

Disclosure Statement Pursuant to the Disclosure Guidelines for the Pink® Market

Perpetual Industries Inc.

A Nevada Corporation
2193 Rotunda Dr.
Auburn, IN 46706

702-707-9811

www.perpetualindustries.com

info@perpetualindustries.com

CIC Code: 3590

Annual Report

**For the period ending December 31, 2024
(the "Reporting Period")**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

123,848,600 as of December 31, 2024

123,848,600 as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

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

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

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

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Perpetual Industries Inc.

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

January 26, 2005 – Active. Incorporated in the State of Nevada

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

none

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

none

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

2193 Rotunda Dr.
Auburn, IN 46706 USA

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

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

yes

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 (STC)
Phone: (469) 633-0101
Email: info@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:	<u>PRPI</u>
Exact title and class of securities outstanding:	<u>PERPETUAL INDUSTRIES INC. COMMON</u>
CUSIP:	<u>71428B100</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>500,000,000</u> as of date: <u>December 3, 2020</u>
Total shares outstanding:	<u>123,848,600</u> as of date: <u>December 31, 2024</u>
Total number of shareholders of record:	<u>211</u> as of date: <u>December 31, 2024</u>

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

None

Other classes of authorized or outstanding equity securities:

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

Exact title and class of the security:	<u>Series A Preferred Stock</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>160</u>	<u>as of date: November 15, 2021</u>
Total shares outstanding (if applicable):	<u>2</u>	<u>as of date: December 31, 2023</u>
Total number of shareholders of record (if applicable):	<u>1</u>	

Exact title and class of the security:	<u>Series B Preferred Stock</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>2,000,000</u>	<u>as of date: June 30, 2021</u>
Total shares outstanding (if applicable):	<u>0</u>	<u>as of date: December 31, 2023</u>
Total number of shareholders of record (if applicable):	<u>0</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.

The Company is authorized to issue up to 500,000,000 shares of Common Stock, par value \$0.001, and 100,000,000 shares of Preferred Stock, par value \$0.0001. Each share of Common Stock is entitled to one vote and, unless otherwise set forth in the certificate of designation for another series or class of stock, is entitled to receive dividends and distributions upon the liquidation or winding up of the Company pari passu with every other series and class of the Company's stock.

Shares of common stock have the following rights and privileges:

- The holder of each share of common stock is entitled to one vote per share held.
- The holders of common stock shall be entitled to elect members of the Board of Directors.
- Common stockholders are entitled to receive dividends, if and when declared by the Board of Directors, subject to the rights of holders of all classes of stock outstanding having priority rights as to dividends.

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

Series A Preferred Shares – Non-Voting

The authorized number of Series A Preferred Shares shall be 160 shares, with a par value of \$0.0001 each. All Series A Preferred Shares shall rank senior to all shares of Common Stock of the Company and to all current and future series of Preferred Stock. Each Series A Preferred Share shall be convertible into 100,000 validly issued, fully paid and non-assessable shares of Common Stock. Pursuant to the terms in the Certificate of Designation, a holder of outstanding Series A Preferred Shares shall be entitled to receive dividends equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company's GEM Sector 450 cryptocurrency mining activities.

Series B Preferred Shares- Non Voting

The authorized number of Series B Preferred Shares shall be 2,000,000 shares, with a par value of \$0.0001 each. The holders shall be entitled to convert any whole number of Series B Preferred Shares into 10 (ten) validly issued, fully paid and non-assessable shares of Common 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

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance:</u> Date: <u>Dec 31, 2022</u> Common: <u>81,471,500</u> Preferred: <u>2</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 (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
Jan 24, 2023	New Issuance	1,000,000	Common	\$0.01	No	Craig Dansereau	Warrant Exercise	Restricted	N/A
Mar 30, 2023	New Issuance	200,000	Common	\$0.10	No	Wayne Gould	506(c)Share subscription	Restricted	Accredited
April 21, 2023	New Issuance	27,300	Common	\$0.11	No	David Heltzel	Compensation	Restricted	N/A
April 21, 2023	New Issuance	25,000	Common	\$0.12	No	David Heltzel	Compensation	Restricted	N/A
April 21, 2023	New Issuance	165,000	Common	\$0.10	No	William G Thomas III	Compensation	Restricted	N/A
July 21, 2022	New Issuance	27,300	Common	\$0.11	No	David Heltzel	Compensation	Restricted	N/A
July 21, 2022	New Issuance	155,000	Common	\$0.11	No	Adam Scrivener	Compensation	Restricted	N/A
July 21, 2022	New Issuance	1,000,000	Common	\$0.10	No	Junebug Holdings, Inc. John Kruse	Private Placement	Restricted	N/A
July 21, 2023	New Issuance	80,500	Common	\$0.11	No	William G Thomas III	Compensation	Restricted	N/A
July 21, 2023	New Issuance	2,000,000	Common	\$0.05	No	Wayne Gould	506(c)Share subscription	Restricted	Accredited
July 21, 2023	New Issuance	8,000,000	Common	\$0.01	No	1045179 BC Ltd. Don Jensen	Warrant Exercise	Restricted	N/A
July 21, 2023	New Issuance	2,000,000	Common	\$0.01	No	Plectrum Enterprises Ltd. Brent Bedford	Warrant Exercise	Restricted	N/A
July 21, 2023	New Issuance	1,000,000	Common	\$0.10	No	Jason Bontrager	Private Placement	Restricted	N/A

Aug 3, 2023	New Issuance	40,000	Common	\$0.05	No	Stuart Schaifler	Private Placement	Restricted	N/A
Aug 3, 2023	New Issuance	10,000,000	Common	\$0.02	No	Twin Grille Holdings Rod Egan	Series B Conversion	Restricted	N/A
Aug 3, 2023	New Issuance	10,000,000	Common	\$0.02	No	Junebug Holdings Inc. John Kruse	Series B Conversion	Restricted	N/A
Aug 3, 2023	New Issuance	900,000	Common	\$0.05	No	Twin Grille Holdings Rod Egan	Warrant Exercise	Restricted	N/A
Aug 3, 2023	New Issuance	4,800,000	Common	\$0.01	No	1045179 BC Ltd. Don Jensen	Warrant Exercise	Restricted	N/A
Aug 3, 2023	New Issuance	260,000	Common	\$0.05	No	Plectrum Enterprises Ltd. Brent Bedford	Warrant Exercise	Restricted	N/A
Sept 1, 2023	New Issuance	100,000	Common	\$0.05	No	Bradey Gerke	Private Placement	Restricted	N/A
Sept 1, 2023	New Issuance	100,000	Common	\$0.05	No	Brian Souers	Private Placement	Restricted	N/A
Sept 1, 2023	New Issuance	100,000	Common	\$0.05	No	Robert Egan	Private Placement	Restricted	N/A
Sept 1, 2023	New Issuance	100,000	Common	\$0.05	No	Cole Egan	Private Placement	Restricted	N/A
Nov 9, 2023	New Issuance	150,000	Common	\$0.06	No	William G Thomas III	Compensation	Restricted	N/A
Nov 9, 2023	New Issuance	50,000	Common	\$0.06	No	David Heltzel	Compensation	Restricted	N/A
Nov 9, 2023	New Issuance	97,000	Common	\$0.078	No	Adam Scrivener	Compensation	Restricted	N/A
Shares Outstanding on Date of This Report:									
Ending Balance	Ending Balance:								
Date Dec 31, 2024	Common: 123,848,600								
	Preferred: 2								

