SOUTHERN ITS INTERNATIONAL, INC.

215 E. 4th Street
Waterloo, IA 50703
480-852-0780
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Quarterly Report

For the period ending March 31, 2026 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

327,171,488 as of March 31, 2026 *(Current Reporting Period Date or More Recent Date)*

327,171,488 as of December 31, 2025 *(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 Control[4] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[4] "Change in Control" shall mean any events resulting in:

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

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

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

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spatial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc. From June 30, 2017 to April 30, 2018 the Company did business under the name Evolution Enterprises, Inc.

The Company's address is 215 E. 4th Street, Waterloo, IA 50703 effective as of July 1, 2025. Prior to that, the address was 13901 N. 73rd Street, Suite 204, Scottsdale, AZ 85260 effective as of March 2024. Prior to that, the address was 42215 Washington Street, Suite A#345, Palm Desert, CA 92211 effective as of July 2022. Prior to that, the address was 74998 Country Club Drive, Suite 220-52, Palm Desert, CA 92260, effective as of October 20, 2020. Prior to that, the address was 11700 W. Charleston Blvd, Suite 170-170, effective as of April 30, 2018. Prior to that the address was 6671 South Las Vegas Blvd., Suite S-210, effective June 29, 2017. Prior to that, the address was 7935 W. Sahara Ave., Suites 103/120, Las Vegas, NV 89117, effective March 2015. Prior to that, the address was 9510 W. Sahara Ave., Suite 105, Las Vegas, NV 89117.

Current State and Date of Incorporation or Registration: Nevada, September 27, 1984
Standing in this jurisdiction: (e.g. active, default, inactive): Active.

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

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spacial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc.

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

N/A

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

N/A

Address of the issuer's principal executive office:

215 E. 4th Street, Waterloo, IA 50703

Address of the issuer's principal place of business:
X☐ *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: Pacific Stock Transfer Company
Phone: 800-785-7782
Email: jclaiborne@pacificstocktransfer.com
Address: 6725 Via Austi Parkway, Suite 300, Las Vegas, NV 89119

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:	SITS
Exact title and class of securities outstanding:	Common Stock
CUSIP:	843075 300
Par or stated value:	$0.001
Total shares authorized:	900,000,000 as of date: 3/31/26
Total shares outstanding:	327,171,488 as of date: 3/31/26
Total number of shareholders of record:	182 as of date: 3/31/26

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

N/A

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
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	10,000,000 as of 3/31/26
Total shares outstanding (if applicable):	5,000,000 as of 3/31/26
Total number of shareholders of record (if applicable):	1 as of 3/31/26

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	15,000,000 as of 3/31/26
Total shares outstanding (if applicable):	2,500,000 as of 3/31/26
Total number of shareholders of record (if applicable):	1 as of 3/31/26

Exact title and class of the security:	Series D Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	2,500,000 as of 3/31/26

Total shares outstanding (if applicable): -0- as of 3/31/26
Total number of shareholders of record
(if applicable): -0- as of 3/31/26

Exact title and class of the security: Series E Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of 3/31/26
Total shares outstanding (if applicable): -0- as of 3/31/26
Total number of shareholders of record
(if applicable): -0- as of 3/31/26

Exact title and class 30of the security: Series G Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 30,000,000 as of 3/31/26
Total shares outstanding (if applicable): 1,250,000 as of 3/31/26
Total number of shareholders of record
(if applicable): 1 as of 3/31/26

Exact title and class of the security: Series H Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 1,000,000 as of 3/31/26
Total shares outstanding (if applicable): -0- as of 3/31/26
Total number of shareholders of record
(if applicable): -0- as of 3/31/26

Exact title and class of the security: Series I Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of 3/31/26
Total shares outstanding (if applicable): 40,000 as of 3/31/26
Total number of shareholders of record
(if applicable): 1 as of 3/31/26

Exact title and class of the security: Series J Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 6,000,000 as of 3/31/26
Total shares outstanding (if applicable): -0- as of 3/31/26
Total number of shareholders of record
(if applicable): -0- as of 3/31/26

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.**

Dividends payable at the discretion of the Board of Directors. Vote at 1 vote for 1 share held. No preemption rights.

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

Series A Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.001 per share.
Voting rights of 500 votes per 1 share held.
No conversion rights.
Non-redeemable.

Series B Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series B
Non-redeemable.

Series D Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $1.00 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 1 share Series D for that number of shares of common stock that are equal to $1.00 based upon OTC Markets Average closing Bid price for 5 days prior to conversion.
Redeemable at $1.00 per share.

Series E Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series E
Non-redeemable.

Series G Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.04 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 25 shares of Series G for that number of shares of common stock that are equal to $1.00 based upon OTC Markets Average closing Bid price for 10 days prior to conversion.
Non-redeemable.

Series H Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series H
Non-redeemable.

Series I Preferred:

Dividends at the discretion of the Board of Directors.
Liquidation rights at $1.00 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 1 share of Series I for that number of shares of common stock that are equal to $1.00 based upon 80% of OTC Markets average closing Bid price for 10 days prior to conversion. (20% discount to market price of common stock)
Non-redeemable.

