accepted accounting principles in the United States of America ("U.S. GAAP") accounting, the Company was the acquiring company. Therefore, the financial statements are presented using the historical financial statements of DCE. The combined entities are being collectively referred to as the Company in these financial statements.

The Company prepared the accompanying financial statements in conformity with U.S. GAAP and pursuant to the rules and regulations of the Securities Exchange Commission ("SEC").

Principles of consolidation - The consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Emerging Growth Company Status - The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and

proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates - The preparation of financial statements and related disclosures in conformity with U.S. 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. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

In preparing the financial statements, management makes estimates and assumptions regarding:

- the realization of deferred taxes
- the useful life of the long-lived assets
- the measurement of deferred tax assets
- the incremental borrowing rate ("IBR") used in the measurement of right-of-use lease assets and lease liabilities.
- fair values of investments and other financial instruments (including measurement of credit or impairment losses)

Cash and Cash Equivalents - Cash and cash equivalents include all short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. As of September 30, 2024, and December 31, 2023, the Company had cash of \$37,369 and \$36,764, respectively maintained in U.S. bank accounts, of which all U.S. bank account balances were below the \$250,000 FDIC coverage limit.

Restricted Cash - The Company did not have any restricted cash balances, deposits held as compensating balances or cash segregated in compliance with federal or other regulations as of September 30, 2024 and December 31, 2023.

Investments - The Company follows ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, for the recognition, measurement,

presentation, and disclosure of financial instruments.

Accounts Receivable and Credit Risk – In January 2023, the Company adopted ASU 2016-13, Topics 326-Credit Loss, Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology, as its accounting standard for its trade accounts receivable.

The adoption of the credit loss accounting standard has no material impact on the Company's consolidated financial statements as of January 1, 2023. Accounts receivable is recognized and carried at carrying amount less an allowance for credit loss, if any. Accounts receivable is generated from sales of the Company's products. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for credit losses at September 30, 2024 and December 31, 2023 was \$197,709 and \$145,989, respectively.

Other Receivable -The Company's other receivable balance was \$953,333 and \$954,833 as of September 30, 2024 and December 31, 2023, respectively.

The Company qualified for the Employee Retention Tax Credit (ERTC) in 2022 as permitted under the Coronavirus Aid, Relief and Economic Security (CARES) Act. This refundable tax credit is available to eligible employers who retained employees during mandated COVID-19 related closures or periods of significant revenue loss.

The Company recognizes the credit when qualifying wages are incurred as a reduction of payroll tax expense. As of September 30, 2024 and December 31, 2023, the Company has an ERTC receivable of \$895,962 and \$895,962, respectively, included in other receivable on the balance sheet. This amount represents the ERTC refund owed based on qualifying wages to date.

Inventories – Inventories are stated at the lower of cost or net realizable value. Cost is calculated on the standard cost basis and includes all costs to acquire and other costs to bring the inventories to their present location and condition, which approximates actual cost on the monthly weighted average cost method. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions on current and future demand forecasts. If the inventory on hand is in excess of the future demand forecast, the excess amounts are written off. The Company also reviews inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the determination of the estimated selling price less the estimated cost to convert inventory on hand into a finished product. Once inventory is written down, a new, lower-cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

The Company uses the weighted average cost method to account for its inventory as of September 30, 2024 and December 31, 2023, the inventories consist of raw materials, work-in-process, and finished goods, and determined the carrying amount of inventories as of September 30, 2024 and December 31, 2023 was \$1,972,838 and \$2,087,993, respectively.

Exploration and Evaluation of Mineral Properties - Exploration and evaluation assets represent properties on which the Company is conducting exploration to determine whether significant mineralization exists or for which the Company has identified a mineral resource of such quantity and grade or quality that it has reasonable

prospects for economic extraction. All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest are expensed as incurred. Once the legal right to explore has been obtained, exploration expenditures are capitalized in respect of each identifiable area of interest until a technical feasibility study has been completed and the commercial viability of extracting a mineral resource is demonstrable. Exploration and evaluation activities include the following:

- acquiring the rights to explore;
- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geochemical, and geophysical studies;
- exploratory drilling, trenching, and sampling;
- determining and examining the volume and grade of the resource;
- compiling pre-feasibility and feasibility studies; and
- exploration and evaluation assets are recorded at historical cost, less any impairment, if applicable.

Long-Lived Assets – Long-lived Assets are stated at cost less accumulated depreciation or amortization and any recorded impairment. Depreciation and amortization are computed using the straight-line method over the estimate useful lives of the assets, as follows:

CLASS OF ASSETS:	ESTIMATED USEFUL LIFE:
Automobiles & Trucks	5
Leasehold Improvements	15
Machinery & Equipment	5
Furniture & Fixtures	7
Office Equipment	5
Computer Hardware	5
Computer Consultations	5
Computer Software	3
CRM Software	5

Total depreciation and amortization expense was \$124,133 and \$124,547 for the nine months ended September 30, 2024 and 2023, respectively.

When assets are retired or otherwise disposed of, the cost, accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations in the period realized. Maintenance and repairs that do not enhance or extend the asset’s useful life are charged to operating expense as incurred.

Impairment of Long-Lived Assets - The Company evaluates long-lived assets for impairment on an annual basis, when relocating or closing a facility, or when events or changes in circumstances may indicate the carrying amount of the asset group, generally an individual warehouse, may not be fully recoverable. For asset groups held and used, including warehouses to be relocated, the carrying value of the asset group is considered recoverable when the estimated future undiscounted cash flows generated from the use and eventual disposition of the asset group exceed the respective carrying value. In the event that the carrying value is not considered recoverable, an impairment loss is recognized for the asset group to be held and used equal to the excess of the carrying value

above the estimated fair value of the asset group. For asset groups classified as held-for-sale (disposal group), the carrying value is compared to the disposal group's fair value less costs to sell. The Company estimates fair value by obtaining market appraisals from third-party brokers or using other valuation techniques.

Segment reporting - The Company operates as one segment, in which management uses one measure of profitability, and all of the Company's assets are located in the United States of America. The Company does not operate separate lines of business or separate business entities with respect to any of its product candidates. Accordingly, the Company does not have separately reportable segments.

Leases – The Company accounts for leases in accordance with Accounting Standards Codification (“ASC”) 842, *Leases* (“ASC 842”), which requires lessees to recognize the rights and obligations created by leases on the balance sheet and disclose key information about leasing arrangements. The Company adopted ASC 842 along with all applicable ASU clarifications and improvements on January 1, 2022, using the modified retrospective transition method and used the effective date as the date of initial application. Consequently, financial information is not updated and disclosures required under ASC 842 are not provided for periods before January 1, 2022. ASC 842 provides a number of optional practical expedients that companies can elect to apply during the standard's transition.

The Company determines if a contract contains a lease based on whether it has the right to obtain substantially all of the economic benefits from the use of an identified asset and whether it has the right to direct the use of an identified asset in exchange for consideration, which relates to an asset which the Company does not own. Right-of-use (“ROU”) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are recognized as the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date, net of lease incentive receivable. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate (“IBR”) unless the interest rate implicit in the lease agreement is readily determinable. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in the Company's lease liability calculation. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Operating leases are included within operating lease ROU assets, operating lease liabilities, current, and operating lease liabilities, noncurrent on the Company's consolidated balance sheet as of September 30, 2024 and December 31, 2023. Finance leases are included in property and equipment, net, accrued expenses and other current liabilities, and other liabilities on the Company's consolidated balance sheet as of September 30, 2024 and December 31, 2023. As of September 30, 2024 and December 31, 2023, property and equipment financed under finance leases cost was \$176,307 and \$200,098, respectively. For the nine months ended September 30, 2024 and 2023, amortization expense was \$26,446 and \$37,246, respectively.

