

Growth Stalk Holdings Corp
11991 N. Highway 99 Seminole, OK 74868

(405) 456-0207
<https://www.growthstalk.com>
info@growthstalk.com

Quarterly Report

For the period ending June 30, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

25,382,325 as of August 14, 2025 (Current Reporting Period Date or More Recent Date)

23,383,367 as of December 31 2024 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, 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.

NONE

Current State and Date of Incorporation or Registration: Oklahoma, October 14, 2021
Standing in this jurisdiction: (e.g. active, default, inactive): Active

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

NONE

Address of the issuer's principal executive office:

11991 N. Highway 99 Seminole, OK 74868

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: VStock Transfer LLC
Phone: 212-828-8436
Email: info@VStocktransfer.com
Address: 18 Lafayette Place Woodmere, NY 11598

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: GSTK
Exact title and class of securities outstanding: COMMON STOCK
CUSIP: 400074100
Par or stated value: 0.0001
Total shares authorized: 500,000,000 as of date: June 30, 2025
Total shares outstanding: 24,882,325 as of date: June 30, 2025
Total number of shareholders of record: 64 as of date: June 30, 2025

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

NONE

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: 0.0001
Total shares authorized: 1 as of date: June 30, 2025
Total shares outstanding: 1 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

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

Exact title and class of the security: Series B Preferred Stock
Par or stated value: 0.0001
Total shares authorized: 1,610,000 as of date: June 30, 2025
Total shares outstanding: 1,610,000 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

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.

Common Stock

The holders of the Issuer's common stock currently have: (a) equal ratable rights to dividends from funds legally available therefor, when, as and if declared by our Board of Directors; (b) are entitled to share ratably in all of our assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of the affairs of our company; (c) do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights applicable thereto; and (d) are entitled to one non-cumulative vote per share

on all matters on which shareholders may vote. Our Bylaws provide that, at all shareholder meetings for the election of directors, a plurality of the votes cast shall be sufficient to elect. On all other matters, except as otherwise required by Oklahoma law or our Articles of Incorporation, as amended, a majority of the votes cast at a meeting of the shareholders shall be necessary to authorize any corporate action to be taken by vote of the shareholders. Our Chief Executive Officer, Joseph Babiak, owns our one (1) issued and outstanding share of Series A Preferred Stock and effectively controls all corporate matters relating to the Issuer.

Non-cumulative Voting. Holders of shares of the Issuer's common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in such event, the holders of the remaining shares will be unable to elect any of our directors.

Pre-emptive Rights. As of the date of this filing, no holder of any shares of our common stock has pre-emptive or preferential rights to acquire or subscribe for any unissued shares of any class of our capital stock not disclosed herein.

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

Series A Preferred Stock

The Issuer is authorized to issue one (1) share of Series A Preferred Stock, which 1 Share is owned by our Chief Executive Officer ("CEO"), Joseph Babiak, giving the Issuer's CEO effective voting control of the Issuer as it entitles the owner to as many votes as our issued and outstanding common stock on all matters submitted to the holders of our common stock and votes together with the holders of our common stock as a single class.

As the owner of the majority of outstanding shares of the Series A Preferred Stock, Joseph Babiak effectively controls the management and affairs of the Issuer, as well as matters requiring the approval by our shareholders, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets, and any other significant corporate transaction.

Series B Preferred Stock

We are authorized to issue 1,610,000 shares of Series B Preferred Stock, which shares are all outstanding and were issued to one person for an investment that enabled the Issuer to acquire the land on which the Cannabis cultivation and processing facility ("CCF") is located. The outstanding shares of Series B Preferred Stock entitles their owner to a dividend equal to 90% of the rents earned by the land, which is charged by the Issuer to its subsidiary, Phenogene, LLC, for locating its Cannabis Cultivation Facility ("CCF") on the Issuer's land. The holder of the Series B Preferred Stock is also entitled to a lien on the land equal to \$805,000, which would be owed to said holder upon liquidation or sale of the Issuer.

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

Dividend Policy

The Issuer has never declared or paid any dividends on its common stock and intends to retain future earnings, if any, to finance the expansion of its business. As a result, the Issuer does not anticipate paying any cash dividends in the foreseeable future.

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>January 1, 2023</u> Common: <u>21,909,617</u> Preferred: <u>1,610,001</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>02/02/2023</u>	<u>NEW ISSUANCE</u>	<u>40,000</u>	<u>Common</u>	<u>.20</u>	<u>No</u>	<u>John Ferguson</u>	<u>Cash</u>	<u>Unrestricted</u>	<u>RegA</u>

02/23/2023	NEW ISSUANCE	100,000	Common	.20	No	Matthew Cohen	Consulting Service Provided	Restricted	4(a)(2)
02/23/2023	NEW ISSUANCE	250,000	Common	.20	No	John Ullrich	Board Member Service Provided	Restricted	4(a)(2)
03/12/2023	NEW ISSUANCE	50,000	Common	.20	No	Adrienne Noyes	Cash	Unrestricted	RegA
03/20/2023	NEW ISSUANCE	100,000	Common	.20	No	Nathan Gooden	Cash	Unrestricted	RegA
03/21/2023	NEW ISSUANCE	500,000	Common	.20	No	Joseph Belmont	Cash	Unrestricted	RegA
04/26/2024	NEW ISSUANCE	133,750	Common	.20	Yes	Colin and Gursharn Harvey	Debt conversion	Restricted	4(a)(2)
11/05/2024	NEW ISSUANCE	150,000	Common	1.08	No	Steven Earley	Services Provided	Restricted	4(a)(2)
11/05/2024	NEW ISSUANCE	50,000	Common	1.08	No	Joseph Neihart	Services Provided	Restricted	4(a)(2)
11/05/2024	NEW ISSUANCE	50,000	Common	1.08	No	Adam Lee	Services Provided	Restricted	4(a)(2)
11/05/2024	NEW ISSUANCE	50,000	Common	1.08	No	Christopher Lee	Services provided	Restricted	4(a)(2)
01/18/2025	CANCELLATION	-1,042	Common	1.10	No	Growth Stalk Holdings Corp	Re-Purchased from Brent Humphrey	1042 Shares Returned to Treasury	Privately negotiated agreement dated 1/18/25 with Brent Humphrey
02/27/2025	NEW ISSUANCE	1,500,000	Common	.10	Yes	Bernard Petersen	Cash	Restricted	Rule 506(b)
07/07/2025	NEW ISSUANCE	500,000	Common	.10	Yes	Nathan Gooden	Cash	Restricted	Rule 506(b)