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

Use the space below to provide any additional details, including footnotes to the table above: None

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

☐ Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
<u>10/25/2024</u>	<u>\$523,966</u>	<u>\$501,240</u>	<u>01/01/2029</u>	convertible at a fixed price of \$0.04 per share.	0	12,531,001	<u>Plectrum Enterprises Brent Bedford</u>	<u>Loan and Services</u>
<u>10/25/2024</u>	<u>\$85,976</u>	<u>\$88,343</u>	<u>01/01/2029</u>	convertible at a fixed price of \$0.04 per share.	0	2,149,400	<u>Flip Flop Studios Shelley Bedford</u>	<u>Services</u>
<u>10/25/2024</u>	<u>\$121,900</u>	<u>\$125,257</u>	<u>01/01/2029</u>	convertible at a fixed price of \$0.04 per share.	0	3,131,415	<u>Twin Grille Holdings Rod Egan</u>	<u>Loan and Services</u>
<u>10/25/2024</u>	<u>\$42,115</u>	<u>\$43,275</u>	<u>01/01/2029</u>	convertible at a fixed price of \$0.04 per share.	0	1,081,873	<u>Craig Dansereau</u>	<u>Loan and Services</u>
<u>10/25/2024</u>	<u>\$26,483</u>	<u>\$27,212</u>	<u>01/01/2029</u>	convertible at a fixed price of \$0.04 per share.	0	680,305	<u>A-Frame Accounting Inc. Trip Thomas</u>	<u>Services</u>
Total Outstanding Balance:		\$785,327	Total Shares:		0	19,573,994		

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

(Please ensure that these descriptions are updated on the Company's Profile on www.otcm Markets.com).

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

In 2024, the Company initiated a strategic reorganization to focus its operations and growth efforts on the collector car industry through its wholly owned subsidiary, Worldwide Group, LLC ("Worldwide Auctioneers"). This transition reflects a shift away from legacy bitcoin mining, research and development activities in energy-efficient and emerging technologies, toward building a robust, vertically integrated presence in the collectible automobile market.

Worldwide Auctioneers is a U.S.-based boutique auction house specializing in the acquisition and sale of classic and vintage motorcars at auction around the globe. In addition to live and online auction events, Worldwide provides a wide range of personalized services to automotive collectors, including private sales, appraisals, collection management, estate planning, and asset consultancy. With a 20-year track record, a seasoned team of experts, and a physical and virtual showroom at its Auburn, Indiana headquarters, Worldwide continues to establish itself as a leader in the collector car auction industry.

As part of its repositioning, the Company is actively evaluating acquisition opportunities within the collector car and recreational vehicle sectors to expand its market footprint and enhance stakeholder value. The Company is also undertaking a corporate name change and reviewing leadership and board composition to align with its new strategic direction.

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

Subsidiary Operations – The Worldwide Group, LLC

The Company's sole wholly owned subsidiary, The Worldwide Group, LLC, operating as **Worldwide Auctioneers**, is a U.S.-based boutique auction firm specializing in the sale and acquisition of classic and vintage collector motorcars through auctions. With over 20 years of operational history, Worldwide Auctioneers is recognized as a leader in the collector car auction industry. The business is supported by an experienced leadership team and operates from its headquarters in Auburn, Indiana.

C. Describe the issuers' principal products or services.

The Company's principal business is conducted through its wholly owned subsidiary, *The Worldwide Group, LLC*, which operates as **Worldwide Auctioneers**. Worldwide Auctioneers primary revenues are generated through live and online auctions in the United States and serves a global clientele of automotive collectors and enthusiasts.

In addition to its auction events, Worldwide Auctioneers offers a full range of personalized services, including private car sales, appraisals, car collection consulting and management, estate planning, and asset advisory. The company operates from its headquarters in Auburn, Indiana, which includes a dedicated auction gallery, vehicle showroom, memorabilia division, and an online sales platform.

Worldwide Auctioneers has established a strong reputation in the collector car industry through its 20+ year history, expert team, and commitment to client service, making it the Company's primary source of revenue and strategic focus.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer leases 22,000 square feet of office space for its corporate headquarters at 2193 Rotunda Dr., Auburn, Indiana, USA, 46706. The lease commenced on July 1, 2021 for a period of 60 months.

The issuer's wholly owned subsidiary Worldwide Auctioneers, leases 38,000 square feet of office and gallery space located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. The lease commencement date was November 1, 2023 for a period of 60 months.

The issuer and its subsidiary lease an aggregate total of 60,000 square feet. All of the issuer and subsidiary's operations are performed and administered at these locations.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

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

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>William Griffin (Trip) Thomas</u>	<u>CFO</u>	<u>Tampa, FL</u>	<u>475,500</u>	<u>N/A</u>	<u>0.38%</u>	
<u>Rod Egan</u>	<u>Managing Director</u>	<u>Kirkland, WA</u>	<u>11,400,000</u>	<u>Common</u>	<u>9.20%</u>	
<u>Thomas Ristow</u>	<u>Director</u>	<u>Cologne, Germany</u>	<u>300,000</u>	<u>Common</u>	<u>0.24%</u>	
<u>Brent W. Bedford</u>	<u>Owner more than 5%</u>	<u>Calgary AB</u>	<u>13,260,000</u>	<u>Common</u>	<u>10.71 %</u>	
<u>Jason Bontrager</u>	<u>Owner more than 5%</u>	<u>Bristol, IN</u>	<u>1,000,000</u>	<u>Common</u>	<u>0.81%</u>	
<u>Junebug Holdings Inc. John Kruse</u>	<u>Owner more than 5%</u>	<u>Auburn, IN</u>	<u>11,000,000</u>	<u>Common</u>	<u>8.88%</u>	
<u>Osmium Holdings LLC</u>	<u>Owner more than 5%</u>	<u>Howe, IN</u>	<u>17,696,000</u>	<u>Common</u>	<u>14.29%</u>	Two beneficial owners of Osmium Holdings, LLC
<u>John Kruse</u>			<u>8,431,335</u>		<u>6.81%</u>	
<u>Jason Bontrager</u>			<u>9,264,665</u>		<u>7.48%</u>	
<u>Bulldawg Capital LLC Jason Bontrager</u>	<u>Owner more than 5%</u>	<u>Bristol, IN</u>	<u>13,174,140</u>	<u>Common</u>	<u>10.64%</u>	
<u>1045170 BC Ltd. Don Jensen</u>	<u>Owner more than 5%</u>	<u>Sidney, BC</u>	<u>12,800,000</u>	<u>Common</u>	<u>10.34%</u>	

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);
No
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.
No

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;
No
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
No
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.
No
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.
No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.
None