We lease our office space under an operating lease. The lease commenced on August 26, 2020. We have occupied the premises since September 1, 2015. For tenant improvement, the landlord installed the LED lighting in the warehouse area in 2020 when the new lease was signed. We recorded a deferred rent liability in accrued expenses and other liabilities in the financial statements. As of the date of this financial report, our office space is leased on a month-to-month basis without penalty or future obligation upon 30 days' written notice of our intent to vacate. Our lease expense was \$327,299 and \$316,231 for the nine months ending September 30, 2024 and 2023, respectively.

Property and equipment under finance leases are initially recorded at the present value of minimum lease payments. Assets acquired under a finance lease are amortized in a manner consistent with the Company's depreciation policy for owned assets if the lease transfers ownership to the Company at the end of the lease term or contains a bargain purchase option. Otherwise, assets acquired under a finance lease are amortized over the lease term.

Revenue Recognition - The Company's revenues are generated from the sale of doors and from providing installation and service for such doors and related items such as gates and fencing. The Company recognizes revenue when control of goods or services is transferred to its customers in an amount that reflects the consideration it is expected to be entitled to in exchange for those goods or services. To determine revenue recognition, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the performance obligation(s) are satisfied. Revenue is recognized upon shipment or delivery to the customer, as that is when the customer obtains control of the promised goods and the Company's performance obligation is considered satisfied. As such, accounts receivable is recorded at the time of shipment or will call, when the Company's right to the consideration becomes unconditional and the Company determines there are no uncertainties regarding payment terms or transfer of control. Sales discounts are recorded in the period in which the related sale is recognized.

Revenue related to installations and services is recognized when earned, and the associated expenses are recorded as cost of goods sold. Upfront fees are classified as customer deposits until installation or service completion. Deferred revenue accounts for pre-service payments and is recognized as revenue when services are rendered. Installation services, provided under contract, are standardized yet tailored to each client's needs, with fixed pricing for materials. Payment terms vary per contract, with revenue recognized accordingly—either upon contract execution or upon payment receipt based on the agreed schedule. Advance payments are recorded as deferred revenue and recognized as services are completed.

Judgments and Estimates - The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company enters contracts with customers that may include promises to transfer multiple services, such as digital marketing, financial statement preparation, offering statements, and consulting services. For arrangements with multiple services, the Company evaluates whether the individual services qualify as distinct performance obligations. In its assessment of whether a service is a distinct performance obligation, the Company determines whether the customer can benefit from the service on its own or with other readily available resources, and whether the service is separately identifiable from other services in the contract. This evaluation requires the Company to assess the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated, highly interrelated, or significantly modify each other, which may require judgment based on the facts and circumstances of the contract.

When agreements involve multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices ("SSP") of each performance obligation. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a promised service separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not

available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

Service Revenue - Revenue from subscriptions to the Company's digital marketing service or energy monitoring service is recognized over time on a ratable basis over the subscription term beginning on the date that the service begins. Payments received in advance of subscription services being rendered are recorded as a deferred revenue. Professional services revenue is recognized in accordance with the terms of the service contract.

When a contract with a customer is signed, the Company assesses whether collection of the fees under the arrangement is probable. The Company estimates the amount to reserve for uncollectible amounts based on the aging of the contract balance, current and historical customer trends, and communications with its customers. These reserves are recorded as operating expenses against the contract assets.

Contract Assets - Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services. Contract assets are included in other current or non-current assets in the consolidated balance sheets, depending on if their reduction will be recognized during the succeeding twelve-month period or beyond.

Deferred Revenue - Deferred revenues represent billings or payments received in advance of revenue recognition and are recognized upon transfer of control. Balances consist primarily of prepaid services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non-current liabilities in the consolidated balance sheets.

Costs to Obtain a Customer Contract - Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non-current assets and amortized on a straight-line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company's consolidated statement of operations.

Remaining Performance Obligations - The Company's subscription terms are typically less than one year. All of the Company's revenues are considered contract revenues. As of September 30, 2024 and December 31, 2023, there was \$0 and \$123,038, respectively, of contract revenue which has not yet been recognized.

Cost of Goods Sold - For the nine months ended September 30, 2024 and 2023, the Cost of Goods Sold ("COGS") amounted to \$10,312,388 and \$8,575,212, respectively. This figure has been derived utilizing the weighted average method for inventory accounting. Our COGS encompasses all direct costs associated with the production of goods which were sold over the course of the year. These costs are detailed as follows:

Raw Materials Costs amounted to \$5,028,460 and \$4,515,959 for the nine months ended September 30, 2024 and 2023, respectively, reflecting the primary materials utilized in the creation of our products.

Direct Labor Costs, representing the workforce directly involved in the manufacturing process, totaled \$3,764,552 and \$2,537,081 for the nine months ended September 30, 2024 and 2023, respectively.

Manufacturing Overhead Costs, which include indirect expenses such as utilities, maintenance, and factory supplies necessary for production, were \$308,680 and \$363,486 for the nine months ended September 30, 2024 and 2023, respectively.

Other Direct Costs, capturing all other direct expenditures related to the production of the company's goods, amounted to \$1,210,696 and \$1,158,686 for the nine months ended September 30, 2024 and 2023, respectively.

The aggregation of these components has led to the comprehensive total that represents our COGS for the year. Each category has been carefully monitored and controlled to reflect an accurate cost associated with the production of goods sold by our company.

Cost of Services - The cost of services consists of direct costs that we pay to third parties to provide the services that generate revenue.

Income Taxes - The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit 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 ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. A valuation allowance has been established to eliminate the Company's deferred tax assets as it is more likely than not that any of the deferred tax assets will be realized.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two - step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more - likely - than - not recognition threshold, we recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Based on the Company's history of losses and tax loss carryforwards available, it has concluded that there are no significant uncertain tax position requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to foreign, federal, state, and local income taxation though it has not been since inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Until January 1, 2022, the Company's subsidiary, DCE elected under the Internal Revenue Code to be taxed as an S Corporation. Subchapter S Corporations do not pay entity-level taxes; results of operations are reported to the member for inclusion in personal tax returns. Accordingly, DCE is not subject to Federal and state income taxes and makes no provision for income taxes in its financial statements. DCE's tax return and the amount of

allocable profits and losses are subject to examination by the state and Federal authorities. If such examinations result in changes to the DCE's profits and losses, the tax liability of the shareholders could be changed accordingly. Although income taxes are assessed to the individual members, DCE is required to withhold state income taxes from the cash distributions it makes to its members. As of December 31, 2022, DCE made no such cash distributions.

Effective January 2, 2022, DCE converted to tax as a C corporation and, as a result, became subject to corporate federal and state income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using the 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 included the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had no accrual for interest or penalties on the Company's balance sheet as of September 30, 2024 and December 31, 2023 and did not recognize interest and/or penalties in the statement of operations for the nine months ended September 30, 2024 and 2023, since there are no material unrecognized tax benefits. Management believes no material change to the amount of unrecognized tax benefits will occur within the next twelve months.

Earnings Per Share - Basic earnings per share of common stock ("EPS") is computed by dividing net income attributable to the common shareholders of the Company by the weighted-average number of shares of common stock outstanding. Diluted EPS is computed in the same manner as basic EPS, except the number of shares includes additional shares of common stock that would have been outstanding if potential shares of common stock with a dilutive effect had been issued.

Advertising - The Company conducts advertising for the promotion of the products. In accordance with ASC 720-35, advertising costs are charged to operations when incurred. The Company recorded advertising expenses of \$2,314,955 and \$2,490,696 for the nine months ended September 30, 2024, and 2023, respectively.

Related Parties - The Company is indebted to certain members of the Company as of September 30, 2024 and December 31, 2023. Transactions between the Company and the members are summarized in Note 4.