Series J Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 1 share of common stock for each share of Series J
Non-redeemable.

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

N/A

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

N/A

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares 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: X☐ (If yes, you must complete the table below)

Shares Outstanding as of the Second Most Recent Fiscal Year Opening Balance: Date 12/31/24 Common: 104,320,659 Preferred Series A: 5,000,000 Preferred Series B: 15,000,000 Preferred Series D: 2,500,000 Preferred Series E: 10,000,000 Preferred Series G: 1,250,000 Preferred Series H: 1,000,000 Preferred Series I: 40,000									
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of**	**Individual/ Entity Shares were issued to. ***You must disclose the control person(s)**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**

					issuance? (Yes/No)	for any entities listed.	Services Provided		
1/16/24	New Issuance	1,467,136	Common	$0.034	Yes	Tyler Junker	Note Conversion	Restricted	144
1/18/24	New Issuance	586,854	Common	$0.034	Yes	Luke Scott and Brittany Scott	Note Conversion	Restricted	144
2/12/24	New Issuance	1,400,000	Common	$0.001	Yes	CLL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	144
2/13/24	New Issuance	660,066	Common	$0.030	Yes	Tyler E. Junker	Note Conversion	Restricted	144
2/15/24	New Issuance	645,161	Common	$0.31	Yes	Gregory LeBlanc	Note Conversion	Restricted	144
2/19/24	Transfer (Cancel)	5,000,000	Series A Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/19/24	Transfer (Issue)	5,000,000	Series A Preferred	N/A	N/A	JCG Development Group LLC (Jeremy Larsen, Chad Shipman, and Gilmore Irey)	Issuer Ownership Reorg.	Restricted	144
2/19/24	Cancellation	(5,000,000)	Series B Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/19/24	New Issuance	6,000,000	Series J Preferred	N/A	N/A	James E. Shipley	Issuer Ownership Reorg.	Restricted	144
2/20/24	New Issuance	967,742	Common	$0.031	Yes	Tyler E. Junker	Note Conversion	Restricted	144
2/23/24	New Issuance	5,322,580	Common	$0.031	Yes	Jeffrey Mortimer	Note Conversion	Restricted	144
2/24/24	New Issuance	322,580	Common	$0.031	Yes	Tracy Junker	Note Conversion	Restricted	144

3/04/24	New Issuance	571,429	Common	$0.035	Yes	Victoria Schwab and David Schwab	Note Conversion	Restricted	144
3/06/24	New Issuance	714,286	Common	$0.035	Yes	Tyler E. Junker	Note Conversion	Restricted	144
3/08/24	New Issuance	714,286	Common	$0.035	Yes	Tyler E. Junker	Note Conversion	Restricted	144
3/15/24	New Issuance	1,428,571	Common	$0.035	Yes	Stuart Bestul	Note Conversion	Restricted	144
3/15/24	Cancellation	(2,500,000)	Series B Preferred	N/A	N/A	Russell Kidder	Issuer Ownership Reorg.	Restricted	144
3/22/24	New Issuance	613,497	Common	$0.033	Yes	Elaine McNiff	Note Conversion	Restricted	144
4/10/24	New Issuance	1,105,496	Common	$0.033	Yes	Tyler E. Junker	Note Conversion	Restricted	144
4/17/24	New Issuance	5,797,101	Common	$0.034	Yes	Derek Anderson	Note Conversion	Restricted	144
4/17/24	New Issuance	726,744	Common	$0.034	Yes	Tyler E. Junker	Note Conversion	Restricted	144
6/01/24	New Issuance	979,432	Common	$0.041	Yes	Tyler E. Junker	Note Conversion	Restricted	144
6/11/24	New Issuance	290,698	Common	$0.034	Yes	Danny R., Waid & Karen E. Waid	Note Conversion	Restricted	144
6/11/24	New Issuance	290,698	Common	$0.034	Yes	Todd W. Folkerts & Michelle K. Folkerts	Note Conversion	Restricted	144
6/11/24	New Issuance	3,333,333	Common	$0.045	Yes	Tanq Investments LLC (Timothy B. Guenther)	Note Conversion	Restricted	144

6/11/24	New Issuance	290,698	Common	$0.034	Yes	James R. Finley	Note Conversion	Restricted	144
6/11/24	New Issuance	872,093	Common	$0.034	Yes	Dennis W. Dudley	Note Conversion	Restricted	144
6/11/24	New Issuance	1,071,429	Common	$0.042	Yes	Dennis W. Dudley	Note Conversion	Restricted	144
6/11/24	New Issuance	1,162,791	Common	$0.034	Yes	Troy Even & Kelli Even	Note Conversion	Restricted	144
6/18/24	New Issuance	1,000,000	Common	$0.042	Yes	Louis Zumbach and Debra Zumbach	Note Conversion	Restricted	144
6/20/24	New Issuance	290,698	Common	$0.034	Yes	Andrew J. MacLennan & Tressa E. MacLennan	Note Conversion	Restricted	144
6/20/24	New Issuance	119,047	Common	$0.042	Yes	James Martindale	Note Conversion	Restricted	144
6/21/24	New Issuance	1,666,667	Common	$0.042	Yes	Brandon Bailey & Alisha Bailey	Note Conversion	Restricted	144
6/21/24	New Issuance	1,162,791	Common	$0.034	Yes	Fam5 Investments LLC (Jason Huff)	Note Conversion	Restricted	144
4/19/24	New Issuance	581,395	Common	$0.034	Yes	Schwab, Tori and Alta	Note Conversion	Restricted	144
5/29/24	New Issuance	2,232,143	Common	$0.044	Yes	Pacific Premier Trust, FBO William C. Clark (William C. Clark)	Note Conversion	Restricted	144
6/10/24	New Issuance	1,904,761	Common	$0.042	Yes	Wilson, David and Karen	Note Conversion	Restricted	144
6/24/24	New Issuance	305,232	Common	$0.034	Yes	David Laing	Note Conversion	Restricted	144