8) Third Party Service Providers

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

Securities Counsel

Name: Gina Austin
 Firm: Austin Legal Group, APC
 Address 1: 3990 Old Town Ave., Suite A-112
 Address 2: San Diego, California 92110
 Phone: 619-924-9600
 Email: gaustin@austinlegalgroup.com

Name: Mr. Ravi Latour
 Firm: BLG Borden Ladner Gervais
 Address 1: Centennial Place Tower, East Tower, 1900-3rd Ave SW
 Address 2: Calgary, AB T2P 0R3
 Phone: 403-232-9676
 Email: RLatour@blg.com

Accountant or Auditor

Name: Christopher Heistand, CPA
 Firm: Accell Audit and Compliance, P.A
 Address 1: 3001 N. Rocky Point Dr. East, Suite 200
 Address 2: Tampa, Florida, 33607
 Phone: 813-367-3527
 Email: chiestand@accell-ac.com

Investor Relations

N/A

All other means of Investor Communication:

Twitter: https://twitter.com/perpetual_prpi
Discord: N/A
LinkedIn: <https://www.linkedin.com/company/1878074/admin/>
Facebook: <https://www.facebook.com/Perpetual.prpi>
Instagram: <https://www.instagram.com/perpetual.prpi/>
Website: <https://perpetualindustries.com/>

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: William (Trip) Thomas
Firm: A-Frame Accounting & Advisory Inc.
Nature of Services: Accounting and Financial Statement Preparations
Address 1: 3419 W Gray Court
Address 2: Tampa, Florida 33609
Phone: 813-928-6237
Email: triphomas@aframeaccounting.com

9) Financial Statements

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

Name: Trip Thomas
Title: CFO
Relationship to Issuer: Service provider

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)²:

Name: William (Trip) Thomas
Title: Chief Financial Officer
Relationship to Issuer: Executive Officer

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

William Griffin Thomas, Chief Financial Officer (CFO) of Perpetual Industries. Trip has more than 20 years of experience in the field of accounting. His experience includes private industry, public company, public accounting, and non-profit. His experience includes auditing, budget analysis, fixed assets, financial modeling, SEC financial reporting, GAAP compliance, and fair value measurements. Additionally, Trip holds a Bachelor of Science in Accounting from the University of Tampa and a Bachelor of Science in Agribusiness from the University of Florida. He is a licensed CPA in the State of Florida.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

² 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.

Financial report included here

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, Rod Egan certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 15, 2025

/s/ Rod Egan

ROD EGAN, Managing Director

Principal Financial Officer:

I, William Griffin Thomas (Trip) certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 15, 2025

/s/ William Griffin (Trip) Thomas

WILLIAM GRIFFIN THOMAS (TRIP), CFO

PERPETUAL INDUSTRIES INC.

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

Perpetual Industries, Inc. and Subsidiary

Financial Statements

Consolidated Balance Sheets (Unaudited) at December 31, 2024, and 2023	F-1
Consolidated Statements of Operations (Unaudited) for the years ended December 31, 2024, and 2023	F-2
Consolidated Statements of Stockholders' Equity (Unaudited) for the years ended December 31, 2024, and 2023	F-3
Consolidated Statements of Cash Flows (Unaudited) for the years ended December 31, 2024, and 2023	F-4
Notes to Unaudited Consolidated Financial Statements	F-5

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
UNAUDITED

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current assets		
Cash	\$ 591,085	\$ 416,800
Accounts receivable	15,776	14,175
Inventory	21,070	36,555
Deposits and prepaids	50,121	475,636
Total current assets	<u>678,052</u>	<u>943,166</u>
Fixed assets, net of accumulated depreciation	163,618	605,277
Intangible assets - net	4,170,136	4,562,368
Right of use asset	749,361	463,105
Goodwill	3,243,049	3,243,049
Total assets	<u>\$ 9,004,216</u>	<u>\$ 9,816,965</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 491,088	\$ 575,350
Accounts payable and accrued expenses - related party	43,190	277,422
Accrued rent - related party	400,372	263,233
Notes payable - related party	975,225	1,144,000
Convertible notes payable, RP	85,178	-
Lease liability	170,090	238,760
Total current liabilities	<u>2,165,143</u>	<u>2,498,765</u>
Convertible notes payable, related party, long term	766,605	-
Lease liability, long term	579,271	224,451
Economic Injury Disaster Loan Program (EIDL) loan	150,000	150,000
Total liabilities	<u>3,661,019</u>	<u>2,873,216</u>
Commitments and contingencies (Note 13)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized;		
Series A: 160 shares authorized; 2 shares issued and outstanding	-	2
Series B: 2,000,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock, \$0.001 par value; 500,000,000 shares authorized;		
123,848,600 shares issued and outstanding	123,848	123,851
Common stock to be issued	212,070	212,070
Additional paid in capital	22,819,770	22,819,770
Other accumulated comprehensive loss	(11,483)	(19,974)
Accumulated deficit	(17,801,008)	(16,191,970)
Total stockholders' equity	<u>\$ 5,343,197</u>	<u>\$ 6,943,749</u>
Total liabilities and stockholders' equity	<u>\$ 9,004,216</u>	<u>\$ 9,816,965</u>

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
UNAUDITED

	For the Years Ended	
	December 31,	December 31,
	2024	2023
Revenues		
Service revenues	\$ 5,073,646	\$ 3,268,658
Product sales	3,796,000	138,250
Sales, related party	79,250	-
Total revenues	8,929,646	3,406,908
Cost of sales	6,043,705	1,183,699
Gross profit	2,885,941	2,223,209
Operating expenses		
Personnel expenses	1,317,948	764,262
General and administrative expenses	1,310,668	1,099,202
General and administrative expenses, related party	354,079	336,550
Depreciation and amortization	789,880	797,136
Outsource consulting fees	468,494	509,021
Management service, related party	-	220,934
Research and development	12,800	20,745
Stock-based compensation	-	1,039,389
Total operating expenses	4,253,869	4,787,239
Net operating income (loss)	(1,367,928)	(2,564,030)
Other income (expense)		
Interest expense	(226,348)	(140,163)
Interest expense, related party	(23,952)	(247)
Loss on impairment of assets	(51,749)	-
Other expense	(41,500)	-
Other income	2,091	5,625
Gain on settlement of debt	100,000	226,793
Foreign currency transaction adjustments	348	(13,368)
Total other income (expense)	(241,110)	78,640
Net loss	(1,609,038)	(2,485,390)
Unrealized translation loss (gain)	8,491	(9,193)
Other comprehensive loss	\$ (1,600,547)	\$ (2,494,583)
Basic and loss per share	\$ (0.02)	\$ (0.02)
Basis and diluted weighted average common shares outstanding	99,683,522	99,683,522