Goodwill - Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. The Company accounts for goodwill under ASC Topic 350, Intangibles-Goodwill and Other.

Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or if events or circumstances indicate a potential impairment, at the reporting unit level. The Company's review for impairment includes an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill. If it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill, a quantitative goodwill impairment test is performed, which compares the fair value of the reporting unit with its carrying amounts,

including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Business Combinations - The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC 805, Business Combinations, by recognizing identifiable tangible and intangible assets acquired, liabilities assumed, and non-controlling interests in the acquired business at their fair values. The excess of the costs of the acquired business over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed is recorded as Goodwill. Acquisition-related costs are expensed as incurred.

Fair Value of Financial Instruments - Under the Fair Value Measurements Topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company’s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management’s own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, which could significantly affect the results of current or future value.

Stock-Based Compensation - The Company utilizes the Black-Scholes option pricing model to estimate the fair value of warrants granted to employees and consultants as of the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected life. Changes in these inputs and assumptions can materially affect the measure of estimated fair value of share-based compensation. These assumptions are subjective and generally require significant analysis and judgment to develop. The Company estimates volatility by considering the historical stock volatility. The Company has opted to use the simplified method for estimating the expected term.

On December 14, 2021, the Company issued two warrants that expire on September 30, 2026 as compensation for the Company’s two independent board members, to each purchase up to 750,000 shares of the Company’s common stock at a price of \$0.069. Using the Black-Scholes valuation method with assumptions including: (1) a term of 4.8 years; (2) a computed volatility rate of 386%; (3) a discount rate of 1.18%; and (4) zero dividends, each warrant was valued at \$50,999. The Company recorded consulting expenses of \$101,998 in fiscal 2022 for the issuance of these warrants.

On October 11, 2021, the Company issued a warrant that expires on September 30, 2025 as compensation for advisory services, to purchase up to 250,000 shares of the Company’s common stock at a price of \$0.063. Using the Black-Scholes valuation method with assumptions including: (1) a term of 3.97 years; (2) a computed volatility rate of 386%; (3) a discount rate of 0.82%; and (4) zero dividends, the warrant was valued at \$15,773. The Company recorded a consulting fee of \$15,773 in fiscal 2022 for the issuance of this warrant.

Effective March 17, 2021, the Company issued a warrant that expires on September 30, 2026 as compensation related to aboriginal rights in Timmins, Ontario, to purchase up to 100,000 shares of the Company's common stock at a price of \$0.1475. Using the Black-Scholes valuation method with assumptions including: (1) a term of 5.54 years; (2) a computed volatility rate of 386%; (3) a discount rate of 0.8%; and (4) zero dividends, the warrant was valued at \$13,750. Twenty-five percent of the warrant vested every six months, and fifty percent of the warrant vested on September 30, 2021. Consequently, \$6,875 was recorded as an addition to mineral interests in fiscal 2022.

The Company also issued restricted shares of common stock as stock-based compensation. The shares were valued at the closing price on the day of issuance. 5,000,000 shares, valued at \$125,000, issued in October 2022, were recorded as a marketing and advertising expense, based on the terms of a consulting contract. On January 10, 2023, the Company issued 1,000,000 shares of restricted common stock valued at \$47,000, for mineral exploration costs.

On March 6, 2023, Cesar Herrera exercised the right to purchase 1,000,000 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On May 3, 2023, Pacific Lion LLC exercised the right to purchase 4,631,902 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Daniel Bishop exercised the right to purchase 2,323,529 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Nancy Riss exercised the right to purchase 4,620,909 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Nancy Riss exercised the right to purchase 2,045,455 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Rebecca Riss exercised the right to purchase 455,455 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Jacob Riss exercised the right to purchase 455,455 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Cynthia Franklin exercised the right to purchase 455,455 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On June 29, 2023, Rebecca Riss exercised the right to purchase 89,091 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

On October 23, 2023, KRTL Holding Group, Inc. exercised its right to purchase 11,431,818 shares of the Company's Common Stock, no par value per share. However, in accordance with the "cashless exercise"

provision stated in Section 2.2 of the warrant, KRTL Holding Group, Inc. was issued 9,972,436 shares of Common Stock in lieu of the full 11,431,818 shares. This adjustment reflects the terms specified in the warrant agreement.

On October 30, 2023, Luis Fernando Ramirez Chavez transferred the right to acquire a total of 300,000 shares of the Company's Common Stock to KRTL Holding Group, Inc.

On October 30, 2023, Mario Anthony Hernandez transferred the right to acquire a total of 250,000 shares of the Company's Common Stock to KRTL Holding Group, Inc.

On October 30, 2023, KRTL Holding Group, Inc. exercised its right to purchase 550,000 shares of the Company's Common Stock, no par value per share. However, in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant, KRTL Holding Group, Inc. was issued 335,965 shares of Common Stock in lieu of the full 550,000 shares. This adjustment reflects the terms specified in the warrant agreement.

On October 30, 2023, Paul Riss exercised its right to purchase 2,361,702 shares of the Company's Common Stock, no par value per share in accordance with the "cashless exercise" provision stated in Section 2.2 of the warrant.

Following the spin-off, the company de-recognized all related assets and liabilities associated with Fortune from its consolidated balance sheet (see Note 18 Spin-off). As of September 30, 2024, there was no stock-based compensation outstanding, and the balance for stock-based compensation was nil.

Recently accounting pronouncements - In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. This ASU will likely result in us including the additional required disclosures when adopted. We are currently evaluating the provisions of this ASU and expect to adopt them for the year ending December 31, 2024.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU will result in the required additional disclosures being included in our consolidated financial statements, once adopted.

NOTE 4 - RELATED PARTY TRANSACTIONS

On December 31, 2017, the Company entered into a note agreement with DCE as the lender and DCE 50/50 Trust as the borrower, both of which are related parties as defined by ASC 850, Related Party Disclosures.

Principal Amount: The principal amount of the loan is \$1,591,347.

Interest Rate: The loan carries an interest rate of 5%.

Terms: The loan is unsecured and is payable on demand. Repayment of any principal amount is required by December 31, 2025.

Default: Failure to make any payment by the due date shall constitute a default under the terms of the agreement.

Remedies: Upon default, the lender has the option to pursue any remedies available under the applicable law.

Governing Law: The agreement shall be governed by and construed in accordance with the laws of the State of California.

The principal and accrued interest of the loan as of September 30, 2024 and December 31, 2023 is \$2,479,273 and \$2,378,012, respectively, which is included in the Due from related parties line item in our financial statements. There has been a payment in total of \$450,108 received from ERTC funds made to the loan principal during the year ended as of December 31, 2023. This loan has been provided on an arm's length basis and is not secured by any collateral.

The Company has evaluated the collectability of the receivable and believes that the amount is fully collectible; however, no assurances can be provided that the borrower will comply with the terms of the agreement. The Company intends to monitor this related party receivable closely and take appropriate steps as necessary to protect its interest.

On January 5, 2023, the Company received unsecured advances from Jim Mahoney, a related party, in amount of \$275,000, due December 31, 2024 with 0% interest rate. The principal of the note was \$37,500 and \$37,500 as of September 30, 2024 and December 31, 2023, respectively. No interest has been accrued as of September 30, 2024 and December 31, 2023.