6/26/24	New Issuance	872,093	Common	$0.034	Yes	Dennis Nowels	Note Conversion	Restricted	144
7/08/24	Returned	(2,500,000)	Series D Preferred	N/A	N/A	Shibue Couture, Inc. (James E. Shipley)	Rescission	Restricted	144
8/20/24	New Issuance	279,486	Common	$0.034	Yes	Marcus Ludtke	Note Conversion	Restricted	144
8/22/24	New Issuance	1,956,400	Common	$0.034	Yes	Bestul Holdings LLC (Stuart Bestul)	Note Conversion	Restricted	144
8/30/24	New Issuance	277,778	Common	$0.035	Yes	James Martindale	Note Conversion	Restricted	144
9/11/24	New Issuance	1,000,000	Common	$0.035	Yes	Louis J, and Debra J. Zumbach	Note Conversion	Restricted	144
10/01/24	New Issuance	1,472,320	Common	$0.034	Yes	Tyler E. Junker	Note Conversion	Restricted	144
10/10/24	New Issuance	555,556	Common	$0.036	Yes	Dan Levi	Note Conversion	Restricted	144
10/10/24	New Issuance	277,778	Common	$0.036	Yes	James Martindale	Note Conversion	Restricted	144
10/23/24	New Issuance	2,906,977	Common	$0.034	Yes	Jeff Stickfort	Note Conversion	Restricted	144
10/24/24	New Issuance	436,045	Common	$0.034	Yes	Fam5 Investments LLC (Jason Huff)	Note Conversion	Restricted	144
10/28/24	New Issuance	1,500,000	Common	$0.0055	Yes	Jeremy M. Larsen	Equity Investment/ Acquisition of Kinzie LLC	Restricted	144
10/28/24	New Issuance	1,500,000	Common	$0.0055	Yes	Courtney M. Larsen	Equity Investment/ Acquisition of Kinzie LLC	Restricted	144

10/28/24	New Issuance	500,000	Common	$0.0055	Yes	Abbey Sires	Equity Investment/ Acquisition of Kinzie LLC	Restricted	144
10/28/24	New Issuance	250,000	Common	$0.0055	Yes	Shawn Berberich	Equity Investment/ Acquisition of Kinzie LLC	Restricted	144
10/28/24	New Issuance	250,000	Common	$0.0055	Yes	Adam Schug	Equity Investment/ Acquisition of Kinzie LLC	Restricted	144
11/12/24	New Issuance	2,000,000	Common	$0.038	Yes	Curtis Lee Hildebrand and Lisa Maria Hildebrand	Note Conversion	Restricted	144
11/08/24	New Issuance	263,158	Common	$0.038	Yes	Dustin Stotler	Note Conversion	Restricted	144
11/12/24	New Issuance	263,158	Common	$0.038	Yes	Doug Bruns	Note Conversion	Restricted	144
11/13/24	New Issuance	263,158	Common	$0.038	Yes	Scott Wildeboer and Jackie Wildeboer	Note Conversion	Restricted	144
11/19/34	New Issuance	263,158	Common	$0.038	Yes	Larry Kaufman	Note Conversion	Restricted	144
12/06/24	New Issuance	394,737	Common	$0.038	Yes	Jeffrey Palmer	Note Conversion	Restricted	144
11/20/24	New Issuance	1,428,571	Common	$0.035	Yes	Arnold E. Delbridge	Note Conversion	Restricted	144
11/28/24	New Issuance	310,752	Common	$0.032	Yes	Tracy Junker	Note Conversion	Restricted	144
11/28/24	New Issuance	1,553,760	Common	$0.032	Yes	Tyler Junker	Note Conversion	Restricted	144
1/1/25	New Issuance	500,000	Common	$0.040	Yes	Mike Wulf	Consulting Services	Restricted	144