Shares Outstanding on Date of This Report:
Ending Balance:
Date: August 14, 2025
Common: 25,382,325
Preferred: 1,610,001

Example: A company with a fiscal year end of December 31st 2024, 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, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

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 ²	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
01/09/2023	<u>20,000</u>	<u>24,833</u>	01/09/2024	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	22,075	*Walter Babiak	Convertible Promissory Note
<u>05/03/2023</u>	<u>30,000</u>	<u>36,250</u>	<u>5/03/2024</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	32,222	*Walter Babiak	Convertible Promissory Note
05/10/2023	<u>22,000</u>	<u>26,583</u>	05/10/2024	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	23,630	Epic Energies (Joseph Belmont)	Convertible Promissory Note
06/30/2023	<u>10,000</u>	<u>12,000</u>	06/30/2024	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	10,667	Adam Lee	Convertible Promissory Note
07/17/2024	50,000	<u>54,583</u>	07/17/2025	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	48,519	Gordon Shrag	Convertible Promissory Note
07/22/2024	5,000	<u>5,458</u>	07/22/2025	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the	0	4,852	**Cathleen Babiak	Convertible Promissory Note

				date of Conversion				
<u>07/22/2024</u>	<u>5,000</u>	<u>5,458</u>	<u>07/22/2025</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	4,852	<u>Richard Gantz</u>	Convertible Promissory Note
<u>09/02/2024</u>	<u>20,000</u>	<u>21,500</u>	<u>09/02/2025</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 40% discount to the bid price on the day prior to the date of Conversion	0	15,927	<u>Andrea Bennett</u>	Convertible Promissory Note
<u>11/04/2024</u>	<u>220,000.00</u>	<u>232,833</u>	<u>11/04/2025</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 40% discount to the bid price on the day prior to the date of Conversion	0	172,470	<u>*Walter Babiak</u>	Convertible Promissory Note
<u>01/6/2025</u>	<u>50,000.00</u>	<u>52,083</u>	<u>01/06/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	46,297	<u>Bernard Petersen</u>	Convertible Promissory Note
<u>06/03/2025</u>	<u>70,000</u>	<u>70,000</u>	<u>06/03/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	62,222	<u>*Walter Babiak</u>	Convertible Promissory Note
<u>06/04/2025</u>	<u>25,000</u>	<u>25,000</u>	<u>06/04/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: \$0.10 per share	0	<u>250,000</u>	<u>Colin and Gursharn Harvey</u>	Convertible Promissory Note
<u>06/05/2025</u>	<u>15,000</u>	<u>15,000</u>	<u>06/05/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	<u>13,333</u>	<u>Douglas Bennett</u>	Convertible Promissory Note

<u>06/09/2025</u>	<u>25,000</u>	<u>25,000</u>	<u>06/09/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	22,222	<u>***Joseph Babiak</u>	Convertible Promissory Note
<u>07/11/2025</u>	<u>5,000</u>	<u>5,000</u>	<u>07/11/2026</u>	Conversion Amount: sum of unpaid principal and Interest. Conversion Price: 50% discount to the bid price on the day prior to the date of Conversion	0	<u>4,444</u>	<u>***Joseph Babiak</u>	Convertible Promissory Note
Total Outstanding Balance:		611,583	Total Shares:		0	733,733		

Any additional material details, including footnotes to the table are below:

*Walter Babiak is the father of our Chief Executive Officer, Joseph Babiak.

**Cathleen Babiak is the mother of our Chief Executive Officer, Joseph Babiak.

***Joseph Babiak is our Chief Executive Officer.

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")

Growth Stalk Holdings Corp, incorporated in Oklahoma in 2021, operates as a holding company, targeting cannabis and cannabis-related businesses. The Company owns and operates grow and processing facilities in OK with plans to expand as a multi-state operation.

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

Phenogene, LLC (WY), 100% owned subsidiary. Growers Consulting & Supply, LLC (FL), 100% owned subsidiary. Southbound Sunshine, LLC (OK), 25% owned subsidiary. Heady House, LLC (OK), 50% owned subsidiary. Hash RX, LLC (OK) affiliated company

C. Describe the issuers' principal products or services.

The Issuer offers a range of products and services tailored to support and empower companies in the cannabis industry. These products and services are designed to help cannabis entities thrive and achieve their growth potential while minimizing operational challenges and risks.

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 Issuer's 10 acre property has 12,500 square feet of commercial buildings and 4,500 square feet of office spaces, which are located in Seminole, OK. The property is owned by Phenogene LLC, the Issuer's wholly owned subsidiary. Phase One of Two Phases of the build out is complete with revenue generating operations. Phase One is in pristine condition and Phase Two has been cleared for buildout of future expansion. These buildings house the assets and equipment of Growers Consulting and Supply, another wholly owned subsidiary of the Issuer.

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.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
<u>Joseph Walter Babiak</u>	<u>Chairman, CEO, CFO, President</u>	<u>Seminole, OK</u>	<u>16,250,000</u>	<u>Common</u>	<u>65.307</u>
<u>Joseph Walter Babiak</u>	<u>Chairman, CEO, CFO, President</u>	<u>Seminole, OK</u>	<u>1</u>	<u>Preferred A</u>	<u>100.00</u>
<u>John Ullrich</u>	<u>Board Member</u>	<u>Spring, TX</u>	<u>276,042 *</u>	<u>Common</u>	<u>1.11</u>
<u>Nickolas Salomon Tabraue</u>	<u>Compliance Officer</u>	<u>Miami, FL</u>	<u>0</u>		<u>0</u>
<u>David DiCiocco</u>	<u>5% or more</u>	<u>Fort Lauderdale, FL</u>	<u>720,000</u>	<u>Common</u>	<u>2.894</u>
<u>David DiCiocco</u>	<u>5% or more</u>	<u>Fort Lauderdale, FL</u>	<u>1,610,000</u>	<u>Preferred B</u>	<u>100.00</u>
<u>Bernard Petersen</u>	<u>5% or more</u>	<u>Eugene, OR</u>	<u>1,500,000</u>	<u>Common</u>	<u>6.028</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.

*26,042 shares of the 276,042 shares are held by Jane & John Ullrich (Joint Tenant)

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);

NONE

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;

NONE

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;

NONE

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.

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.