NOTE 5 – INVESTMENTS

In December 2022, the Company earned 10 million shares of Agri-Dynamics, Inc. (PINK: AGDY) (“AGDY”), valued at \$90,000 for consulting and financial reporting services. In June 2022, the Company sold the farming rights to land in Iowa that is licensed to grow hemp by its subsidiary, ICF Industries Inc., for a sales price of 50 million shares of AGDY, valued at \$500,000. The Company paid its affiliate, KRTL Holding Group, Inc. (“KRTL”) 16 million shares of AGDY, valued at \$160,000, to provide consulting services to AGDY in conjunction with the farming rights. In October 2021, the Company received 15 million shares of AGDY for marketing and consulting services, valued at \$793,500. Previously, in June 2020, the Company earned 30 million shares of AGDY valued at \$195,000. As of September 30, 2023, the Company owns 89 million shares of AGDY valued at \$712,000, as compared to 79 million shares valued at \$782,100, on September 30, 2022. In November

6, 2023, the Company received 15 million shares of AGDY, valued at \$66,750 on December 31, 2023. As of September 30, 2024, the Company no longer owns any of AGDY shares, valued at \$0 as compared to a total of 89,000,000 AGDY shares valued at and \$462,800 on December 31, 2023.

In March 2022, the Company received 200,000 warrants to purchase common stock of Quantum International Inc (OTC: QUAN) at a price of \$0.001 per share, which were valued at \$23,000, in exchange for consulting services. As of September 30, 2024, the Company no longer owns any warrant and the total valued at \$0 as compared to \$6,600 as of December 31, 2023.

In February 2022, the Company sold an inactive subsidiary for 100,000 shares of KRTL. The sale transaction was recorded at par value, or \$100, because KRTL was a related party. In addition, the Company had an investment in KRTL Biotech Inc., which merged with KRTL, and as a result, the Company owns three shares of preferred stock and 100,000 shares of common stock of KRTL. As of September 30, 2024, the Company no longer owns any KRTL securities and the valued at \$0, as compared to a value of \$722,400 as of December 31, 2023.

In July 2021, the Company received 5,000,000 shares of Firma Holdings Corp. (OTC: FRMA) for marketing and consulting services, valued at \$574,500. As of September 30, 2024 and December 31, 2023, the Company doesn't own any shares of Firma Holdings Corp., are valued at \$0 and \$1,700, respectively.

During fiscal year 2023, 2022 and 2021, the Company provided services to and received shares of common stock of Tamino Minerals Inc. (OTC: TINO) in the following amounts and values: 5,000,000 shares valued at \$12,000, 20,000,000 shares valued at \$90,000, 30,000,000 shares valued at \$81,000, 10,000,000 shares valued at \$122,000, and 10,000,000 shares valued at \$116,000. As of September 30, 2024 and December 31, 2023, the Company doesn't own any shares valued at \$0 and 70,000,000 shares value at \$70, respectively.

In February 2020, the Company provided consulting services to IDGlobal Corp. (OTC: IDGC) for a fee of \$200,000. The fee was paid for with 2,000,000,000 shares of stock of IDGlobal Corp., valued at \$0.0001 per share. In June 2021, the Company received 400,000,000 shares of IDGlobal Corp., valued at \$400,000 for consulting and bookkeeping services. The company owns 0 shares at \$0 value compared to owns 2,200,000,000 shares valued at \$220,000 on September 30, 2024 and December 31, 2023, respectively.

Effective June 1, 2020, the Company earned revenue on 500,000 shares of ATWEC Technologies, Inc. (OTC:ATWT) valued at \$70,000. As of September 30, 2024 and December 31, 2023, the Company owns no shares and 500,000 shares valued at \$0 and \$300, respectively.

The company owns 30,000,000 shares of Pervasip Corp. (OTC: PVSP), which was originally recorded as a related party transaction because our Chief Executive Officer was a board member of Pervasip Corp. until March 2022. The shares were acquired by providing consulting and accounting services during fiscal 2021 and were initially recorded at their par value. Similar to other investments owned by the company, at the end of each quarter the securities are marked to their fair value. As of June 30, 2022, the investment in Pervasip Corp. was no longer considered a related party investment. As of September 30, 2024 and December 31, 2023, the Company owns no shares and 30,000,000 shares of Pervasip Corp. (OTC: PVSP) valued at \$0 and \$9,000, respectively. The following table summarizes the dollar value of the equity securities owned by the Company, recorded at their fair value as of September 30, 2024 and December 31, 2023.

KRTL Holding Group, Inc. is no longer a related party of the Company as of November 3, 2023. The decrease in the value of the above equity securities for the three months ended as March 31, 2024 amounted to \$519,470 and increased in the amount of \$480,210 as the year ended December 31, 2023, is recorded as an unrealized loss on investments and gain on mark to market, respectively.

The Company owns securities in a company that is not traded on Markets. It provided services to Coltivare (TKEX: COLT) in December 2019, valued at \$3,150, that were paid for with securities in lieu of cash. The securities are recorded at the historical cost of \$3,150 as of March 31, 2024 and December 31, 2023. As of September 30, 2024, the Company currently no longer hold any of these securities after the spin-off.

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
ATWEC Technologies, Inc.	\$ -	\$ 300
Agri-Dynamics, Inc.	-	462,800
Tamino Minerals Inc.	-	70
KRTL Holding Group, Inc.	-	722,400
Firma Holdings Corp.	-	1,700
Quantum International Corp.	-	6,600
Pervasip Corp.	-	9,000
IDGlobal Corp.	-	220,000
Total fair value of equity securities	<u>\$ -</u>	<u>\$ 1,422,870</u>

The above investments in equity securities are within the scope of ASC 321. The Company monitors the investments for any changes in observable prices from orderly transactions. All investments are initially measured at cost and evaluated for changes in estimated fair value.

Following the spin-off, the Company de-recognized all related assets and liabilities associated with Fortune from its consolidated balance sheet (see Note 18 Spin-off). As of September 30, 2024, all investments related to the spun-off companies have a balance of nil.

NOTE 6 – MINERAL PROPERTIES

As of March 31, 2024, the Company’s mining claims consisted of 190 unpatented claims in the Timmins Mining Camp, Ontario, Canada covering approximately 9,200 acres, with a historical cost of \$579,197. In 2024, the Company increased its investment in these mineral interests. As of September 30, 2024, following the spin-off, the balance of the mineral interests was \$0, compared to \$340,880 as of December 31, 2023 (see Note 18 Spin-off).

NOTE 7 – INVENTORIES, NET

The inventory breakdown consisted of the following as of September 30, 2024 and December 31, 2023:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Inventory-Raw Materials	\$ 1,972,838	\$ 2,087,993
Inventory-WIP	-	-
Inventory-Finished Goods	-	-
Total Inventory	\$ 1,972,838	\$ 2,087,993

NOTE 8 - ACCRUED EXPENSES

The accrued expenses and liabilities consisted of the following as of September 30, 2024 and December 31, 2023:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Accrued Legal National Security Insurance	\$ 574,288	\$ 574,288
Accrued Sales Tax (Use Tax)	405,353	406,189
Accrued Payroll Tax Liabilities	284,088	287,276
Customer Deposits	863,691	379,808
Vacation Accruals	-	186,827
Accrued Interest payable	74,173	58,150
Accrued Expenses - Other	43,902	272,975
Total	\$ 2,245,495	\$ 2,165,513

NOTE 9 - NOTES PAYABLE

On December 31, 2017, the Company received unsecured advances from Dwight Esnard in the sum of \$114,487. The note agreement commenced on December 31, 2017, and continues through December 31, 2025, and bears no interest. As of September 30, 2024 and December 31, 2023, the outstanding balance of the note principal was \$71,747 and 71,747, and accrued interest was nil.

On January 25, 2019, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$33,799, with interest at a rate of 0%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$0 and \$977, respectively, and accrued interest balance was nil.