1/1/25	New Issuance	500,000	Common	$0.040	Yes	David Szandzik	Consulting Services	Restricted	144
1/13/25	New Issuance	125,000	Common	$0.049	No	Lexy Negen	Administrative Services	Restricted	144
2/10/25	New Issuance	100,000	Common	$0.049	No	Griffin J. Ludtke	Promotional Services (NIL)	Restricted	144
2/10/25	New Issuance	100,000	Common	$0.049	No	Tanner C. Ludtke	Promotional Services (NIL)	Restricted	144
3/19/25	New Issuance	2,500,000	Common	$0.050	No	Clickstop, Inc, (Timothy B. Guenther)	Bookkeeping Services	Restricted	144
4/01/25	New Issuance	245,098	Common	$0.041	Yes	Paul Briski	Note Conversion	Restricted	144
5/12/25	New Issuance	245,098	Common	$0.041	Yes	Ryan and Kylee Knauss	Note Conversion	Restricted	144
4/14/25	New Issuance	125,000	Common	$0.040	Yes	Lori McConville	Consulting Agreement	Restricted	144
5/01/25	Returned	(500,000)	Preferred Series H	N/A	N/A	Compassionate Trust 2 (William Holder, Jr.)	Asset Purchase	N/A	N/A
5/01/25	Returned	(500,000)	Preferred Series H	N/A	N/A	William Holder III	Asset Purchase	N/A	N/A
7/01/25	New Issuance	50,000,000	Common	N/A	N/A	Gil Irey	Conversion of Series B Preferred Stock	Restricted	144
7/01/25	Cancelled	5,000,000	Series B Preferred	N/A	N/A	Gil Irey	Conversion into Common Stock	N/A	N/A
7/01/25	New Issuance	50,000,000	Common	N/A	N/A	Chad Shipman	Conversion of Series E Preferred Stock	Restricted	144

7/01/25	Cancelled	5,000,000	Series E Preferred	N/A	N/A	Chad Shipman	Conversion into Common Stock	N/A	N/A
7/01/25	New Issuance	25,000,000	Common	N/A	N/A	Jeremy Larsen	Conversion of Series E Preferred Stock	Restricted	144
7/01/25	Cancelled	2,500,000	Series E Preferred	N/A	N/A	Jeremy Larsen	Conversion into Common Stock	N/A	N/A
7/01/25	Returned to Treasury	2,500,000	Series E Preferred	N/A	N/A	Jeremy Larsen	Settlement	N/A	N/A
7/01/25	Transfer (Cancelled)	5,000,000	Series A Preferred	N/A	N/A	JCG Development Group LLC (Jeremy Larsen, Chad Shipman, and Gilmore Irey)	Transfer	Restricted	144
7/01/25	Transfer (Issued)	5,000,000	Series A Preferred	N/A	N/A	TCG HQ, LLC (Timothy Guenther, Jeremy Larsen, and Chad Shipman	Transfer	Restricted	144
8/14/25	Cancelled	6,000,000	Series J Preferred	N/A	N/A	James E. Shipley	Conversion into Common Stock	N/A	N/A
8/14/25	New Issuance	6,000,000	Common	N/A	N/A	James E. Shipley	Conversion of Series J Preferred Stock	Restricted	144
7/10/25	New Issuance	298,329	Common	$0.036	Yes	Richard Brecheisen II	Note Conversion	Restricted	144
8/22/25	New Issuance	14,030,612	Common	$0.039	Yes	Tanq Investments LLC (Timothy Guenther)	Note Conversion	Restricted	144
9/01/25	New Issuance	3,115,265	Common	$0.032	Yes	Mitchell Peyton	Note Conversion	Restricted	144
9/05/25	New Issuance	1,470,588	Common	$0.034	Yes	Derek Anderson	Note Conversion	Restricted	144

10/14/25	New Issuance	1,044,153	Common	$0.038	Yes	Jeffrey Mortimer	Note Conversion	Restricted	144
11/20/25	New Issuance	5,500,000	Common	$0.038	Yes	Dennis W. Dudley	Note Conversion	Restricted	144

Shares Outstanding on Date of This Report:	
Ending Balance: Date 3/31/26 Common: 327,171,488 Preferred A: 5,000,000 Preferred B: 2,500,000 Preferred D: -0- Preferred E: -0- Preferred G: 1,250,000 Preferred H: -0- Preferred I: 40,000 Preferred J: -0-	

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:

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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.)
4/25/23	$100,000	$60,074	4/25/25	80% of average stock price during 10 days before the conversion date	925,925	2,481,564	Burke Miehe	Loan

5/09/23	$50,000	$58,431	5/09/25	80% of average stock price during 10 days before the conversion date	-0-	2,413,693	Travis Mattoon	Loan
5/10/23	$40,000	$28,452	5/10/25	80% of average stock price during 10 days before the conversion date	586,854	1,175,33 0	Luke Scott and Brittany Scott	Loan
5/18/23	$100,000	$61,757	5/18/25	80% of average stock price during 10 days before the conversion date	925,925	2,551,081	Bestul Holdings LLC (Stuart Bestul)	Loan
9/12/23	$100,000	$120,278	9/12/25	80% of average stock price during 10 days before the conversion date	-0-	4,968,512	Burke Miehe	Loan
10/02/23	$70,000	$75,464	10/02/25	80% of average stock price during 10 days before the conversion date	-0-	3,117,312	Matt Smith	Loan
10/03/23	$100,000	$119,028	10/03/25	80% of average stock price during 10 days before the conversion date	-0-	4,916,876	Bestul Holdings LLC (Stuart Bestul)	Loan
Total Outstanding Balance: $523,483				**Total Shares:**	**13,558,385**	**21,624,368**		