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

Name: Frederick M. Lehrer, P.A.
Address 1: 2108 Emil Jahna Road
Address 2: Clermont, FL 34711
Phone: (561) 706-7646
Email: flehrer@securitiesattorney1.com

Accountant or Auditor

Name: Jason Reid
Firm: Greystone Reporting, LLC
Address 1: 1512 Grand and Avenue
Address 2: Santa Barbara, CA 93103
Phone: (347)-708-0410
Email: jason@greystone-reporting.com

9) Disclosure & Financial Information

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

Name: **Joseph Babiak**
Title: **CEO, CFO**
Relationship to Issuer: **CEO, CFO**

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: **Jason Reid**
Title: **Fractional CFO**
Relationship to Issuer: **Consultant**

Describe the qualifications of the person or persons who prepared the financial statements:⁶ **Has been preparing US GAAP financial statements for 25 years and has significant experience of public company reporting.**

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)

⁶ 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 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.

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, Joseph Babiak certify that:

1. I have reviewed this Disclosure Statement for Growth Stalk Holdings Corp
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.

August 14, 2025 [Date]

/s/ Joseph Babiak [CEO's Signature]

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

Principal Financial Officer:

I, Joseph Babiak certify that:

1. I have reviewed this Disclosure Statement for Growth Stalk Holdings Corp
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.

August 14, 2025 [Date]

/s/ Joseph Babiak [CFO's Signature]

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



**GROWTH STALK HOLDINGS, CORP
(GSTK)**

**QUARTERLY REPORT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

August 14, 2025

11991 N. Highway 99
Seminole
OK 74868

GROWTH STALK HOLDINGS, CORP
QUARTERLY REPORT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Unaudited)

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GROWTH STALK HOLDINGS, CORP
Condensed Consolidated Unaudited
Balance Sheet

	Notes	As at June 30, 2025	As at December 31, 2024
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	2	\$ 19,639	\$ 52,006
Accounts receivable, net	2	89,917	61,365
Inventory		154,952	115,634
Deposits & prepayments		15,779	9,924
Total current assets		280,287	238,929
<u>Fixed assets</u>			
Land & buildings	6	707,317	707,317
Property, plant & equipment	6	480,259	315,012
Leasehold improvements	6	3,252	3,252
Vehicles	6	70,861	67,861
Accumulated depreciation	6	(309,327)	(265,476)
TOTAL ASSETS		\$ 1,232,649	\$ 1,066,895
LIABILITIES & STOCKHOLDERS' EQUITY			
<u>Current liabilities</u>			
Accounts payable, trade		\$ 29,158	\$ 25,251
Accrued expenses		146,128	125,335
Convertible loans & notes payable, short-term or current	7	192,000	102,000
Line of credit	7	38,698	45,153
Related party loans & notes payable, short-term or current	7,10	116,614	120,300
Related party convertible loans & notes payable, short-term or current	7,10	375,000	280,000
Total current liabilities		897,599	698,038
Loans & notes payable - long-term, net of short-term or current	7	46,627	44,783
TOTAL LIABILITIES		\$ 944,226	\$ 742,822
STOCKHOLDERS' EQUITY			
<u>Preferred stock:</u>			
Preferred stock Series A: par value \$0.0001, 1 authorized and 1 issued and outstanding at June 30, 2025 and December 31, 2024	8	-	-
Preferred stock Series B: par value \$0.0001, 1,610,000 authorized and 1,610,000 issued and outstanding at June 30, 2025 and December 31, 2024	8	161	161
Common stock: par value \$0.0001, 500,000,000 authorized and 24,882,325 and 23,383,367 issued and outstanding at June 30, 2025 and December 31, 2024 respectively	8	2,488	2,338
Additional paid-in capital		2,432,874	2,284,170
Noncontrolling interest		(762,995)	(675,710)
Accumulated deficit		(1,384,105)	(1,286,886)
TOTAL STOCKHOLDERS' EQUITY		288,423	324,074
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ 1,232,649	\$ 1,066,895

See accompanying notes to these condensed consolidated unaudited financial statements.

GROWTH STALK HOLDINGS, CORP
Condensed Consolidated Unaudited
Statement of Operations

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenues	\$ 188,678	\$ 108,489	\$ 367,122	\$ 286,158
Cost of goods sold	128,715	119,853	288,324	204,971
Gross profit	59,963	(11,364)	78,798	81,187
Operating expenses				
Selling, general & administrative expenses	93,642	117,306	189,841	218,542
Bad debt provision	(96)	-	(96)	-
Depreciation & amortization	22,664	19,196	43,851	38,394
Total operating expenses	116,210	136,502	233,596	256,936
Net operating loss	(56,247)	(147,866)	(154,799)	(175,749)
Other income (expenses)				
Bank charges	(1,513)	-	(3,024)	-
Bank/loan interest accrued	-	(2,357)	(11,551)	(4,928)
Bank /loan interest paid	(12,640)	(1,882)	(13,423)	(6,756)
Noncontrolling interest	29,167	85,479	87,285	88,859
Net loss before income taxes	\$ (41,233)	\$ (66,626)	\$ (95,512)	\$ (98,574)
Provision for corporation taxes	(1,486)	-	(1,707)	-
Net loss	\$ (42,718)	\$ (66,626)	\$ (97,219)	\$ (98,574)
Net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	24,882,325	23,016,492	24,132,846	23,016,492

See accompanying notes to these condensed consolidated unaudited financial statements.

GROWTH STALK HOLDINGS, CORP
Consolidated Unaudited
Statement of Changes in Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in Capital	Non- Controlling Interest	Accumulated Surplus (Deficit)	Total
	Number	Value	Number	Value				
Balance b/f as at January 1, 2024	1,610,001	\$ 161	22,949,617	\$ 2,295	\$ 1,933,387	\$ (300,189)	\$ (1,025,975)	\$ 609,680
Common stock issued for cash	-	-	133,750	13	26,737	-	-	26,750
Non-controlling interest	-	-	-	-	-	(88,859)	-	(88,859)
Net loss, six months ending June 30, 2024	-	-	-	-	-	-	(98,574)	(98,574)
Balance c/f as at June 30, 2024	<u>1,610,001</u>	<u>\$ 161</u>	<u>23,083,367</u>	<u>\$ 2,308</u>	<u>\$ 1,960,124</u>	<u>\$ (389,048)</u>	<u>\$ (1,124,549)</u>	<u>\$ 448,997</u>
Balance b/f as at January 1, 2025	1,610,001	\$ 161	23,383,367	\$ 2,338	\$ 2,284,170	\$ (675,710)	\$ (1,286,886)	\$ 324,074
Common stock issued for cash	-	-	1,500,004	150	149,850	-	-	150,000
Common stock repurchased and cancelled	-	-	(1,042)	(0)	(1,146)	-	-	(1,146)
Non-controlling interest	-	-	-	-	-	(87,285)	-	(87,285)
Net loss, six months ended June 30, 2025	-	-	-	-	-	-	(97,219)	(97,219)
Balance c/f as at June 30, 2025	<u>1,610,001</u>	<u>\$ 161</u>	<u>24,882,329</u>	<u>\$ 2,488</u>	<u>\$ 2,432,874</u>	<u>\$ (762,995)</u>	<u>\$ (1,384,105)</u>	<u>\$ 288,423</u>

See accompanying notes to these consolidated unaudited financial statements.