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023
UNAUDITED

	Preferred Stock		Common Stock		Shares to be Issued		Accumulated Other Comprehensive	Additional Paid-In	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Loss	Capital	Deficit	
Balance, December 31, 2022	2,000,002	\$ 200	81,471,500	\$ 81,471	726,900	\$ 212,070	\$ (10,781)	\$21,498,475	\$(13,706,580)	\$ 7,971,293
Sale of common stock	—	—	600,000	600	—	—	—	39,400	—	40,000
Issuance of stock for services	—	—	252,000	252	—	—	—	24,857	—	25,109
Issuance of common stock for satisfaction of accounts payable	—	—	525,100	525	—	—	—	48,449	—	48,974
Conversion of Series B Preferred Stock into Common Stock	(2,000,000)	(200)	20,000,000	20,000	—	—	—	(19,800)	—	—
Exercise of warrants	—	—	21,000,000	21,000	—	—	—	189,000	—	210,000
Stock based compensation	—	—	—	—	—	—	—	1,039,389	—	1,039,389
Net loss	—	—	—	—	—	—	(9,193)	—	(2,485,390)	(2,494,583)
Balance, December 31, 2023	—	—	123,848,600	\$123,848	726,900	212,070	(19,974)	22,819,770	(16,191,970)	6,943,744
Net loss	—	—	—	—	—	—	8,491	—	(1,609,038)	(1,600,547)
Balance, December 31, 2024	—	\$ —	123,848,600	\$123,848	726,900	\$ 212,070	\$ (11,483)	\$ 22,819,770	\$(17,801,008)	\$ 5,343,197

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the Years Ended December 31, 2024	December 31, 2023
Cash Flows from Operating Activities		
Net loss	\$ (1,609,038)	\$ (2,485,390)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization expense	789,880	797,111
Amortization of unearned compensation	-	103,562
Stock based compensation-options	-	1,039,389
Stock based compensation-common stock	-	25,109
Loss on impairment of digital currencies	-	4,771
Loss on impairment of assets	51,749	-
Convertible notes payable issued for director fees	354,500	-
Changes in operating assets & liabilities		
Right of use activity	(61)	11
Accounts receivable	(1,601)	4,778
Inventory	15,485	(16,300)
Prepaid expenses	425,515	(405,003)
Accounts payable and accrued expenses	(84,262)	247,505
Accounts payable, related party	119,225	17,904
Accrued rent, related party	137,139	144,074
Net cash from operating activities	198,531	(522,479)
Cash Flows from Investing Activities		
Acquisition of fixed assets	(7,737)	(17,961)
Net cash from investing activities	(7,737)	(17,961)
Cash Flows from Financing Activities		
Proceeds from the issuance of common stock	-	40,000
Proceeds from exercise of warrants	-	210,000
Proceeds from notes payable, related party	615,000	1,022,000
Proceeds from notes payable	-	300,000
Payments on notes payable, related party	(640,000)	(690,000)
Payments on notes payable	-	(300,000)
Net cash from financing activities	(25,000)	582,000
FX translation	8,491	(9,193)
Change in Cash	174,285	32,367
Cash at beginning of period	416,800	384,433
Cash at end of period	\$ 591,085	\$ 416,800
Supplemental Cash Flow Information		
Cash paid for interest	\$ 68,250	\$ 68,250
Cash paid for income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Issue of common stock to satisfy accounts payable	\$ -	\$ 48,974

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Nature of operations

Perpetual Industries Inc. (the “Company”) was incorporated under the laws of Nevada in January 2005 and is headquartered in Auburn, Indiana.

In 2024, the Company initiated a strategic reorganization to focus its operations and growth efforts on the collector car industry through its wholly owned subsidiary, Worldwide Group, LLC (“Worldwide Auctioneers”). This transition reflects a shift away from legacy bitcoin mining, research and development activities in energy-efficient and emerging technologies, toward building a robust, vertically integrated presence in the collectible automobile market.

Worldwide Auctioneers is a U.S.-based boutique auction house specializing in the acquisition and sale of classic and vintage motorcars at auction around the globe. In addition to live and online auction events, Worldwide provides a wide range of personalized services to automotive collectors, including private sales, appraisals, collection management, estate planning, and asset consultancy. With a 20-year track record, a seasoned team of experts, and a physical and virtual showroom at its Auburn, Indiana headquarters, Worldwide continues to establish itself as a leader in the collector car auction industry.

As part of its repositioning, the Company is actively evaluating acquisition opportunities within the collector car and recreational vehicle sectors to expand its market footprint and enhance stakeholder value. The Company is also undertaking a corporate name change and reviewing leadership and board composition to align with its new strategic direction.

2. Summary of significant accounting policies

Basis of Presentation

The Company has one wholly owned subsidiary: Worldwide. The consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiary, are prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”). All significant intercompany balances and transactions have been eliminated. The consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiary, and related disclosures have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The financial statements have been prepared using the accrual basis of accounting and are presented in US dollars. The Company’s financial reporting year end is December 31.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. The most significant assumptions and estimates relate to the valuation of equity issued for services. Actual results could differ from these estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Update (“ASU”) 2014-09, “*Revenue from contracts with customers*,” (Topic 606). Revenue is recognized when a customer obtains control of promised goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company’s main revenue stream is from services. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company’s performance obligations are transferred to customers at a point in time, typically upon delivery.

Service revenues

The Company generates the majority of its service revenue from earning auction and ancillary fees from both buyers and sellers, in each case only upon a successful auction. The auction revenue consists principally of revenue earned from facilitating auctions and arranging for the transportation of vehicles purchased in such auctions.

Product sales

Revenue from product sales is recognized upon delivery of the unit and completion / signing of the associated contract and are recording the amount of revenue identified in the contract as the sales price of the vehicle.

Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains cash balances at a financial institution that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risks related to cash.

Accounts Receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers' financial condition. In limited instances, the Company may require an upfront deposit, and, in most cases, the Company does charge interest on past due amounts. Management estimates the allowance for doubtful accounts based on review and analysis of specific customer balances that may not be collectible and how recently payments have been received. Accounts are considered for write-off when they become past due and when it is determined that the probability of collection is remote.

Inventories

Inventories are stated at the lower of cost (using specific identification) or net realizable value. Inventory quantities on hand are reviewed regularly and a write-down for excess and obsolete inventory is recorded based primarily on an estimated forecast of product demand, market conditions and planned design changes.

Property and Equipment

Property and equipment are initially recorded at cost and stated at cost less accumulated depreciation, using the straight-line method over their estimated useful lives of 3 to 15 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

Comparative Figures

Certain comparative figures have been reclassified to conform to current period presentation.

Intangible Assets

Certain intangible assets arose from the acquisition of Worldwide on January 22, 2021, and consist of the following, which have been or are being amortized on a straight-line basis over the following estimated useful lives:

Asset	Estimated Useful Life
Customer Relationships	14
Trademarks	15
Customer List	1
Below Market Lease	4

Stock Based Compensation Expense

The Company applies the fair value method of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, "*Share Based Payment*", in accounting for its stock-based compensation. This standard states that compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. The Company values stock-based compensation at the market price for the Company's common stock and other pertinent factors at the grant date. During the years ended December 31, 2024, and 2023, the Company recorded stock-based compensation expense in the amount of \$0 and \$1,039,389, respectively.