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

_____

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")

Southern ITS International, Inc. owns and/or controls a portfolio of highly- successful businesses and will focus on being a multi-national conglomerate. As a holding company, Southern ITS International will be in the market to acquire a stake in various companies both public and private. It will also focus on building a direct sales network of various e-commerce internet applications, manufacturing, and internet sales of various products. We will build an experienced management team that will build a diverse portfolio, buying entire companies, or interests therein, involved in technology, oil and gas, manufacturing, real estate, consumer goods, and other sectors, which will then become operating subsidiaries of Southern ITS International.

The business of our subsidiaries, or companies in which we have investments, is as follows:

ENERGY SECTOR:

Pure Oil & Gas, Inc., in which the Company has a 51% ownership voting interest, has created four (4) Texas Limited Partnerships, in which it is the managing General Partner, to raise investment capital for placement in oil and gas exploration projects. In each limited partnership, Pure Oil & Gas, Inc. has a 50% carried working interest as well as a

20% working interest as General Partner. As of March 31, 2026, the Limited Partnerships have 16 wells under lease. Pure Oil & Gas, Inc. also has 4 wells under lease.

Last Mile Production LLC, in which the Company has a 51% ownership interest, is an energy technology company leveraging artificial intelligence and advanced data analytics to optimize oil and gas production. Last Mile Production serves as the lease operator for all wells in which Pure Oil & Gas, Inc. has an ownership interest.

Last Mile Capital Partners, LLC, in which the Company has a 51% ownership interest, is an entity engaged in capital raising for its related entities. As of March 31, 2026, the Last Mile companies have a portfolio of 235 oil & gas wells with 18 wells currently in production.

E-COMMERCE SECTOR:

Growth Goods, Inc., our wholly owned subsidiary provides e-Commerce fulfillment services, including online order management, warehousing, distribution, and delivery services for a wide variety of consumer products. We expect to wind up operations of this subsidiary in the near future.

BEVERAGE SECTOR:

Ingenious Roasters, LLC, in which the Company has a 56% ownership interest, was formed to compete in the beverage industry. Ingenious Roasters is dedicated to creating and developing exceptional beverage brands, with a focus on delivering innovative products that meet the evolving needs and preferences of consumers. Its initial focus will be on launching a revolutionary nutrition drink infused with coffee called Java Plus. A full rollout of this brand in the marketplace is expected in the 4th quarter of 2026.

MIA Corp LLC was formed by the Company to acquire all of the assets of MIA Coffee Distributors, Inc. a Miami, Florida – based gourmet coffee roaster, which sells coffee, tea, and canned beverages to both commercial and industrial facilities. The business is continuing to operate under the trade name “MIA Coffee”. MIA Corp LLC is 60% owned by the Company. MIA Corp LLC will also produce the Java Plus beverage line for Ingenious Roasters, LLC.

HEALTHCARE SECTOR

Gen 7 Health, Inc. is newly formed by the Company. We intend that Gen 7 Health will be driving the growth of businesses and technologies that are transforming the healthcare industry. With our strategic insight and industry expertise, we are at the forefront of health and wellness, developing solutions that anticipate and seize emerging opportunities. Gen 7 Health was founded with a vision to bridge the gap between technology and healthcare. Recognizing the growing deed for efficient, accessible, and effective healthcare solutions, we set out to develop tools and systems to transform patient care and operational efficiency. Gen 7 Health, Inc. is 80% owned by the Company. We expect to wind up operations of this subsidiary in the near future.

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

Pure Oil & Gas, Inc. is 51% owned by the Company.

Last Mile Production LLC is 51% owned by the Company.

Last Mile Holdings LLC is 51% owned by the Company.

Last Mile Capital Partners LLC is 51% owned by the Company.

Growth Goods, Inc. is a wholly owned subsidiary of the Company.

Ingenious Roasters LLC is 56% owned by the Company.

MIA Corp LLC is 60% owned by the Company.

Gen 7 Health, Inc. is 80% owned by the Company.

C. Describe the issuers' principal products or services.

See 5A, above

5) Issuer's Facilities

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

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company presently maintains office and production facilities for our MIA Coffee products consisting of approximately 15,000 square feet located at 5510 NW 35th Ct., Miami, Florida. The Company has additional office spaces of approximately 600 square feet in Waterloo, IA, and 500 square feet in Southlake, Texas. All facilities are leased.