GROWTH STALK HOLDINGS, CORP
Condensed Consolidated Unaudited
Statement of Cash Flow

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (97,219)	\$ (98,574)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation and amortization	43,851	38,394
Bad debt provision	(96)	-
Minority interest	(87,285)	(88,859)
Changes in operating assets and liabilities:		
Accounts receivable	(28,456)	(5,530)
Accounts payable and other current liabilities	24,701	96,926
Inventory	(39,317)	(27,469)
Other current assets	(5,856)	2,448
NET CASH (USED IN) OPERATING ACTIVITIES	(189,677)	(82,663)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of tangible assets	(168,247)	-
Sale (purchase) of intangible assets	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(168,247)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity	148,854	-
Proceeds from (repayment of) debt instruments	85,390	50,027
Related party loans	91,314	16,508
NET CASH PROVIDED BY FINANCING ACTIVITIES	325,558	66,535
NET (DECREASE) IN CASH	(32,367)	(16,129)
Cash, beginning of period	52,006	21,926
Cash, end of period	<u>\$ 19,639</u>	<u>\$ 5,797</u>
SUPPLEMENTAL DISCLOSURES		
<u>Supplemental schedules of non-cash investing and financing activities</u>		
Income taxes paid	<u>\$ 1,707</u>	<u>\$ -</u>
Conversion of debt to common or preferred stock	<u>\$ -</u>	<u>\$ 26,750</u>
Interest paid	<u>\$ 13,423</u>	<u>\$ 6,756</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

GROWTH STALK HOLDINGS, CORP
Condensed Consolidated Unaudited
Notes For the Three and Six Months Ended June 30, 2025 and 2024

NOTE 1. NATURE AND BACKGROUND OF BUSINESS

The accompanying consolidated financial statements include Growth Stalk Holdings, Corp (the 'Company', 'we' or 'us'), an Oklahoma corporation, its wholly-owned subsidiaries and any majority controlled interests.

Growth Stalk Holdings Corp (the 'Company') is a group of five related entities through ownership and common management: Growth Stalk Holdings Corp, Phenogene LLC, Southbound Sunshine LLC, Growers Consulting & Supply LLC and Heady House LLC, established to assist cannabis companies to access the stock market, benefit from industry resources and provide administrative services, commercial real estate, and infrastructure leasing in the cannabis markets.

The Company operates, and invests in, entities for use in the production, distribution and sales of cannabis and cannabis-infused products licensed under the laws of the state of Oklahoma. The Company has ownership of three state issued cannabis licenses - cultivation, processing, and delivery.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared for Growth Stalk Holdings, Corp in accordance with accounting principles generally accepted in the United States of America (US GAAP), with all numbers shown in US Dollars.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the financial statements have been included. The financial statements include acquired subsidiaries, as discussed below, and include all consolidation entries required to include those subsidiaries.

Principals of Consolidation

The Company's policy is to consolidate all entities that it controls by ownership of a majority of the outstanding voting stock. In addition, the Company consolidates entities that meet the definition of a variable interest entity ("VIE") for which it is the primary beneficiary. The primary beneficiary is the party who has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and who has an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity. For consolidated entities that are less than wholly owned, the third party's holding of equity interest is presented as noncontrolling interests in the Company's Consolidated Balance Sheets and Consolidated Statements of Changes in Stockholders' Equity. The portion of net loss attributable to the noncontrolling interests is presented as net loss attributable to noncontrolling interests in the Company's Consolidated Statements of Operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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.

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 only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once a contract is determined to be within the scope of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company expects to recognize revenues as 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.

Financial Instruments

The Company's financial instruments include cash, accounts payables, accrued liabilities and debt and are accounted for under the provisions of ASC Topic 825, "Financial Instruments". The carrying amount of these financial instruments as reflected in the balance sheets approximates fair value.

Cash and Cash Equivalents

For the Balance Sheet and Statement of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. The Company had no cash equivalents as at June 30, 2025 or December 31, 2024.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions with accounts that are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2025 and 2024, the Company’s cash balance did not exceed FDIC coverage. The Company has not experienced any losses in such accounts and periodically evaluates the credit worthiness of the financial institutions and has determined the credit exposure to be negligible.

Accounts Receivable

Accounts receivable are shown net of any allowance for doubtful accounts, determined as such when management has made a decision that an account is not collectible. As at June 30, 2025, the allowance for doubtful or non-collectible accounts receivable was nil.

Inventory

Inventory is stated at the lower of cost (First in, First Out method) or net realizable value. As at June 30, 2025, inventory was held according to the following breakdown:

	June 30, 2025
Raw materials	\$ 20,359
Work in progress	8,388
Finished goods	126,205
Total	\$ 154,952

Fixed Assets and Depreciation

The Company may own fixed assets of certain types, which are carried at cost less depreciation. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired, or disposed of, the cost and accumulated depreciation are removed from the financial statements, and any resulting gains or losses are included in income in the year of disposition. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, according to the following policies:

- Land and buildings, useful life of 20 years, straight-line depreciation of 5% annually
- Machinery and equipment, useful life of 3-6 years, straight-line depreciation of 16.7-33.3% annually
- Lease improvements, the lesser of 15 years or the remaining length of the lease
- Motor vehicles, useful life of 4-5 years, straight line depreciation of 20-25% annually

Intangible Assets

The Company has intangible assets which were acquired via acquisition, and which consist primarily of goodwill and brand name. The Company’s intangible assets represent long-lived assets.