On July 2, 2020, the Company borrowed \$90,000 (the "SBA Loan") from a U.S. Small Business Administration ("SBA") loan program. The SBA Loan requires installment payments of \$439 monthly, beginning on December 3, 2022, over a term of thirty (30) years. However, the loan has been accruing interest payable and the monthly payments of \$439 are first applied to accrued interest payable. The monthly payments will not be applied to any of the outstanding principal balance until 2026. Consequently, the entire loan balance of \$90,000 is classified as a long-term liability as of September 30, 2024 and December 31, 2023. Interest accrues at a rate of 3.75% per

annum. Accrued interest payable on the SBA Loan amounted to \$3,869 and \$6,503 as of September 30, 2024 and December 31, 2023, respectively. The Company agreed to grant a continuing security interest in its assets to secure payment and performance of all debts, liabilities, and obligations to the SBA.

On August 5, 2020, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$32,494, with accrued interest at a rate of 5.89%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$5,778 and \$10,285, respectively, and accrued interest balance was nil.

On August 5, 2020, the Company entered into a loan agreement with Ford Motor Credit to purchase two same vehicles. The original contract was \$30,182 for each vehicle, with accrued interest at a rate of 5.89%. As of September 30, 2024 and December 31, 2023, the two vehicles loan's principal outstanding balance total was \$10,734 and \$19,107, respectively, and total accrued interest balance was nil.

On August 5, 2020, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$32,494, with accrued interest at a rate of 5.89%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$5,778 and \$10,285, respectively, and total accrued interest balance was nil.

On August 3, 2021, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$37,489, with accrued interest at a rate of 1.90%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$11,656 and \$16,103, respectively, and total accrued interest balance was nil.

On August 4, 2021, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$38,774, with accrued interest at a rate of 1.90%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$12,124 and \$16,749, respectively, and total accrued interest was nil.

On August 4, 2021, the Company entered into a loan agreement with Ford Motor Credit to purchase a vehicle. The original contract was \$37,055, with accrued interest at a rate of 1.90%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$11,643 and \$16,085, respectively, and total accrued interest was nil.

On November 1, 2021, the Company entered into a loan agreement with SEMPER FI AUTO INC. to purchase a vehicle. The original contract was \$39,855, with accrued interest at a rate of 2.99%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$14,609 and \$19,448, respectively, and total accrued interest was nil.

On December 2, 2021, the Company entered a note payable with TAAD for \$105,000, without due date, bearing interest at 3% per annum. The principal balance as of September 30, 2024 and December 31, 2023, was \$94,702 and \$94,702, and accrued interest was nil.

On June 24, 2022, C.H.I. Overhead Doors, LLC ("CHI"), and DCE entered into a Settlement Agreement to resolve a dispute originating from a sales relationship between 2009 and 2019. The dispute involved DCE's outstanding credit balance of over \$2.7 million to CHI and subsequent legal actions. Under the terms of the settlement, DCE

agreed to pay CHI a total of \$2,845,000. This amount includes \$545,000 of pre-judgment interest and \$30,000 of legal fees, along with post-agreement interest accruing at 7% per annum or 10% in the event of a default. As of September 30, 2024 and December 31, 2023, the principal balance was \$1,940,000 and \$2,062,500, respectively, and accrued interest was nil.

On October 15, 2022, the Company entered a promissory note for \$907,206 due on April 15, 2026, bearing interest at 6% per annum. Beginning October 15, 2023 and continuing through March 2023, the Company remitted installments of \$7,500 on the 15th day of each month toward payment of the principal. Beginning April 15, 2023, and continuing through September 15, 2023, the Company remitted installments of \$15,000 each month toward payment of the principal. Beginning October 15, 2023 and continuing to March 15, 2024, the Company shall remit installments of \$25,000 each month toward payment of the principal. Beginning April 15, 2024, and continuing to March 15, 2026, the Company shall remit installments of \$27,577 each month toward payment of principal and interest due on the first day of each respective month. The principal balance as of September 30, 2024 and December 31, 2023, was \$446,744 and \$687,206, with no accrued interest balance.

On December 16, 2022, the Company entered a loan for \$75,000, due on May 24, 2024, bearing interest at 15% per annum to be paid weekly via ACH of \$575. The principal balance as of September 30, 2024 and December 31, 2023, was \$36,306 and \$46,500, respectively, with accrued interests balance of \$0 and \$75.

On December 16, 2022, the Company entered a loan for \$75,000, due on May 24, 2024, bearing interest at 15% per annum to be paid weekly via ACH of \$575. The principal balance as of September 30, 2024 and December 31, 2023, was \$36,306 and \$46,500, respectively, with accrued interests balance of \$0 and \$75.

On January 27, 2023, the Company entered into a loan agreement with Ford Motor Credit to purchase two of the same vehicles. The original contract was \$34,469 and \$34,469, with the same accrued interest at a rate of 5.9%. As of September 30, 2024 and December 31, 2023, the two loan's total principal outstanding balance was \$49,392 and \$58,960, respectively, and total accrued interest was nil.

On March 15, 2023, the Company entered into a short-term loan agreement with a related party, with initial borrowing amount in the amount of \$25,000 with accrued interest at a rate of 15%. The note payable will be paid in full within the year 2024. During the first quarter of 2024, the Company obtained an additional \$100,000 in loans from the related party, bringing the total principal balance to \$170,000 as of September 30, 2024. The note payable's principal outstanding balance was \$170,000 and \$70,000 as of September 30, 2024 and December 31, 2023, respectively, with a total accrued interest of \$20,342 and \$1,685, respectively.

On May 17, 2023, the Company entered into a short-term loan agreement with Dimension Funding, Inc. for 12 months, with a monthly installation payment in the amount of \$3951. The original amount of the loan was \$44,632, with 9.73% annual percentage rate occurred and paid monthly. During the second quarter of 2024, the Company paid off the previous loans payable and entered into a new loan agreement with Dimension Funding, Inc. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$36,698 and \$9,882, respectively, and accrued interest was nil.

On June 7, 2023, the Company entered into three loan agreements with Ford Motor Credit to purchase three same vehicles. The original contract was \$30,400 each, totaling \$91,201, with accrued interest at a rate of 7.94%. As of September 30, 2024 and December 31, 2023, the loan's principal outstanding balance was \$65,972 and \$81,595, respectively, and total accrued interest was nil.

On March 20, 2024, the Company entered a bridge note with M&L Layman, a related party, in amount of \$275,000 with 20% interest rate. As of September 30, 2024 and December 31, 2023, the principal outstanding balance was \$225,000 and \$0, with accrued interest of \$0 and \$0, respectively.

NOTE 10 – SIMPLE AGREEMENT FOR FUTURE EQUITY (SAFE)

During the fiscal year 2023 and 2022, the Company entered into several Simple Agreements for Future Equity (“SAFE”). These agreements provided the Company with a total of \$1,125,000 in investments from various parties, with the terms stipulating that these investments would convert into shares of common stock at a 30% discount in the event of a qualifying public trading commencement, such as the Company's shares being traded or quoted on a recognized exchange like the NYSE, NASDAQ, or OTC markets. If no such public trading event occurs within one year, the SAFE investment converts into an interest-bearing promissory note bearing interest at an annual rate of 15% for the period between the initial investment date and the payoff date of the note.

As of December 31, 2022, the Company does not expect any such qualifying event to occur by the one-year anniversary of the SAFE investments. Consequently, in accordance with the terms of the SAFE agreements, investments are recognized as interest-bearing promissory notes. The interest is accrued at a rate of 15% annually, applicable from the initial investment date.

As of September 30, 2023, the outstanding principal amount under the SAFE agreements, totaling \$1,125,000, is subject to the conversion and interest terms. The Company completed the Reverse Acquisition on November 3, 2023, and listed on OTC markets. The Company did not accrue interest for the year 2023. As of the date of the issued financial statements, no SAFE holders have selected to convert their SAFE note.