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)
Timothy Guenther (2)/(3)	President, CEO, Director and 5% Shareholder	Vinton, IA	2,500,000 19,863,945	Series A Preferred Common	50% 6.07%
Gil Irey (4)(5)	President, CFO, Director and 5% shareholder	Fountain Hills, AZ	42,836,667 1,250,000	Common Series A Preferred	13.09% 25%
Chad Allen Shipman (6)/(7)	Secretary, Director and 5% shareholder	Waterloo, IA	50,166,666 1,250,000	Common Series A Preferred	15.33% 25%
Jeremy Larsen (8)	5% shareholder	Scottsdale, AZ	30,666,666	Common	9.37%

Russell Kidder	Chief Compliance Officer and 5% shareholder	Long Beach, CA	2,500,000	Series B Preferred	100%
Eduardo Gonzalez	5% Shareholder	Whittier, CA	1,250,000	Series G Preferred	100%
Daniel Cohen	5% Shareholder	Ft. Lauderdale, FL	40,000	Series I Preferred	100%

(1) The percentage of common shares owned is based on 327,171,488 shares issued and outstanding on 3/31/26. The percentage of Series A preferred stock is based on 5,000,000 shares issued and outstanding on 3/31/26. The percentage of Series B preferred stock is based on 2,500,000 shares issued and outstanding on 3/31/26. The percentage of Series G preferred stock is based on 1,250,000 shares issued and outstanding on 3/31/26. The percentage of Series I preferred stock is based on 40,000 shares issued and outstanding on 3/31/26.

(2) Mr. Guenther owns the Series A Preferred Stock shares through his 50% interest in TCG HQ, LLC.

(3) Mr. Guenther owns 17,363,945 shares of Common Stock shares through his business entity, Tanq Investments, LLC, and 2,500,000 shares of Common Stock through his business entity, Clickstop, Inc.

(4) Mr. Irey owns the Series A Preferred Stock shares through his 25% interest in TCG HQ, LLC.

(5) Mr. Irey owns 166,667 shares of Common Stock through his 33.34% interest in CJX Properties LLC. The remainder are held in his name.

(6) Mr. Shipman owns 166,666 shares of Common Stock through his 33.33% interest in CJX Properties LLC. The remainder are held in his own name.

(7) Mr. Shipman owns the Series A Preferred Stock shares through his 25% interest in TCG HQ, LLC.

(8) Mr. Larsen owns 166,666 shares of the Common Stock through his 33.33% interest in CJX Properties LLC. The remainder are held in his name.

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

7) Legal/Disciplinary History

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

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

N/A

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;

N/A

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;

N/A

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

N/A

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.

N/A

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.

N/A

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.

N/A

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: Travis Leach, Esq.
Firm: Dentons US LLP
Address 1: 2398 E. Camelback Road, Suite 850
Address 2: Phoenix, AZ 85016-9007
Phone: 602-508-3978
Email: travis.leach@dentons.com

Accountant or Auditor

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @SITS_Inc
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

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: Russell Kidder
Firm: Southern ITS International, Inc.
Nature of Services: Preparation of Disclosure Statement
Address 1: 215 E. 4th Street
Address 2: Waterloo, IA 50703
Phone: 480-852-0780
Email: info@sitsintl.com

Firm: PubCo Reporting Solutions, Inc.
Nature of Services: Financial statement, accounting, and US GAAP support
Address 1: 610 – 475 W Georgia St
Address 2: Vancouver, BC Canada
Phone: (305) 396-1415
Email: info@pubcoreporting.com

9) Disclosure & Financial Information

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

Name: Russell Kidder
Title: Chief Compliance Officer
Relationship to Issuer: Chief Compliance Officer of Issuer

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

☐ IFRS
X☐ U.S. GAAP

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

Name: Gil Irey
Title: CFO
Relationship to Issuer: CFO of the Issuer

Describe the qualifications of the person or persons who prepared the financial statements:[5]
Gil Irey has over 42 years of corporate leadership experience in both private and public companies. He has been involved in roles as the CEO and CFO of companies during that time. In his roles, he has been active in preparing financial statements for these companies.

Provide the following qualifying financial statements:

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

<u>Financial Statement Requirements</u>:

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

[5] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Timothy Guenther, certify that:

1. I have reviewed this Disclosure Statement for Southern ITS International, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 19, 2026

/s/ Timothy Guenther

Principal Financial Officer:

I, Gil Irey, certify that:

1. I have reviewed this Disclosure Statement for Southern ITS International, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 19, 2026