Comprehensive Income (loss)

ASC Topic 220 “*Comprehensive Income*” (SFAS No. 130) establishes standards for reporting comprehensive income and its components. Comprehensive income or loss is defined as the change in equity during a period from transactions and other events from non-owner sources. The Company had comprehensive income of \$8,491 for year ended December 31, 2024, and a comprehensive loss of \$9,193 for the year ended December 31, 2023, related to foreign currency translation adjustment.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, under which consideration for the acquisition, including the fair value of any contingent consideration, is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed (both specific and contingent) at the acquisition date fair values as determined by management as of the acquisition date. The excess of the consideration over the assets acquired net of liabilities assumed is recognized as goodwill and as bargain purchase where the consideration is less than the assets acquired net of liabilities assumed.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets. Acquisition-related costs are reflected in selling, general and administrative expense in the consolidated statements of net and comprehensive income.

Long Lived Assets

Long-lived assets and certain identifiable intangible assets related to those assets are periodically reviewed for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. If the non-discounted future cash flows of the enterprise are less than their carrying amount, their carrying amounts are reduced to fair value and an impairment loss is recognized. The Company did not record any impairment losses during the years ended December 31, 2024, and 2023.

Fair Value of Financial Instruments

The Company has adopted the provisions of ASC Topic 820, “*Fair Value Measurements*”, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but it does provide guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity’s own assumptions (unobservable inputs).

The hierarchy consists of three levels:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—Inputs that are both significant to the fair value measurement and unobservable.

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, accounts payable and accrued expenses, notes payable, notes payable to related parties, related parties payable and Payroll Protection Program Loan and Economic Injury Disaster Loan Program (EIDL) loans. The Company has also applied ASC 820 for all non-financial assets and liabilities measured at fair value on a non-recurring basis. The adoption of ASC 820 for non-financial assets and liabilities did not have a significant impact on the Company’s financial statements.

Foreign Currencies

The Company determined that its functional currency is the United States dollar since the U.S. dollar is the currency of the environment in which the Company primarily generates and expends cash. Foreign currency transaction gains and losses represent gains and losses resulting from transactions entered into in a currency other than the functional currency of the Company. These transaction gains and losses are included in results of operations. The Company had comprehensive income of \$8,491 for year ended December 31, 2024, and a comprehensive loss of \$9,193 for the year ended December 31, 2023. The Company had a foreign currency translation gain totaling \$348 for the year ended December 31, 2024, and foreign currency translation loss totaling \$13,368 for the year ended December 31, 2023.

Income Taxes

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, “*Accounting for Income Taxes*”, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company has filed its U.S. tax returns for 2016 through 2021 that have all resulted in taxable losses and tax losses available to offset future taxable income. The Company has not determined the amount of the potential benefits for these tax losses.

Net Income (Loss) Per Common Share

The Company computes loss per common share, in accordance with FASB ASC Topic 260, “*Earnings Per Share*”, which requires dual presentation of basic and diluted earnings per share. Basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, that could result from the exercise of outstanding stock options and warrants.

For the years ended December 31, 2024, and 2023 the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive:

	Years ended December 31,	
	2024	2023
	(Shares)	(Shares)
Series A Preferred Stock	2	2
Series B Preferred Stock	-	2,000,000
Stock options	10,163,500	2,390,000
Warrants	-	20,000,000
Total	10,163,502	25,390,002

Segments

The Company determined its reporting units in accordance with ASC 280, “*Segment Reporting*” Management evaluates a reporting unit by first identifying its’ operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has two consolidated operating segments and a non operating segment. The Company’s reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company’s reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

The Company’s reporting segment is automotive.

Leases

The Company accounts for leases in accordance with Accounting Standards Update (“ASU”) 2016-02, “*Leases*” (Topic 842).

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, enhancing segment expense transparency. The update requires public entities to disclose significant segment expenses regularly provided to the chief operating decision maker and extends certain annual segment disclosures to interim periods. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, with interim period application required starting after December 15, 2024, and early adoption permitted.

The Company does not expect any of the recently issued accounting pronouncements to have a material impact on its financial condition or results of operations for the quarter ended as of December 31, 2024, or on a going forward basis.

The Company has reviewed all the recently issued, but not yet effective, accounting pronouncements and do not believe any of these pronouncements will have a material impact its consolidated financial statements

3. Concentration of credit risks

The Company maintains accounts with financial institutions. All cash in checking accounts is non-interest bearing and is fully insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, cash balances may exceed the maximum coverage provided by the FDIC on insured depositor accounts. The Company believes it mitigates its risk by depositing its cash and cash equivalents with major financial institutions. As of December 31, 2024, and 2023, the Company had \$168,881 and \$0 in excess of FDIC insurance, respectively.

4. Accounts receivable and allowance for doubtful account

The Company has a policy of providing an allowance for doubtful accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to bad debt expense and included in the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

On January 1, 2023, the Company implemented Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326) to account for potential credit losses. It did not have a material impact.

The accounts receivable balance at December 31, 2024, and 2023 was \$15,776 and \$14,175, respectively, and the Company expects to receive the full amount. As such, the Company has elected to not record an allowance for this amount.

5. Fixed Assets

Fixed assets consisted of the following at December 31, 2024, and 2023:

	December 31, 2024	December 31, 2023
Computer hardware	\$ 83,942	\$ 83,942
Mining equipment	-	371,740
Machinery and equipment	117,922	117,922
Furniture and fixtures	102,333	94,596
Trailer	23,244	23,244
Leasehold improvements	682,889	682,889
	1,010,330	1,374,333
Less: Accumulated depreciation	(846,712)	(769,056)
Property and equipment - net	\$ 163,618	\$ 605,277

Depreciation expense was \$397,648 and \$415,511 for the years ended December 31, 2024, and 2023, respectively. Additionally, during the year ended December 31, 2024, the Company fully impaired the mining equipment which resulted in an impairment loss in the amount of \$51,749.

6. Intangible Assets

	December 31, 2024	December 31, 2023
AutoGrafic software system	\$ 907,954	\$ 907,954
Customer relationships	3,105,000	3,105,000
Trademarks	1,380,000	1,380,000
Customer list	52,000	52,000
Below market lease	310,000	310,000
	5,754,954	5,754,954
Less: accumulated amortization	(1,584,818)	(1,192,586)
Intangible assets - net	\$ 4,170,136	\$ 4,562,368

The Company acquired the AutoGrafic Software System on March 31, 2021, for \$710,000 (See Note 9). Additionally, since acquisition, the Company incurred an additional \$197,954 in software development fees related to the application development stage of the software. The Company will begin amortizing the asset once it reaches the stage of intended use.

The remaining intangible assets (i.e. customer relationships, trademarks, customer list and below market lease) arose from the acquisition of Worldwide.

Amortization expense was \$392,232 and \$381,600 for the years ended December 31, 2024, and 2023, respectively.

7. Operating lease right-of-use assets and operating lease liabilities

The Company leases 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn IN 46706 from a related party. The Company has a base rent of \$12,000 per month for a period of 60 months. The lease commencement date was July 1, 2021. As of December 31, 2024, the Company has an accrued rent balance of \$400,372.

Worldwide leases 38,000 square feet of office space, from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$19,500 per month for a period of 60 months. The lease commencement date was November 1, 2023.

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is our incremental borrowing rate, estimated to be 7%, as the interest rate implicit in most of our leases is not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term. During the years ended December 31, 2024, and 2023, the Company recorded \$354,080 and \$268,083 as operating lease expense, respectively, which is included in general and administrative expenses on the statements of operations.