As of September 30, 2024 and December 31, 2023, the SAFE notes payable principal balance totaling \$1,100,000 and \$1,125,000, respectively, and accrued interest totaling \$49,962 and \$49,962, respectively.

NOTE 11 - LEASES

The balances for the operating and finance leases where the Company is the lessee are presented within the consolidated balance sheets as of September 30, 2024 and 2023 as follows:

	September 30, 2024	September 30, 2023
Operating Leases		
Operating cash flows from operating leases	\$ 327,299	\$ 316,231
Remaining term in years	1.25	2.25
Average discount rate - operating leases	7%	7%
Finance Leases		
Operating cash flows from finance leases	\$ 31,238	\$ 31,238
Remaining term in years	0.33	1.33

Average discount rate - finance leases	7%	7%
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The supplemental balance sheet information related to leases for the years ending on September 30, 2024 and December 31, 2023, respectively.

<u>Operating leases</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Right of use-assets	\$ 502,833	\$ 802,254
Lease liability-current	442,286	435,588
Lease liability-non-current	114,876	443,490
Total operating lease liabilities	\$ 557,162	\$ 879,078

Maturity analysis of leases as September 30, 2024

	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 111,645	\$ 10,413
2025	454,307	3,471
2026	-	-
2027	-	-
Thereafter	-	-
Total minimum lease payments	\$ 565,952	\$ 13,884
Less: lease incentive receivable	-	-
Less: imputed interest	(22,553)	(121)
Present value of minimum lease payments	543,399	13,763
Less: current portion	(428,523)	(13,763)
Lease obligations, noncurrent	\$ 114,876	\$ -

NOTE 12 - INCOME TAXES

As of September 30, 2024, the Company had federal net operating loss of \$1,784,075 which can be carryforward indefinitely.

No federal income tax expense was recorded for the nine months ended September 30, 2024 and 2023 due to the availability of the loss carryforwards. No provision for New York State and California State income taxes was

recorded for the nine months ended September 30, 2024 and 2023.

The Company did not have any material unrecognized tax benefits as of September 30, 2024 and 2023. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the nine months ended September 30, 2024 and 2023. The Company is subject to United States federal income tax, as well as taxes by various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the nine months ended September 30, 2024 and 2023.

In addition, as a result of the business acquisition (Note 17), the Company booked a \$1,788,982 of goodwill. Since the acquisition was a stock acquisition, the Goodwill is not deductible for tax purposes. On April 12, 2024, the Company following the spin-off and de-recognized all related assets and liabilities associated with Fortune from its consolidated balance sheet. As of September 30, 2024, the goodwill has been spun-off, as the majority of its value was attributed to the spun-off subsidiaries.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of September 30, 2024 and September 30, 2023 were as follows:

	September 30, 2024	September 30, 2023
Deferred tax assets, net:		
Net operating loss carryforwards	\$ 374,656	\$ -
Unrealized loss on securities	-	-
Deferred tax assets	374,656	-
Valuation allowance	(374,656)	-
Net deferred tax asset	-	-

For the nine months ended September 30, 2024 and 2023, the Company had net deferred tax assets calculated at an expected rate of 21% and 21%, respectively.

The following is a reconciliation of the tax provisions for the nine months ended September 30, 2024 and 2023 with the statutory federal and state income tax rates:

	Percentage of Pre-Tax Income	
	September 30, 2024	September 30, 2023
Statutory Federal and state income tax rate	21.00%	0.00%
Loss generating no tax benefit	(21.00%)	0.00%
Effective tax rate	0.00%	0.00%

NOTE 13 – CONVERTIBLE PREFERRED STOCK

Michael Layman, Dwight Esnard and James Mahoney hold of 40,500 shares, 40,500 shares and 19,000 shares of Series C Preferred Stock, respectively. Each share may be converted at the option of the holder thereof into fully paid, nonassessable shares of common stock, \$.001 par value per share, of the Company. The number of shares of common stock issuable upon a conversion hereunder shall equal the quotient obtained by dividing (x) the Stated Value of the shares of Series C Preferred Stock to be converted by (y) the Conversion Price. The "Conversion Price" in effect on any Conversion Date shall be equal to the lesser of \$0.01 per share or 50% of the lowest closing market price for the common stock on the principal market during the thirty trading days preceding the Conversion Date. The "Conversion Date" shall be the business day on which the Company receives the Conversion. The Series C Preferred Stock has a stated value of \$1.00 per share. Based upon the conversion features and the trading price of the Company's common stock, the 100,000 outstanding shares were convertible into 10,000,000 shares of common stock on September 30, 2024 and December 31, 2023.

NOTE 14 - EQUITY

Common Stock

The Company is authorized to issue 2,500,000,000 shares of common stock, par value \$0.001 per share, of which 1,606,965,619 and 1,606,965,619 shares were issued and outstanding at September 30, 2024 and December 31, 2023.

	Common Share	
	Shares	Amount
Balance, December 31, 2023	<u>1,606,965,619</u>	<u>\$ 1,606,965</u>
Balance, September 30, 2024	<u>1,606,965,619</u>	<u>\$ 1,606,965</u>
Common stock subscribed	11,875,000	\$ 237,500

Warrants

The table below presents the warrants outstanding and exercisable with summary data (Note 3) as to the exercise price per share and the average exercise price.

Following the spin-off, the Company de-recognized all related assets and liabilities associated with Fortune from its consolidated balance sheet. As of September 30, 2024, all warrants relating to the spun-off companies have a balance of nil.

Range of Exercise Prices	Numbers Outstanding	Weighted Average Remaining Contractual life (Years)	Weighted-Average Exercise Price	Number Outstanding	Weighted-Average Exercise Price
As of December 31, 2023					
\$0.003-\$0.08	15,340,475	3.95	\$ 0.020	11,398,808	\$ 0.020
As of March 31, 2024					
\$0.003-\$0.08	15,340,475	3.71	\$ -	11,398,808	\$ 0.020
As of June 30, 2024					
	-	-	\$ -	-	\$ -
As of September 30, 2024					
	-	-	\$ -	-	\$ -

	Numbers of Shares	Exercise Price Per Share	Average Exercise Price
Warrants outstanding December 31, 2023	15,340,475	\$0.003-\$0.148	\$ 0.020
Less shares bought back	(3,941,667)	\$ 0.018	\$ 0.018
Warrants exercisable, December 31, 2023	11,398,808	\$0.003-\$0.148	\$ 0.020
Warrants outstanding, September 30, 2024	-	-	\$ -
Warrants exercisable, September 30, 2024	-	-	\$ -

Shares Issued in Reverse Acquisition

On November 3, 2023, the Company acquired all issued shares of common stock of DCE in exchange for issuing 1.4 billion shares of the Company's common stock. DCE's business became the primary business of the Company, and the former shareholders of DCE became controlling shareholders of the Company. The former shareholders of DCE represent an ownership interest of approximately 90% in the Company in exchange for all of the issued and outstanding shares of DCE (Note 17).

Shares Issued for Services

On May 1, 2023, the Company entered into a corporate advisory services agreement with Pinnacle Consulting Services, Inc., a Nevada corporation ("Advisor"), the agreement was effective for twelve (12) months from the effective date. Under the terms of this agreement, the Advisor shall be compensated for the Advisory Services via common shares ("Advisory Shares"). On June 30, 2024 (the "True-up Date"), the Advisory Shares shall be allowed a onetime true to be valued based on the closing price of the Company's common stock. If the value of the Advisory Shares at that time is less than \$700,000, then the Company shall issue additional advisory shares to Advisor to "gross-up" the value of the Advisory Shares to \$700,000. If the contemplated merger/acquisition with HTSC is not consummated by the three (3) month anniversary of this Agreement, then in the discretion of Advisor, Advisor shall receive a single payment of thirty thousand dollars (\$30,000) as cash payment wired to the bank account provided in the agreement. If the Advisor elects to receive the cash payment, then Advisor shall forfeit and promptly return to the Company fifty percent (50%) of the Advisory Shares. As of June 30, 2024, the Advisory Shares have met the required value of \$700,000. No additional liabilities were recognized.