/s/ Gil Irey

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

Southern ITS International, Inc.
Consolidated Balance Sheets
(Unaudited)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash	$ 628,848	$ 662,971
Accounts receivable and other receivables	173,829	183,134
Prepaid expenses and other assets	1,251,549	1,569,114
Inventory	111,595	161,189
Due from related parties	67,403	72,234
Deferred tax asset	3,091	3,091
Total current assets	2,236,315	2,651,733
Property and equipment, net	4,964,643	4,963,218
Intangible Assets, net	5,000	11,929
Oil and Gas Exploration Cost - Tangible, net	40,914	40,914
Oil and Gas Exploration Cost - Intangible	5,300	5,300
Goodwill	2,381,226	2,381,226
Total Assets	$ 9,633,398	$ 10,054,320
Liabilities, Mezzanine Equity and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,538,664	$ 3,410,400
Line of credit	1,245,000	1,243,304
Accrued Interest	128,240	114,441
Accrued Interest - related parties	200,493	179,241
Due to related parties	9,674	270,473
Deferred revenue	1,025,012	1,025,012
Convertible notes payable, net of note discount	440,000	467,409
Notes payable	2,640,300	2,629,637
Loan payable	2,075,000	2,075,000
Loan payable - related party	246,057	-
Derivative Liability	454,396	453,406
Income tax payable	96	96
Total Current liabilities	12,002,932	11,868,419
Loan payable	423,626	432,890
Note payable - related parties	3,300,622	3,305,242
Automobile Loans	119,344	124,242
Convertible notes payable, non-current portion, net of note discount	-	(192,408)
Total Liabilities	15,846,524	15,538,385
Stockholders' Equity (Deficit):		
Preferred stock, $0.001 par value, 100,000,000 shares authorized		
Series A Preferred stock, $0.001 par value, 10,000,000 shares designated; 5,000,000 shares issued and outstanding	5,000	5,000
Series B Preferred stock, $0.001 par value, 15,000,000 shares designated; 2,500,000 shares and 7,500,000 shares issued and outstanding, respectively	2,500	2,500
Series G Preferred stock, $0.001 par value, 30,000,000 shares designated; 1,250,000 shares issued and outstanding	1,250	1,250

Series I Preferred stock, $0.001 par value, 10,000,000 shares designated; 40,000 shares issued and outstanding	40	40
Common stock, $0.001 par value, 900,000,000 shares authorized; 327,171,488 and 327,171,488 shares issued and outstanding, respectively	327,171	327,171
Common stock payable	132,500	132,500
Additional paid-in capital	36,301,085	36,293,540
Accumulated deficit	(38,022,383)	(37,697,061)
Total Stockholders' Equity attributed to Southern ITS International, Inc.	(1,252,837)	(935,060)
Retained Earnings (Accumulated Deficit) attributed to non-controlling interest	(4,960,289)	(4,549,005)
Total Stockholders' Equity	(6,213,126)	(5,484,065)
Total Liabilities and Stockholders' Equity	$ 9,633,398	$ 10,054,320

See accompanying notes to the unaudited consolidated financial statements.

Southern ITS International, Inc.
Consolidated Statement of Operations
(Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Revenue		
Sales Revenue	$ 20,187	$ -
Cost of Sales	42,704	5,190
	(22,517)	(5,190)
Oil Revenue	334,431	488,370
Cost of Sales	76,339	9,833
	258,092	478,537
Coffee Revenue	265,357	316,697
Cost of Sales	202,511	246,796
	62,846	69,901
Tea Revenue	27,276	35,495
Cost of Sales	(1,085)	2,008
	28,361	33,487
Converter and Machine Revenue	22,678	53,299
Cost of Sales	3,925	26,458
	18,753	26,841
Dry Product Sales	9,698	28,157
Paper Goods Sales	2,626	3,416
Consumer Product Sales	11,388	14,547
Rental Income	400	7,140
Gross Profit	$ 369,647	$ 656,836
Operating expense		
General and administration	130,709	807,959
Professional fees (including stock-based compensation of $0 and $20,925, respectively)	183,216	221,540
Professional fees - related parties (including stock-based compensation of $0 and $125,000, respectively),	-	185,957
Salaries and benefits	345,765	335,741
Amortization and depreciation	22,889	33,300
Depletion	-	31,690
Oil and gas exploration	1,764	193,833
Website and software development	174,805	122,705
Total operating expense	859,148	1,932,725
Loss from operations	(489,501)	(1,275,889)
Other income (expense)		
Interest expense	(90,774)	(194,154)
Interest income	5,022	8,968
Gain (loss) on change in fair value of derivative liabilities	(990)	132,415
Total other income (expense)	(86,742)	(52,771)
Income (Loss) from continuing operations before income taxes	(576,243)	(1,328,660)

Income tax benefit (expense)		
- Current	-	(22,187)
- Deferred	-	-
	-	(22,187)
Net income (loss) from continuing operations	$ (576,243)	$ (1,350,847)
Discontinued operations (Note 14)		
Income (Loss) from operations of discontinued Component Kinzie	-	(60,375)
Income (Loss) from operations of discontinued Component Eastland	-	(31,741)
Income (Loss) on discontinued operations	-	(92,116)
Net income (loss)	(576,243)	(1,442,963)
Less: Net income (loss) attributable to non-controlling interest	(250,921)	(447,597)
Net income (loss) attributable to Southern ITS International, Inc.	(325,322)	(995,366)
Basic and diluted net income per common share:		
Net income (loss) per common share	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	214,146,197	167,852,901

See accompanying notes to unaudited consolidated financial statements.