Right-of- use assets are summarized below:

	December 31, 2024	December 31, 2023
Office Lease	\$ 928,489	\$ 994,315
Less accumulated amortization	(179,128)	(531,210)
Right-of-use, net	\$ 749,361	\$ 463,105

Operating lease liabilities are summarized below:

	December 31, 2024	December 31, 2023
Office Lease	\$ 749,361	\$ 463,217
Less: current portion	(170,090)	(238,760)
Long term portion	\$ 579,271	\$ 224,457

Maturity of lease liabilities are as follows:	As of December 31
Year ending December 31, 2025	\$ 234,000
Year ending December 31, 2026	234,000
Year ending December 31, 2027	234,000
Year ending December 31, 2028	195,000
Total future minimum lease payments	\$ 897,000
Less imputed interest	(147,639)
PV of Payments	\$ 749,361

8. Economic Injury Disaster Loan Program (EIDL) loans

On July 13, 2020, the Company, through its wholly owned subsidiary, Worldwide, received loan proceeds of \$150,000 under the Economic Injury Disaster Loans (EIDL). The loan matures in 30 years and has an interest rate of 3.75%. As of December 31, 2024, the balance is classified in non-current liabilities. As of December 31, 2024, and 2023, the balance of accrued interest related to these loans is \$6,952 and \$10,084, respectively. The Company began making monthly payments of \$731 on February 3, 2023. The monthly payments are applied against accrued interest.

Maturity of EIDL loan is as follows:	As of December 31, 2024
Year ending December 31, 2025	\$ 2,917
Year ending December 31, 2026	3,029
Year ending December 31, 2027	3,144
Thereafter	140,910
Total future minimum lease payments	\$ 150,000

9. Related party transactions and commitments

Notes Payable, Related Party

Osmium Holdings LLC

The Company, through its wholly owned subsidiary Worldwide has a loan with Osmium Holdings LLC (“Osmium”), a company controlled by John Kruse and Jason Bontrager. Osmium owns greater than 10% of the Company’s common stock outstanding. The loans are as follows:

- On December 1, 2018, Worldwide received \$1,500,000 against a line of credit promissory note from Osmium. The interest rate was 7.5% and the maturity date was November 30, 2021. During the year ended December 31, 2021, the Company repaid \$760,945 on the note. On December 1, 2021, the note was replaced with a new note with principal balance of \$700,000. The interest rate is 9.75% and the maturity date was November 30, 2022. As of December 31, 2024, and 2023, the outstanding balance is \$700,000. As of December 31, 2024, and 2023, there is no accrued interest on this loan as the Company makes monthly interest payments. During the years ended December 31, 2024, and 2023, the interest expense on this loan amounted to \$68,250.

Bulldawg Capital, LLC

During the year ended December 31, 2023, Bulldawg Capital, LLC, a company controlled by Jason Bontrager loaned \$150,000 to the Company. Jason Bontrager has a beneficial ownership of approx. 19% of the Company’s common stock outstanding, through his ownership in Osmium Holdings LLC, Bulldawg Capital LLC, and himself. The interest rate on the loan is 15%. The note is convertible at the holder’s option into common stock at \$0.05 per share. During the year ended December 31, 2024, the Company recorded \$18,750 in interest expense. As of December 31, 2024, and 2023, the balance owed is \$150,000. As of December 31, 2024, and 2023, the balance of accrued interest is \$19,736 and \$986, respectively.

Auburn Classic Cars / John Kruse

Auburn Classic Cars (“ACC”), an entity owned and controlled by John Kruse, provides financing to the Company’s wholly owned subsidiary, Worldwide Auctioneers. These funds are extended in the form of a loan arrangement, subject to a financing fee of five percent (5%) calculated on the total amount borrowed. John Kruse has beneficial ownership of approx. 16% of the Company’s common stock outstanding through his ownership in Osmium Holdings LLC, Junebug Holdings, and Kruse Plaza.

In addition, ACC engages Worldwide Auctioneers to provide vehicle sales services on a periodic basis. Revenue earned from these transactions is recognized in the consolidated financial statements under “Sales – Related Party.” As of December 31, 2024, the outstanding balance payable to ACC is \$125,225.

Kruse Plaza / USFM, LLC

Kruse Plaza and USFM, LLC are entities under common ownership and control of related parties John Kruse and Jason Bontrager. Kruse Plaza is the lessor of the office and gallery facility occupied by the Company’s wholly owned subsidiary, Worldwide Auctioneers. USFM, LLC is the lessor of the office space leased directly by the Company.

Convertible Notes Payable, Related Party

As of December 31, 2024, the Company had \$851,783 in outstanding convertible notes payable, related party, as following:

Name	Ref No.	Issuance	Original	Maturity	Interest	Conversion	Principal
			Principal Balance				
Brent Bedford / Plectrum Enterprises, Inc.	1	10/25/2024	\$ 523,966	1/1/2029	15	\$ 0.04	\$ 487,809
Flip Flop Studios	2	10/25/2024	85,976	1/1/2029	15	\$ 0.04	85,976
Rod Egan, Managing Director / Twin Grille Holdings	3	10/25/2024	121,900	1/1/2029	15	\$ 0.04	121,900
Thomas Ristow, Director	4	10/25/2024	87,500	1/1/2029	15	\$ 0.04	87,500
Craig Dansereau, Director	5	10/25/2024	42,115	1/1/2029	15	\$ 0.04	42,115
A-Frame Accounting & Advisory, Inc.	6	10/25/2024	26,483	1/1/2029	15	\$ 0.04	26,483
			\$ 887,940	Total			\$ 851,783
						Total Current	\$ 85,178
						Total Long Term	\$ 766,605

*The notes are convertible at a fixed price of \$0.04 per share. The interest on the notes is compounding at a rate of 15%. The notes have a maturity date of January 1, 2029, but principal and interest payments are payable over the term.

(1) Brent Bedford / Plectrum Enterprises

Brent Bedford was unable to continue his role as CEO of the Company in January 2024 following an extended leave of absence. The Company's U.S.-based Director Mr. Rod Egan assumed the role of Managing Director and interim president to perform all executive functions in the Company during 2024. On October 25, 2024, Brent Bedford formally resigned as the Company's CEO and Chairman of the Board of Directors. In connection with the resignation, the Company agreed to pay \$162,000 in severance and \$130,000 in past Board of Director services. As of October 25, 2024, the Company paid \$90,753 of the severance owed. As of October 25, 2024, the Company owed \$44,720 in interest related to the severance. On October 25, 2024, the Company and Mr. Bedford agreed to convert the following amounts owed into a convertible note payable.

Severance	\$	71,247
Severance interest	\$	44,720
Brent Bedford Loan principal	\$	119,000
Brent Bedford Loan interest	\$	18,657
Accounts payable – Plectrum Enterprises	\$	140,342
Director and audit committee compensation	\$	130,000
Total convertible note payable	\$	<u>523,966</u>

The note is convertible at a fixed price of \$0.04 per share. The interest is calculated on the cumulative outstanding principal and any accrued interest balance at an annual rate of 15%. The note has a maturity date of January 1, 2029, but principal and interest payments are payable over the term. During the year ended December 31, 2024, the Company repaid \$36,157 related to the convertible note payable. During the year ended December 31, 2024, the Company recorded \$13,431 in interest expense. As of December 31, 2024, the total balance owed including interest is \$501,240.