Common stock subscribed

During the period ending September 30, 2024, a total of 11,875,000 shares of common stock were subscribed for at a price of \$0.02 per share. The total value of the common stock subscribed was \$237,500 as of September 30, 2024.

Preferred Stock

The powers, preferences, qualifications, limitations or restrictions, and relative rights of the Series A Preferred Stock shall be as follows:

The Series A Preferred Stock shall not be convertible into Common Stock of the Company. The outstanding shares of Series A Preferred Stock shall be entitled to the number of votes, collectively, which shall be equal to 70% of the total number of votes that may be cast (including the votes of the issued and outstanding common stock as well as any voting preferred stock) at the time of such vote, at each meeting (or by written consent) of shareholders of the Company for their action or consideration, including the election of directors. The Company shall agreed not to amend, alter, or repeal the Series A Preferred Stock, special rights, or other powers of the Series A Preferred Stock so as to affect adversely the Series A Preferred Stock, without written consent or affirmation vote of the holders of at least a majority of the then outstanding aggregate number of shares of such adversely affected Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class.

On June 26, 2018, the Company filed a Certificate of Designation for its Series C Preferred Stock. The rights of the Series C shareholders are as follows:

Conversion Rights

Each outstanding share of Series C Preferred Stock may be converted at the option of the holder thereof (the "Holder") into fully paid, nonassessable shares of Common Stock, \$.001 par value per share, of the Company. The number of shares of Common Stock issuable upon a conversion hereunder shall equal the quotient obtained by dividing (x) the Stated Value of the shares of Series C Preferred Stock to be converted by (y) the Conversion Price. The "Conversion Price" in effect on any Conversion Date shall be equal to the lesser of \$0.01 per share or 50% of the lowest closing market price for the Common Stock on the Principal Market during the thirty trading days preceding the Conversion Date. The "Conversion Date" shall be the business day on which the Company receives the Conversion Notice (defined below). The "Principal Market" shall be the national securities exchange or NASDAQ, if the Common Stock is so listed, and shall otherwise be the trading platform sponsored by OTC Markets on which the Common Stock is listed for quotation. No fractional shares of Common Stock shall be issued upon conversion of Series C Preferred Stock. In lieu of any fractional share to which the Holder would otherwise be entitled, the Company shall round up to the nearest whole share.

Liquidation Preference

Upon the liquidation, dissolution and winding up of the Company, the holders of the Series C Preferred Stock shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of Common Stock, a sum equal to the Stated Value per share, after which the holders of Series C Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the appropriate distribution of available cash among the shareholders, each share of Series C Preferred Stock shall be deemed to have been converted into the number of shares of the Company's Common Stock into which that holder's Series C Preferred Stock could be converted on the record date for the distribution without giving effect to the limitation on conversion.

Voting Rights

The holders of shares of Series C Preferred Stock shall have the following voting rights: Each share of Series C Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Company, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series C Preferred Stock are convertible on the record date for the stockholder action.

Dividends

In the event that the Company's Board of Directors declares a dividend payable to holders of any class of stock, the holder of each share of Series C Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Company's Common Stock into which that holder's Series C Preferred Stock could be converted on the record date for the dividend.

Protective Provisions

So long as shares of Series C Preferred Stock are outstanding, the Company shall not take any action that would impair the rights of the holders of the Series C Preferred Stock set forth herein and shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock alter or change the rights, preferences or privileges of the shares of the Series C Preferred Stock or any other securities so as to affect adversely the Series C Preferred Stock.

NOTE 15 – FAIR VALUE

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of financial instruments on a recurring basis.

Fair Value Hierarchy

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Financial assets measured at fair value on a recurring basis are summarized below as of September 30, 2024 and December 31, 2023:

	Level 1	Level 2	Level 3	Total
September 30, 2024				
Equity securities at fair value	-	-	-	\$ -
Related party equity securities at fair value	-	-	-	\$ -
Goodwill	-	-	-	\$ -
December 31, 2023				
Equity securities at fair value	-	703,620	-	\$ 703,620
Related party equity securities at fair value	-	722,400	-	\$ 722,400

Goodwill	-	-	1,788,982	\$	1,788,982
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Determination of Fair Value

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company’s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management’s own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value (disclosures required by the Fair Value Measurements Topic of the FASB Accounting Standards Codification).

Cash and Cash Equivalents, Accounts Receivable, and Accounts Payable

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

Debt

The debt is carried at its face value plus accrued interest. Based on the small size of the Company, it is impracticable for the Company to estimate the fair value of its debt.

The Company has no instruments with significant off balance sheet risk.

NOTE 16 – EARNING (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings(loss) per share for the nine months and three months periods ended as of September 30, 2024 and 2023 presented:

For nine months

	September 30, 2024	September 30, 2023
Numerator:		
Net Income (loss)	\$ (931,505)	\$ 1,125,497
Denominator:		

Weighted average number of common stock outstanding - Basic	1,606,965,619	95,129,007
Weighted average number of common stock outstanding - Diluted	1,606,965,619	127,362,487
Basic net income (loss) per share of common stock	\$ (0.0006)	\$ 0.0118
Diluted net income (loss) per share of common stock	\$ (0.0006)	\$ 0.0088

For three months

Numerator:	September 30, 2024	September 30, 2023
Net Income (loss)	\$ 113,180	\$ 630,430
Denominator:		
Weighted average number of common stock outstanding – Basic	1,606,965,619	95,129,007
Weighted average number of common stock outstanding – Diluted	1,639,531,473	127,362,487
Basic net income (loss) per share of common stock	\$ 0.0001	\$ 0.0066
Diluted net income (loss) per share of common stock	\$ 0.0001	\$ 0.0049

Due to the anti-dilutive effect, the computation of basic and diluted EPS did not include the shares below as the Company had a net loss for the nine months ended as September 30, 2024:

	September 30, 2024	September 30, 2023
Weighted average shares used in computing net income per share of common stock, basic	1,606,965,619	95,129,007
Add:		
SAFE notes converted	32,565,854	32,233,480
Weighted average shares used in computing net income per share of common stock, diluted	<u>1,639,531,473</u>	<u>127,362,487</u>

During nine months ended September 30, 2024, and 2023, the Company has a SAFE notes payable balance of \$1,100,000 and \$1,125,000, and related interest payable amount to \$49,962 and \$49,962 as of September 30, 2024 and 2023, respectively, which could convert at 30% discount of average share price. As of September 30, 2024 and 2023, the Company's SAFE notes were convertible into 32,565,854 shares and 32,233,480 shares, respectively.

NOTE 17 - REVERSE ACQUISITION

On November 3, 2023, the Company (referred to in this Note 14 as "HTSC") entered into a Share Exchange and Reorganization Agreement and completed a reverse acquisition with DCE Construction Inc., a California corporation dba "Mesa Garage Doors" (referred to in this Note 17 as "DCE").

Pursuant to the terms of the Agreement, HTSC 1) acquired all the issued and outstanding shares of DCE's common stock solely in exchange for an aggregate of 1.4 billion shares of authorized, but theretofore unissued, shares of common stock of HTSC; 2) issued 43,200,000 shares of common stock in consideration of the cancellation of indebtedness in the form of unreimbursed expenses owed by HTSC to a stockholder in the amount of \$15,321.15; 3) the DCE stockholders made a cash payment in the amount of \$47,656 to a stockholder of HTSC as payment in full of a liability owed to such HTSC stockholder by HTSC. HTSC issuance of 1,400,000,000 common shares to the shareholders of DCE represented an ownership interest of approximately 90.47%.