Amortization of Definite Life Intangible Assets

Definite life intangible assets are amortized over their estimated useful life. The Company periodically evaluates the carried values of its finite-lived intangible assets to determine whether events and circumstances warrant any revision. As of June 30, 2025, the Company believes there is not any impairment to be recognized.

Impairment of Long-Lived Intangible Assets

Long-lived intangible assets, such as goodwill, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable or that the useful life is shorter than the Company had originally estimated. When these events occur, the Company evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Company recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets.

No impairment charges were recognized for the period ended June 30, 2025 or the year ending December 31, 2024.

Warrant Liability

The Company accounts for certain common stock warrants outstanding as a liability at fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s consolidated statements of operations. The fair value of the warrants issued by the Company has been estimated using a Black Scholes model.

Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in the statement of operations. If the conversion feature does not require recognition of a bifurcated derivative, the convertible debt instrument is evaluated for consideration of any beneficial conversion feature (“BCF”) requiring separate recognition. When the Company records a BCF, the intrinsic value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid-in capital) and amortized to interest expense over the life of the debt.

Leases

The Company determines whether a contract contains a lease at contract inception. A contract contains a lease if there is an identified asset and the Company has the right to control the asset. Operating lease 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. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company uses the incremental borrowing rate in determining the present value of lease payments. Leases with a term of twelve (12) months or less at the commencement date are not recognized on the balance sheet and are expensed as incurred.

Commitments and Contingencies

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Income Taxes

Income taxes are provided in accordance with the FASB Accounting Standards (ASC 740), Accounting for Income Tax. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Any deferred tax expense (benefit) resulting from the net change during the year is shown as deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it was more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

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 federal tax return and any state tax returns are not currently under examination.

The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

In December 2017, the Tax Cuts and Jobs Act (TCJA or the Act) was enacted, which significantly changed US tax law. In accordance with ASC 740, 'Income Taxes', the Company is required to account for the new requirements in the period that includes the date of enactment. The Act reduced the overall corporate income tax rate to 21.0%, created a territorial tax system (with a one -time mandatory transition tax on previously deferred foreign earnings), broadened the tax base and allowed for the immediate capital expensing of certain qualified property.

Basic and Diluted Net Income (Loss) Per Share

Basic and diluted earnings or loss per share (“EPS”) amounts in the consolidated financial statements are computed in accordance with Accounting Standards Codification (“ASC”) 260 – 10 “Earnings per Share”, which establishes the requirements for presenting EPS. Basic EPS is based on the weighted average number of shares of common stock outstanding. Diluted EPS is based on the weighted average number of shares of common stock outstanding and dilutive common stock equivalents. Basic EPS is computed by dividing net income or loss available to common stockholders (numerator) by the weighted average number of shares of common stock outstanding (denominator) during the period. Potentially dilutive securities are excluded from the calculation of diluted loss per share, if their effect would be anti-dilutive. For periods in which the Company reports net losses, diluted net loss per share is the same as basic net loss per share because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Stock Based Compensation

Codification topic 718 “Stock Compensation” requires that the cost resulting from all share-based transactions be recorded in the financial statements and establishes fair value as the measurement objective for share-based payment transactions with employees and acquired goods or services from non-employees. The codification also provides guidance on valuing and expensing these awards, as well as disclosure requirements of these equity arrangements. The Company adopted the codification upon creation of the Company and will expense share-based costs in the period incurred.

The Company has adopted a stock option plan. The Company measures compensation expense for all stock-based payment awards, including stock options and restricted stock units granted to employees, directors, and nonemployees, based on the estimated fair value of the awards on the date of grant. Compensation expense is recognized ratably in earnings, generally over the period during which the recipient is required to provide service. The compensation expense is adjusted based on actual forfeitures as necessary.

The stock options vest ratably over the contractual vesting period and the fair value of our awards is estimated on the date of grant using a Black-Scholes option-pricing model. Restricted stock units vest ratably over the contractual vesting period and the fair value of the awards are estimated on the date of grant as the underlying value of the award. Awards with graded vesting features are recognized over the requisite service period for the entire award. The determination of the grant date fair value of stock awards issued is affected by a number of variables and subjective assumptions, including (i) the fair value of the Company's common stock, (ii) the expected common stock price volatility over the expected life of the award, (iii) the expected term of the award, (iv) risk-free interest rates, (v) the exercise price, and (vi) the expected dividend yield of our common stock.

Options or warrants issued to consultants, sub-contractors or suppliers are assessed for fair value on issuance and reviewed for fair value at each reporting period, with changes in fair value recorded to the income statement for the relevant period.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities". Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments when it has determined that the embedded conversion options should not be bifurcated from their host instruments in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying shares of common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares of common stock based upon the differences between the fair value of the underlying shares at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event not within the entity's control could require net cash settlement, then the contract shall be classified as an asset or a liability.

Fair Value of Financial Instruments

We adopted the guidance of ASC-820 for fair value instruments, which clarifies the definition of fair value, prescribes methods for determining fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value, as follows:

- Level 1 Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.
- Level 2 Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
- Level 3 Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts for cash, accounts receivable, accounts payable and accrued expenses, and loans payable approximate their fair value based on the short-term maturity of these instruments. We did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance as at June 30, 2025 or December 31, 2024.

ASC 825-10 "Financial Instruments" allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. We elected to apply the fair value option to outstanding instruments.

Derivative Liabilities

Derivative financial instruments consist of convertible instruments and rights to shares of the Company's common stock. The Company assessed that it had no derivative liabilities as at June 30, 2025 or December 31, 2024.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirement of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Impact of New Accounting Standards

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Management's Evaluation of Subsequent Events

The Company evaluates events that have occurred after the balance sheet date of this report, through the date which the consolidated financial statements were available to be issued. Based upon the review, other than as described in Note 13, Subsequent Events, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements.

NOTE 3. GOING CONCERN

In accordance with the requirements of ASC 2415, the Board of Directors have performed an assessment of the entity's ability to continue as a going concern when preparing financial statements. The Board has considered whether:

- there is an intention to liquidate the Company
- there is an intention to cease operations
- the Company has no realistic alternative but to liquidate or cease operations.

Furthermore, we have considered various events and conditions that may exist and impact the Company individually or collectively may cast significant doubt on the entity's ability to continue as a going concern.

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern.

The Company has a limited operating history and had a cumulative net loss from inception to June 30, 2025 of \$1,384,105. The Company has a working capital deficit of \$617,311 as at June 30, 2025.