(2) Flip Flop Studios

Flip Flop Studios provided digital marketing support and network and website maintenance services to the Company. As of October 25, 2024, the outstanding accounts payable balance to this vendor was \$85,976. On October 25, 2024, this balance was converted to a note payable. During the year ended December 31, 2024, the Company repaid \$5,000 related to the convertible note payable and recorded \$2,367 in interest expense. As of December 31, 2024, the total balance owed including interest is \$88,343.

(3) Rod Egan, Managing Director and Director / Twin Grille Holdings

During the year ended December 31, 2023, Rod Egan loaned \$25,000 to the Company through Twin Grille Holdings, an entity he controls. The interest rate on the loan is 8% compounded annually. As of October 25, 2024, the balance of accrued interest on the loan was \$1,900, bringing the cumulative outstanding balance owing on the loan to \$26,900. On October 25, 2024, this balance was converted to a note payable to Twin Grille Holdings.

On October 25, 2024, the Company agreed to compensate Rod Egan \$95,000 for past board of director services. On October 25, 2024, this compensation is payable via a convertible note payable to Rod Egan in the amount of \$95,000.

The combined total of director compensation for Rod Egan and the note payable to Twin Grille Holdings is \$121,900. During the year ended December 31, 2024, the Company recorded \$3,356 in total interest expense. As of December 31, 2024, the total balance owed to Rod Egan and Twin Grille Holdings including interest is \$125,257.

(4) Thomas Ristow, Director

On October 25, 2024, the Company agreed to compensate Thomas Ristow \$87,500 for past board of director services. This compensation is payable via a convertible note payable in the amount of \$87,500. During the year ended December 31, 2024, the Company recorded \$2,409 in interest expense. As of December 31, 2024, the total balance owed including interest is \$89,909.

(5) Craig Dansereau, Former Director

On October 25, 2024, the Company agreed to compensate Craig Dansereau \$39,500 for past board of director services. Additionally, the Company owed \$2,615 to this director. This compensation and past due amount are payable via a convertible note payable in the amount of \$42,115. During the year ended December 31, 2024, the Company recorded \$1,160 in interest expense. As of December 31, 2024, the total balance owed including interest is \$43,275.

(6) A-Frame Accounting & Advisory, Inc.

As of October 25, 2024, the Company owed an entity controlled by Trip Thomas past due amounts of \$26,483 for management fees provided to the Company. This amount is payable via a convertible note payable in the amount of \$26,483. During the year ended December 31, 2024, the Company recorded \$729 in interest expense. As of December 31, 2024, the total balance owed including interest is \$27,212.

Management Service

For the year ended December 31, 2023, the Company recorded management fees of \$153,190 payable to Brent Bedford, the former Chief Executive Officer and Chairman of the Board, through a private entity he owns. These fees were not paid as of December 31, 2023. During 2024, Mr. Bedford did not resume any active role within the Company, and the amount payable was subsequently reclassified as part of his severance package. On October 25, 2024, he formally resigned from all positions, including Chief Executive Officer and Chairman of the Board. This reclassification of management fees to severance was deemed more accurate and appropriate considering his departure from executive duties and his inactive status throughout 2024.

All executive functions are performed by Director Rod Egan, who serves as the Company's Managing Director and interim President. Mr. Bedford did not provide any management, executive, or board services during the year ended December 31, 2024.

During the year ended December 31, 2023, the Company incurred management fees to Trip Thomas in the amount of \$60,000. There were no fees incurred during the year ended December 31, 2024. Trip Thomas has an oral agreement under which he provides management services through a private entity that he owns. The expenses are classified in the statement of operations as management service, related party.

General and Administrative Expenses

During the year ended December 31, 2023, a small shareholder of the Company and a relative of the Company's former CEO, provided office management and administration support through a private entity amounting to \$66,790. During the years ended December 31, 2023, the Company also obtained network and website maintenance services from this private entity for \$1,674. As of January 1, 2024, this Company no longer provides these services. As such, there were none of these services provided during the year ended December 31, 2024.

The Company leased 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn IN 46706, from a related party. The Company has a base rent of \$12,000 per month for a period of 60 months. As of December 31, 2024, the Company has an accrued rent balance of \$400,372.

Worldwide leases 38,000 square feet of office space, from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$19,500 per month for a period of 60 months. The lease commencement date was November 1, 2023.

Related party operating expenses were comprised of the following:

	For the Years Ended	
	December 31, 2024	December 31, 2023
Management service – related party	\$ -	\$ 220,934
General and Administrative Expense:		
Office management & administrative support	-	66,790
Rent - Kruse Plaza	354,079	268,083
Network and website maintenance	-	1,677
Total general and administrative – related party	354,079	336,550
Total related party operating expenses	\$ 354,079	\$ 557,484

Accounts receivable

The related party accounts receivable is included in the accounts receivable balance on the balance sheet. The balance of accounts receivable, related party was comprised of the following:

	As of December 31, 2024	As of December 31, 2023
Kruse Plaza	\$ 3,019	\$ -
Total accounts receivable – related party	\$ 3,019	\$ -

Accounts payable and accrued expenses - related party

The balance of accounts payable and accrued expenses, related party was comprised of the following:

	As of December 31, 2024	As of December 31, 2023
Plectrum Enterprises, Inc. (owned by Brent Bedford, former CEO)	\$ -	\$ 141,100
Brent Bedford, former CEO	-	2,827
Brent Bedford (Accrued Interest on Loan)	-	18,659

Jason Bontrager (Accrued Interest on Loan)	19,737	986
Convertible notes payable, related party (accrued interest)	25,453	-
Flip Flop Studios	-	85,976
A-Frame Accounting & Advisory, Inc.	-	26,483
Kruse Plaza	-	1,391
Total accounts payable and accrued expenses – related party	\$ 45,190	\$ 277,422

10. Reportable segments

The Company currently has one primary reportable geographic segment - United States. The Company has one reportable operating segments – auction. We also have included a Non-operating Corporate segment. All inter-segment revenues are eliminated. Summary information with respect to the Company’s operating segments is as follows:

	Years Ended December 31,	
	2024	2023
Revenue		
Automobile:		
Service revenues	\$ 5,073,646	\$ 3,268,458
Product sales	3,796,000	138,250
Sales, related party	60,000	-
Total revenue	\$ 8,929,646	\$ 3,406,908

	Years Ended December 31,	
	2024	2023
Income (loss) from operations		
Auction	\$ (92,530)	\$ (169,571)
Non-operating corporate	(1,275,398)	(2,394,459)
Total income (loss) from operations	\$ (1,367,928)	\$ (2,564,030)

	Years ended December 31,	
	2024	2023
Depreciation and Amortization		
Automobile	\$ 648,368	\$ 641,160
Non-operating corporate	141,512	155,976
Total	\$ 789,880	\$ 797,136

	December 31,	
	2024	2023
Capital Expenditures		
Automobile	\$ 7,737	\$ 17,961
Total	\$ 7,737	\$ 17,961

	December 31, 2024	December 31, 2023
Total Assets		
Automobile	\$ 8,073,835	\$ 8,215,771
Non-operating corporate	982,129	803,513
Total	\$ 9,055,964	\$ 9,816,965

11. Equity

Preferred Stock

There are 160 authorized shares of Series A Preferred Stock with a par value of \$0.0001 that are eligible for conversion into 100,000 Common Shares. A Holder of Series A Preferred Shares shall be entitled to receive dividends, if available, equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company's GEM Sector 450 cryptocurrency mining activities for a minimum period of 36 months. During the years ended December 31, 2023, 2,000,000 shares of Series B Preferred Stock was converted into 20,000,000 shares of common stock.