As a result of the reverse acquisition, former shareholders of DCE acquired control of HTSC and the substance of the transaction was a reverse acquisition, where the transaction constitutes a business combination for accounting purposes and is accounted for using the acquisition method under ASC 805. DCE is deemed to be the acquiring company and its assets and liabilities, equity, and historical operating results are included at their historical carrying values, and the net assets of HTSC are recorded at the fair value as at the date of the transaction.

HTSC had 104,290,692 shares of common stock outstanding with a closing price of \$0.0276 per share on the acquisition date. The total fair value of the consideration was \$2,878,400. Considering that the fair value of the net assets of HTSC was \$1,333,601 at the acquisition date, goodwill of \$1,788,982 was recorded related to the reverse merger. Goodwill for impairment will be evaluated on an ongoing basis and adjusted as necessary.

As per the Exchange Agreement, on the Measuring Date, twelve (12) months post-Closing Date as of November 3, 2023, an adjustment mechanism was in place for HTSC common stock. If the Market Price of 63,114,264

HTSC common stock (“Measuring Shares”) was below \$1,200,000, additional shares (“True-Up Shares”) were to be issued. This issuance aimed to ensure that the total Market Price of both Measuring Shares and True-Up Shares equaled the Measuring Share Price. However, this amount was subject to reduction to \$600,000 if HTSC was identified as a former shell company by at least two broker-dealers before the Measurement Date.

The following table summarizes the consideration given for the Company and the fair values of the assets of liabilities assumed at the acquisition date.

Consideration given:	
Common stock issued for acquisition	2,878,400
Total consideration given	<u>\$ 2,878,400</u>
Fair value of identifiable assets acquired, and liabilities assumed:	
Cash and Cash Equivalents	31,031
Account Receivable	36,823
Capitalized software	58,991
Mineral interests	340,880
Long-term investment	3,150
Equity securities at fair value	602,000
Related party equity securities at fair value	273,910
Accrued Liabilities	(6,396)
Accounts payable	(44,747)
Notes Payable	(90,000)
Deferred revenue	(65,178)
Due to/from related parties	(51,046)
Total identifiable net assets	1,089,418
Goodwill	<u>1,788,982</u>
Total consideration	<u>\$ 2,878,400</u>

NOTE 18 - SPIN-OFF

On April 12, 2024, the Company completed the spin-off of its wholly owned subsidiaries, Fortune Nickel and Gold Inc. and ICF Industries Inc. (collectively referred to as "Fortune"). This transaction was approved by the board of directors on October 21, 2023, and involved a pro rata distribution of 116,960,795 shares of Fortune common stock to the Company’s shareholders of record as of November 2, 2023. Shareholders received one share of Fortune common stock for each share of the Company held on the Record Date.

Following the spin-off, Fortune operates as an independent entity, and its financial results are no longer consolidated with the Company from April 12, 2024, onwards. This strategic move allowed the Company to focus on its core operations in the home furnishings sector, particularly the business acquired through DCE. The

Company's common stock continues being quoted on the OTC Pink Market under the symbol "MHRE." The spin-off was executed to allow both Mesa and Fortune to concentrate on their respective business strategies and opportunities independently.

The spin-off resulted in the deconsolidation of Fortune's assets and liabilities from the Company's balance sheet, and adjustment of the Company's equity accounts to reflect the distribution. The operation results from April 1, 2024 to April 12, 2024 were considered immaterial. The Company used the March 31, 2024 financial data as a basis for the spin-off transaction.

The balance sheet as of the spin-off date is presented below to provide clarity on the assets and liabilities transferred to the independent entity, Fortune Nickel and Gold Inc. Following the spin-off, the Company de-recognized all related assets and liabilities associated with Fortune from its consolidated balance sheet. As of September 30, 2024, Goodwill was spun-off, as the majority of its value was attributed to the spun-off subsidiaries.

Fortune Nickel and Gold, Inc. and Subsidiaries
Restated Condensed Consolidated Balance Sheets
As of March 31, 2024

	March 31, 2024 (Restated)
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 37,555
Accounts receivable, net	35,593
TOTAL CURRENT ASSETS	73,148
NON-CURRENT ASSETS	
Capitalized software, net	58,202
Equity securities at fair value	903,400
Mineral interests	340,880
Long term investment	3,150
TOTAL NON-CURRENT ASSETS	1,305,632
TOTAL ASSETS	\$ 1,378,780
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	43,477
Accrued liabilities	6,866
Due to related parties	19,926
Deferred revenue	139,312
TOTAL CURRENT LIABILITIES	209,581

LONG-TERM LIABILITIES

TOTAL LONG-TERM LIABILITIES	-
TOTAL LIABILITIES	209,581
STOCKHOLDERS' EQUITY	
Accumulated deficit	1,169,199
TOTAL STOCKHOLDERS' EQUITY	1,169,199
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,378,780

Pro Forma Financial Information

The following pro forma information presents a summary of the Company's combined operating results for the nine months ended September 30, 2024, as if the spin-off of Fortune had occurred on January 1, 2024. This adjustment mainly excludes the unrealized loss on investment approximately of \$500,000 associated with Fortune from the Company's operational activities. The pro forma financial information is not necessarily indicative of the Company's operating results if the spin-off had occurred on the assumed date, nor is it necessarily an indication of trends in future results.

Pro Forma Financial Information**For the nine months ended**

As Spin-off on January 1, 2024	September 30, 2024
	(Unaudited)
Total Revenues	\$ 16,365,527
Income from operations	\$ (422,454)
Basic and diluted income per share	\$ (0.0003)

NOTE 19 - COMMITMENTS AND CONTINGENCIES***Litigation***

Except as described below, the Company believes it is not presently a party to any litigation the outcome of which, if determined adversely against the Company, would individually or in the aggregate have a material adverse effect on the Company's business, financial condition, cash flows, or results of operations.

DCE has incurred a use tax obligation with the California Department of Tax and Fee Administration ("CDTFA") related to purchases it made from FlexiForce Canada, Inc. ("FlexiForce"), during the period of January 2015 through December 2020. DCE filed a timely Petition for Redetermination against the billings and it is currently in an active administrative appeal with the CDTFA. All collection action on the debt at issue has been withheld.

as the case proceeds through the appeals process. DCE contends that the applicable tax at issue is sales tax due FlexiForce, not use tax due DCE. CDTFA contends that use tax is due DCE because the items purchased were shipped into California from outside of the state with little to no in-state involvement from FlexiForce with regards to negotiating and/or consummating the sale inside the state. The anticipated date of resolution on the matter is late 2024 to late 2026.

The liability, as of February 16, 2024, consists of the following disputed amounts:

Date of Assessment	October 1, 2020	September 16, 2021
Period	January 2015 through December 2018	January 2019 through December 2020
Tax	415,567	277,975
Interest	164,836	63,452
Penalty	N/A	27,896
Total	580,403	369,323

Contingencies

A novel strain of coronavirus, or COVID - 19, spread throughout Asia, Europe and the United States, and was declared to be a pandemic by the World Health Organization. The Company's business has encountered delays, but the Company's long-term business goals have not been significantly impacted by the COVID - 19 outbreak. The extent to which a pandemic or other health outbreak impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of a virus and the actions to contain it or treat its impact, among others. Pandemics can also result in social, economic, and labor instability which may adversely impact the Company's business.

As of September 30, 2024, management has conducted a review of the Company's operations in accordance with ASC Topic 450 to identify any pending or threatened legal actions that could have a material adverse impact. No material contingencies were noted.

NOTE 20- SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 27, 2024, the date the financial statements were available to be issued. No subsequent events were identified that would require adjustment to or disclosure in the financial statements.