These factors raise substantial doubt about the Company's ability to continue as a going concern, within one year from the issuance date of the consolidated financial statements. Management expects to incur substantial additional expenses over the next several years as their commercial activities increase.

These financial statements for the six months ended June 30, 2025 have been prepared assuming the Company will continue as a going concern, which is dependent upon the Company's ability to generate future profits and/or obtain necessary financing to meet its obligations as they come due.

The management has committed to an aggressive growth plan for the Company. The Company's future operations are dependent upon external funding and its ability to execute its business plan, realize sales and control expenses. Management believes that sufficient funding will be available from additional borrowings and private placements to meet its business objectives including anticipated cash needs for working capital, for a reasonable period of time. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of its business operations, or if obtained, upon terms favorable to the Company.

While the recreational use of cannabis is legal under the laws of certain States, where the Company has and is working towards further finalizing the acquisition of entities or investment in entities that directly produce or sell cannabis, the use and possession of cannabis is illegal under United States Federal Law for any purpose, by way of Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, otherwise known as the Controlled Substances Act of 1970 (the "ACT"). Cannabis is currently included under Schedule I of the Act, making it illegal to cultivate, sell or otherwise possess in the United States.

On January 4, 2018, the office of the Attorney General published a memo regarding cannabis enforcement that rescinds directives promulgated under former President Obama that eased federal enforcement. In a January 8, 2018 memo, Jefferson B. Sessions, then Attorney General of the United States, indicated enforcement decisions will be left up to the U.S. Attorneys in their respective states clearly indicating that the burden is with "federal prosecutors deciding which cases to prosecute by weighing all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of federal prosecution, and the cumulative impact of particular crimes on the community." Subsequently, in April 2018, former President Trump promised to support congressional efforts to protect states that have legalized the cultivation, sale and possession of cannabis; however, a bill has not yet been finalized in order to implement legislation that would, in effect, make clear the federal government cannot interfere with states that have voted to legalize cannabis. Further in December 2018, the U.S. Congress passed legislation, which the President signed on December 20, 2018, removing hemp from being included with Cannabis in Schedule I of the Act.

These conditions raise substantial doubt as to the Company's ability to continue as a going concern. Should the United States Federal Government choose to begin enforcement of the provisions under the "ACT", the Company through its wholly owned subsidiaries could be prosecuted under the "ACT" and the Company may have to immediately cease operations and/or be liquidated upon its closing of the acquisition or investment in entities that engage directly in the production and or sale of cannabis.

Management believes that the Company has access to capital resources through potential issuances of debt or equity securities. However, if the Company is unable to raise additional capital, it may be required to curtail operations and take additional measures to reduce costs, including reducing its workforce, eliminating outside consultants, and reducing legal fees to conserve its cash in amounts sufficient to sustain operations and meet its obligations. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might become necessary should the Company be unable to continue as a going concern.

NOTE 4. ACQUISITIONS AND DISPOSALS

The Company has elected to implement push-down accounting for all of its acquisitions, where appropriate and unless otherwise stated, and implemented in accordance with ASC 805-50. Pushdown accounting is a method of accounting for the purchase of another company at the purchase price rather than its historical cost. The target company's assets and liabilities are written up (or down) to reflect the purchase price, and any gains and losses associated with the new book value are 'pushed down' from the acquirer's to the acquired company's income statement and balance sheet. The total amount paid to purchase the target becomes the target's new book value on the Company's financial statements.

Phenogene, LLC

On March 16, 2022, the Company completed a Share Acquisition Agreement with Phenogene, LLC, a Wyoming Limited Liability Company ('Phenogene'), owner of a cannabis cultivation facility in Seminole, Oklahoma, providing for the member, Joseph Babiak, to sell 100% of Phenogene's membership units to the Company in return for a payment of 12,750,000 Common Stock Shares (the 'Phenogene Acquisition'). Joseph Babiak was, and continues to be, our Chief Executive Officer and majority shareholder; accordingly, the Phenogene Acquisition is a related party transaction.

Southbound Sunshine, LLC

On March 17, 2022, the Company completed a Share Acquisition Agreement with Growers Consulting & Supply, a Florida Limited Liability Company ('Growers'), a start-up operation owning cannabis cultivation equipment. The Seller, David DiCiocco, sold 99 % of the membership units of Growers to the Company in return for a payment of 720,000 Common Stock shares of the Company (the 'Growers Acquisition'). At the acquisition date, Joseph Babiak, the Company's major shareholder and control person, was, and continues to be, CEO of Growers and his wife, Miho Babiak, the Company's Secretary, was, and continues to be, an administrator managing accounting of Growers. The Acquisition was under common control and was accounted for as a related party transaction. The entity is consolidated under variable interest entity accounting.

Southbound Sunshine, LLC

On March 16, 2022, the Company completed a Membership Acquisition Agreement of 25% of Southbound Sunshine, LLC, an Oklahoma Limited Liability Company ('Southbound') that holds Oklahoma cannabis grower's and medical cannabis processor's licenses. The Seller, Joseph Babiak, exchanged 25% of Southbound's membership units in return for 3,500,000 Common Stock Shares (the 'Southbound Acquisition'). At the time of the Southbound Acquisition, Joseph Babiak was, and continues to be, the Company's Chief Executive Officer and majority shareholder and, accordingly, the Southbound Acquisition was a related party transaction. The entity is consolidated under variable interest entity accounting.

Heady House, LLC

On January 5, 2023, the Company entered into a 50:50 joint venture with an Oklahoma Limited Liability Company, Hash RX, LLC, forming Heady House, LLC ('Heady House') as the joint venture vehicle to host an e-commerce website for apparel for the Company's brands. The Company's Chief Executive Officer along with the Company's staff and manager of Heady House make up the infrastructure of the joint venture. The consideration for the Company's 50% ownership interest was a \$10,000 investment. The entity is consolidated under variable interest entity accounting.

NOTE 5. OTHER CURRENT ASSETS

The Company had the following current assets as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Prepayments	14,563	9,792
Advances	1,216	-
Deposits	-	132
Totals	\$ 15,779	\$ 9,924

NOTE 6. FIXED ASSETS

The Company holds fixed assets with values at June 30, 2025 and December 31, 2024 as follows:

Asset	As at June 30, 2025	As at December 31, 2024
Buildings	\$ 600,000	\$ 600,000
Building improvements	106,516	106,516
Computers	1,600	1,600
Furniture and fixtures	44,320	44,320
Equipment	435,140	269,892
Leasehold	3,252	3,252
Vehicles	70,861	67,861

Accumulated depreciation	(309,327)	(265,476)
Total	\$ 952,362	\$ 827,965

During the six months ended June 30, 2025, a total of \$43,851 was charged to the Statement of Operations for depreciation.