Stock Options Issuance

On September 12, 2014, the Board of Directors adopted the Company's "2014 Stock Option Plan" (the "Plan") effective immediately. The maximum number of options issuable under the Plan is 15% of the Company's issued and outstanding shares at the time of any grant. If any shares of common stock subject to an award under the Plan are forfeited, expire, are settled for cash or are tendered by the participant, or withheld by the Company to satisfy any tax withholding obligation, then, in each case, the shares subject to the award may be used again for awards under the Plan to the extent of the forfeiture, expiration, cash settlement, or withholding. The stock option awards issuable under the Plan can be made up of non-statutory stock options only; the Plan does not contemplate incentive options. The Plan dictates that stock options will be granted for terms, prices, and quantities determined at the Board's discretion, with quantities being in multiples of 1,000 shares. Non-statutory stock options are available to independent contractors and consultants as well as to employees.

On August 17, 2023, the directors voted to amend the 2014 Stock Option Plan (the "Plan") adopted by the Board of Directors on September 12, 2014, to extend the Plan's original ten (10) year expiration date of September 12, 2024, for an additional ten (10) years. The Plan shall continue in effect until September 12, 2034. All other provisions of the Plan will remain in full force and in effect.

Options to purchase common stock were granted to directors and consultants as follows:

Grant Date	Options Granted	Expiration Date	Vesting Criteria	Grant Date Fair Value
July 1, 2022	700,000	July 1, 2027	Immediate	\$ 16,097
August 18, 2022	500,000	August 18, 2027	Immediate	\$ 11,497
September 1, 2023	1,113,500	September 1, 2027	Immediate	\$ 116,947
September 1, 2023	1,350,000	September 1, 2028	Immediate	\$ 154,856
September 1, 2023	6,500,000	September 1, 2029	Immediate	\$ 767,586

Optionees are precluded from selling, transferring or otherwise disposing of any Optioned Shares during the twelve months immediately following the grant of the Options, and shall be limited to a resale volume not exceeding 1% of the Company's issued and outstanding stock in any three-month period.

The Company valued these options using the Black-Scholes Model using inputs as detailed below:

Grant Date	Underlying price	Contractual strike price	Expected term	Market Volatility	Interest Rate
July 1, 2022	\$ 0.15	\$ 0.20	2.5 Years	36.89%	2.85%
August 18, 2022	\$ 0.16	\$ 0.20	1.5 Years	36.89%	2.85%
September 1, 2023	\$ 0.1250	\$ 0.10	2-3 Years	185.99 - 211.90%	4.57% - 4.87%

At December 31, 2024, and 2023, the Company had options outstanding to purchase a total of 10,163,500 and 11,253,500 shares of common stock under the Plan (the “Option Grant”), respectively. During the years ended December 31, 2024, and 2023, the Company recorded \$0 and \$1,039,389, respectively.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Options Outstanding – January 1, 2023	2,990,000	\$ 0.22	2.88 Years
Issued	8,963,500	\$ 0.10	5.3 Years
Exercised	-		
Expired	(700,000)		
Options Outstanding – December 31, 2023	11,253,500	\$ 0.12	1.28 Years
Issued	-		
Exercised	-		
Expired	(1,090,000)		
Options Outstanding – December 31, 2024	10,163,500	\$ 0.11	3.54 Years
Outstanding Exercisable – December 31, 2024	10,163,500	\$ 0.11	3.54 Years

12. Going Concern

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At December 31, 2024, the Company had \$591,085 in cash and \$1,487,091 in negative working capital. For the years ended December 31, 2024, and 2023, the Company had net losses of \$1,609,038 and \$2,498,390, respectively. Continued losses may adversely affect the liquidity of the Company in the future. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has operating costs and expenses at the present time for development of its business activities. The Company, however, will be required to raise additional capital over the next twelve months to meet its current administrative expenses, and it may do so in connection with or in anticipation of possible acquisition transactions. This financing may take the form of additional sales of its equity securities loans from its directors and or convertible notes. There is no assurance that additional financing will be available, if required, or on terms favorable to the Company.

13. Commitments and Contingencies

During the normal course of business, the Company may be exposed to litigation. When the Company becomes aware of potential litigation, it evaluates the merits of the case in accordance with FASB ASC 450-20-50, *Contingencies*. The Company evaluates its exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If the Company determines that an unfavorable outcome is probable and can be reasonably estimated, it establishes the necessary accruals.

14. Income taxes

The Company did not provide any current or deferred US federal income tax provision or benefit for the years ending December 31, 2024, and 2023 as they incurred tax losses during both years.

When it is more likely than not, that a tax asset cannot be realized through future income, the Company must record an allowance against any future potential future tax benefit. The Company has provided a full valuation allowance against the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that the Company will not earn income sufficient to realize the deferred tax assets during the carry forward periods.

The Company has not taken a tax position that, if challenged, would have a material effect on the consolidated financial statements for the year ended December 31, 2024, and 2023 as defined under ASC 740, "Accounting for Income Taxes."

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes.

The sources and tax effects of the differences for the periods presented are as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
U.S. statutory federal income tax rate	21 %	21 %
Change in valuation allowance	(21 %)	(21 %)
Effective income tax rate	0 %	0 %

A reconciliation of the income taxes computed at the statutory rate is as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Tax credit (expense) at statutory rate (26%)	\$ 337,898	\$ 521,932
Increase in valuation allowance	(337,898)	(521,932)
Net deferred income tax asset	\$ —	\$ —

At December 31, 2024, and 2023, the significant components of the deferred tax assets are summarized below:

	December 31, 2024	December 31, 2023
Net operating loss carry-forward	\$ 3,738,212	\$ 3,400,314
Valuation allowance	(3,738,212)	(3,400,314)
Net deferred tax asset (liability)	\$ -	\$ -

As of December 31, 2024, and 2023, the Company had a federal net operating loss carryforward of approximately \$3,738,212 and \$3,400,314 respectively. The federal net operating loss carryforwards do not expire but may only be used against taxable income to 80%. No tax benefit has been reported in the consolidated financial statements. The annual offset of this carryforward loss against any future taxable profits may be limited under the provisions of Internal Revenue Code Section 381 upon any future change(s) in control of the Company.

15. Subsequent Events

None.