NOTE 7. LOANS AND NOTES PAYABLE

The Company had loans and notes payable as at June 30, 2025 and December 31, 2024 totaling \$725,299 and \$520,050 respectively, as follows:

Description	Principal Amount	Date of Loan Note	Maturity Date	As at June 30, 2025	As at December 31, 2024
Convertible Note from Walter Babiak, 6 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion - see note (a) below	\$ 20,000	1/9/2023	7/9/2023	\$ 25,000	\$ 23,833
Convertible Note from Walter Babiak, 6 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion - see note (a) below	30,000	5/3/2023	11/3/2023	36,450	34,750
Convertible Note from Epic Energies, 6 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	22,000	5/10/2023	11/10/2023	26,767	25,483
Convertible Note from Adam Lee, 6 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	10,000	6/30/2023	12/30/2023	12,000	11,500
Promissory Note from Walter Babiak, 12 months, no interest - see note (a) below	25,000	11/7/2023	11/7/2024	25,000	25,000
Promissory Note from Joseph Neihart, 12 months, 8% interest - see note (a) below	5,000	1/18/2024	1/18/2025	3,502	5,363
Mortgage Note (secured) from Sooner State Bank, 65 months, 9% interest - see note (b) below	51,495	2/5/2024	7/5/2029	46,627	44,456
Line of Credit (secured) from Sooner State Bank, 12 months, 9% interest - see note (b) below	50,000	2/5/2024	2/5/2025	39,579	44,825
Convertible Note from Gordon Shrag, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	50,000	7/17/2024	7/17/2025	54,583	52,083
Convertible Note from Cathleen Babiak, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion - see note (a) below	5,000	7/22/2024	7/22/2025	5,458	5,208
Convertible Note from Richard Gantz, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion - see note (a) below	5,000	7/22/2024	7/22/2025	5,458	5,208
Convertible Note from Andrea Bennett, 12 months, 10% interest, convertible if still outstanding at maturity at a 40% discount to closing bid price on day immediately preceding conversion	20,000	9/2/2024	9/2/2025	21,667	20,508

Convertible Note from Walter Babiak, 12 months, 10% interest, convertible if still outstanding at maturity at a 40% discount to closing bid price on day immediately preceding conversion - see note (a) below	220,000	11/4/2024	11/5/2025	234,667	221,833
Convertible Note from Bernard Q Peterson, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	50,000	1/6/2025	1/6/2026	52,500	-
Convertible Note from Walter Babiak, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	70,000	6/3/2025	6/3/2026	70,583	-
Convertible Note from Colin and Gursharn Harvey, 12 months, 7% interest, convertible if still outstanding at maturity at \$0.10 per share	25,000	6/4/2025	6/4/2026	25,125	-
Convertible Note from Douglas Bennett, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	15,000	6/5/2025	6/5/2026	15,125	-
Convertible Note from Joseph Babiak, 12 months, 10% interest, convertible if still outstanding at maturity at a 50% discount to closing bid price on day immediately preceding conversion	25,000	6/9/2025	6/9/2026	25,208	-
Total				<u>\$ 725,299</u>	<u>\$ 520,050</u>
Long-term total				<u>\$ 46,627</u>	<u>\$ 44,456</u>
Short-term total				<u>\$ 678,672</u>	<u>\$ 475,594</u>

Loans and Notes Amortization	Amount Due
Due within 12 months	\$ 678,672
Due within 24 months	-
Due within 36 months	-
Due within 48 months	-
Due after 48 months	46,627
Total	<u>\$ 725,299</u>

Notes

(a) These Loans and Notes are all with related parties. See also Note 10. Related Party Transactions.

(b) These Loans are secured against real estate owned at 11991 N Highway 99, Seminole, OK 74868.

NOTE 8. CAPITAL STOCK

As at June 30, 2025 and December 31, 2024, the Company was authorized to issue Preferred Stock and Common Stock as detailed below.

Preferred Stock

At June 30, 2025 the Company was authorized to issue 5,000,000 shares of Preferred Stock, with 1,610,001 shares designated in two series:

Preferred Stock Series A The Company is authorized to issue 1 share of Series A, with a par value of \$0.0001 per share. As at January 1, 2023, the Company had 1 share of Series A preferred stock issued and outstanding.

At June 30, 2025 the Company had 1 shares of Preferred Stock Series A issued and outstanding.

Preferred Stock Series B The Company is authorized to issue 1,610,000 shares of Series B, with a par value of \$0.0001 per share. As at January 1, 2023, the Company had 1,610,000 shares of Series B preferred stock issued or outstanding.

At June 30, 2025 the Company had 1,610,000 shares of Preferred Stock Series B issued and outstanding.

As at June 30, 2025, the Company had a total of 1,610,001 share of Preferred Stock issued and outstanding.

Common Stock

As at June 30, 2025, the Company is authorized to issue up to 500,000,000 shares of Common Stock with par value of \$0.0001 per share.

At the inception of the Company, 16,970,000 shares were issued as founders shares for the acquisition of the related party Companies at \$414 value.

As at January 1, 2023, the Company had 21,909,617 shares of Common Stock issued and outstanding.

On February 2, 2023, the Company issued 40,000 shares of Common Stock to an investor for investment of \$8,000, or \$.20 per share.

On February 23, 2023, the Company issued 100,000 restricted shares of Common Stock to a consultant for services of \$20,000, or \$.20 per share.

On February 23, 2023, the Company issued 250,000 restricted shares of Common Stock to a consultant for services of \$50,000, or \$.20 per share.

On March 12, 2023, the Company issued 50,000 shares of Common Stock to an investor for investment of \$10,000, or \$.20 per share.

On March 20, 2023, the Company issued 100,000 shares of Common Stock to an investor for investment of \$20,000, or \$.20 per share.

On March 21, 2023, the Company issued 500,000 shares of Common Stock to an investor for investment of \$100,000, or \$.20 per share.

On April 26, 2024, the Company issued 133,750 restricted shares of Common Stock to a debt holder for debt conversion of \$26,750, or \$.20 per share.

On November 5, 2024, the Company issued 150,000 restricted shares of Common Stock to a consultant for services of \$162,000, or \$1.08 per share.

On November 5, 2024, the Company issued 50,000 restricted shares of Common Stock to a consultant for services of \$54,000, or \$1.08 per share.

On November 5, 2024, the Company issued 50,000 restricted shares of Common Stock to a consultant for services of \$54,000, or \$1.08 per share.

On November 5, 2024, the Company issued 50,000 restricted shares of Common Stock to a consultant for services of \$54,000, or \$1.08 per share.

On January 18, 2025, the Company canceled 1,042 shares of Common Stock from a shareholder.

On February 27, 2025, the Company issued 1,500,000 restricted shares of Common Stock to an investor for investment of \$150,000, or \$0.10 per share.

As at June 30, 2025, there were 24,882,325 shares of Common Stock issued and outstanding.

NOTE 9. INCOME TAXES

The Company uses the assets and liability method of accounting for income taxes pursuant to SFAS No. 109 "Accounting for Income Taxes". Under the assets and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. 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.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." Specifically, the pronouncement prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken from year ended December 31, 2015 tax return onwards. The interpretation also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The Company adopted this interpretation effective on inception.

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax assets result principally from the following:

Growth Stalk Holdings, Corp.	As at June 30, 2025	As at December 31, 2024
Deferred Tax Assets (Gross Values)		
Net operating loss brought forward	\$ 654,532	\$ 537,592
Net operating loss for year	40,659	116,940
Net operating loss carry forward	695,191	654,532
Less valuation allowance	(695,191)	(654,532)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	As at June 30, 2025	As at December 31, 2024
Heady House LLC		
Deferred Tax Assets (Gross Values)		
Net operating loss brought forward	\$ 15,881	\$ 13,865
Net operating loss for year	515	2,016
Net operating loss carry forward	16,396	15,881
Less valuation allowance	(16,396)	(15,881)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	As at June 30, 2025	As at December 31, 2024
Southbound Sunshine LLC		
Deferred Tax Assets (Gross Values)		
Net operating loss brought forward	\$ 472,840	\$ 235,111
Net operating loss for year	28,923	237,729
Net operating loss carry forward	501,763	472,840
Less valuation allowance	(501,763)	(472,840)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	As at June 30, 2025	As at December 31, 2024
Grower's Consulting & Supply, LLC		
Deferred Tax Assets (Gross Values)		
Net operating loss brought forward	\$ 14,333	\$ 9,972
Net operating loss for year	(4,790)	4,361
Net operating loss carry forward	9,543	14,333
Less valuation allowance	(9,543)	(14,333)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

	As at June 30, 2025	As at December 31, 2024
Phenogene, LLC		
Deferred Tax Assets (Gross Values)		
Net operating loss brought forward	\$ 1,891	\$ 1,197
Net operating loss for year	30,205	694
Net operating loss carry forward	32,096	1,891
Less valuation allowance	(32,096)	(1,891)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company has provided a full valuation allowance against the full amount of the net operating loss benefit for each entity, since, in the opinion of management, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

	As at June 30, 2025	As at December 31, 2024
Statutory federal income tax rate	21.00%	21.00%
Statutory state income tax rate	6.00%	6.00%
Valuation allowance	(27.00%)	(27.00%)
Effective tax rate	<u>0.00%</u>	<u>0.00%</u>

The overall position with regard to Deferred Tax Assets can be summarized as follows:

	As at June 30, 2025	As at December 31, 2024
Deferred Tax Assets (Gross Values)		
Net operating loss carry forward	\$ 1,254,989	\$ 1,159,477
Less valuation allowance	(1,254,989)	(1,159,477)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

NOTE 10. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions during the six months ended June 30, 2025 and year ending December 31, 2024.

	As at June 30, 2025	As at December 31, 2024
Convertible notes payable to related parties - see Note 7 above for detail	307,033	290,832
Promissory notes payable to related parties - see Note 7 above for detail	28,502	30,363
Totals	<u>335,535</u>	<u>321,195</u>

NOTE 11. COMMITMENTS AND CONTINGENCIES

The activities of the Company may, from time to time, create potential or contingent liabilities.

Contingent Liabilities

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

Leases

The Company executed a real property lease on June 14, 2022, with a monthly base rent of \$15,000, in Seminole, Oklahoma. The lease was renewed and the Company has an option to renew the lease for one subsequent year at a 5% increase in the base rent.

The Company executed a real property sub-lease on May 1, 2023, with a monthly base rent of \$1,700 in Seminole, Oklahoma. The lease has a one year term.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of June 30, 2025 and December 31, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

NOTE 12. NON-CONTROLLING INTEREST

Non-controlling ('NCI') interest in the Company is calculated as follows, based upon the non-controlling interests held in consolidated entities:

Entity	Period	Income (loss) for the Period	NCI Interest	NCI Amount	NCI Balance
Southbound Sunshine	Year ending December 31, 2022	\$ (145,211)	75%	\$ (108,908)	\$ (108,908)
	Year ending December 31, 2023	(235,111)	75%	(176,333)	(285,241)
	Year ending December 31, 2024	(510,039)	75%	(382,529)	(667,770)
	Six months ended June 30, 2025	(115,693)	75%	(86,770)	(754,540)
Heady House	Year ending December 31, 2023	(13,865)	50%	(6,932)	(6,932)
	Year ending December 31, 2024	(2,016)	50%	(1,008)	(7,940)
	Six months ended June 30, 2025	(1,030)	50%	(515)	(8,455)

The following table provides a summary of the non-controlling interest in the Company as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Balance, beginning of period	\$ (675,710)	\$ (292,173)
Additions	(87,285)	(383,537)
Balance, end of period	<u>\$ (762,995)</u>	<u>\$ (675,710)</u>

NOTE 13. SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the Company reported the following events:

On April 17, 2025, the Company entered into agreement with an investor regarding the issuance of 720,000 shares of Common Stock and 1,610,000 shares of Series B Preferred Stock in February and March 2022, whereby the 1,610,000 shares of Series B Preferred Stock will be cancelled and replaced with 10,930,000 shares of Common Stock. This agreement was executed in July 2025, and the share cancellations and issuances will be completed in the near future.

On July 7, 2025, an investor purchased 500,000 restricted shares of Common Stock from the Company at a price of \$0.10 per share, or \$50,000 in total.

On July 11, 2025, an investor purchased a \$5,000 Convertible Promissory Note from the Company, pursuant to an offering by the Company for up to \$1,900,000.