Southern ITS International, Inc.
Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Deficit
For the three months ended March 31, 2026 and 2025
(Unaudited)

	Three Months Ended					
	March 31, 2026			March 31, 2025		
	Shares		Amount	Shares		Amount
Series A Preferred Stock						
Balance at beginning of period	5,000,000	$	5,000	5,000,000	$	5,000
Balance at end of period	5,000,000	$	5,000	5,000,000	$	5,000
Series B Preferred Stock						
Balance at beginning of period	2,500,000	$	2,500	7,500,000	$	7,500
Balance at end of period	2,500,000	$	2,500	7,500,000	$	7,500
Series E Preferred Stock						
Balance at beginning of period	-	$	-	10,000,000	$	10,000
Balance at end of period	-	$	-	10,000,000	$	10,000
Series G Preferred Stock						
Balance at beginning of period	1,250,000	$	1,250	1,250,000	$	1,250
Balance at end of period	1,250,000	$	1,250	1,250,000	$	1,250
Series H Preferred Stock						
Balance at beginning of period	-	$	-	1,000,000	$	1,000
Balance at end of period	-	$	-	1,000,000	$	1,000
Series I Preferred Stock						
Balance at beginning of period	40,000	$	40	40,000	$	40
Balance at end of period	40,000	$	40	40,000	$	40
Series J Preferred Stock						
Balance at beginning of period	-	$	-	6,000,000	$	6,000
Balance at end of period	-	$	-	6,000,000	$	6,000

Common Stock					
Balance at beginning of period	327,171,488	$ 327,171	166,272,345	$ 166,272
Issuance of common stock for services - related party	-	-	2,500,000	2,500
Issuance of common stock for services	-	-	1,325,000	1,325
Balance at end of period	327,171,488	$ 327,171	170,097,345	$ 170,097
Common Stock Payable				
Balance at beginning of period	4,000,000	$ 132,500	5,000,000	$ 172,500
Issuance of common stock for services	-	-	(1,000,000)	(40,000)
Stock payable for services	-	-	125,000	5,000
Balance at end of period	4,000,000	$ 132,500	4,125,000	$ 137,500
Additional Paid-In Capital				
Balance at beginning of period		$ 36,293,540		$ 35,638,232
Issuance of preferred I stock and warrants for cash		-		122,500
Issuance of common stock for services		-		54,600
Acquisition adjustment		7,545		1,693,945
Balance at end of period		$ 36,301,085		$ 37,509,277
Accumulated Deficit				
Balance at beginning of period		$ (37,697,061)		$ (32,855,801)
Net income (loss)		(325,322)		(995,366)
Balance at end of period		$ (38,022,383)		$ (33,851,167)
Non-Controlling Interest				
Balance at beginning of period		$ (4,549,005)		$ (1,761,993)
Acquisition adjustment		(160,363)		(169,316)
Net income (loss)		(250,921)		(447,597)
Balance at end of period		$ (4,960,289)		$ (2,378,906)
Total Stockholders' Equity (Deficit) at beginning of period		**$ (5,484,065)**		**$ 1,397,500**
Total Stockholders' Equity (Deficit) at end of period		**$ (6,213,126)**		**$ 1,625,091**

See accompanying notes to unaudited consolidated financial statements.

Southern ITS International, Inc.
Consolidated Statement of Cash Flow
(Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Cash Flows from Operating Activities		
Net income (loss)	$ (576,243)	$ (1,442,963)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation - related parties	-	125,000
Stock based compensation - non-affiliates	-	15,925
Loss (gain) on change in fair value of derivative liabilities	990	(132,415)
Amortization of debt discount	164,999	55,299
Depreciation of property and equipment	22,889	64,149
Amortization of intangible assets	6,929	749
Depletion of oil and exploration cost	-	31,690
Write off of property and equipment	(203)	-
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	9,305	(32,945)
Prepaid expenses	62,812	(548,654)
Inventory	49,594	(495,782)
Accounts payable and accrued liabilities	128,264	1,495,416
Accrued interest	13,799	14,275
Accrued interest - related parties	21,252	111,938
Stock payable	-	5,000
Net cash used in operating activities	(95,613)	(733,318)
Cash Flows from Investing Activities		
Acquisition of Last Mile Capital Partners, LLC	-	(2,345,542)
Impact to cash resulting from deconsolidation	(160,363)	-
Oil and Gas Exploration Cost - tangible	-	543,677
Acquisition of property and equipment	(24,111)	(790,899)
Acquisition of Intangible assets	-	11,736
Net cash used in investing activities	(184,474)	(2,581,028)
Cash Flows from Financing Activities		
Proceeds from net contribution from limited partners of Pure Oil & Gas Inc.	7,545	1,693,945
Net Proceeds from Line of Credit	1,696	231,194
Net Proceeds (Repayment) to Auto Loan	(4,898)	(16,856)
Proceed from loan payable to non-affiliates	-	1,025,000
Proceeds from loan payable to related parties	133,333	300,000
Proceeds from non-current loans to non-affiliates	26,495	800,000
Repayment to non-current loans to non-affiliates	(25,096)	-
Repayment of promissory note to related party	(4,620)	(32,810)
Advances to related parties	-	(24,348)
Repayment from related parties	4,831	10,487
Net advances from related parties	-	30,000
Repayment to related parties	106,678	(1,877)
Net cash provided by financing activities	245,964	4,014,736
Net change in cash and cash equivalents	(34,123)	700,390
Cash - beginning of period	662,971	1,201,458
Cash - end of period	$ 628,848	$ 1,901,848
Supplemental cash flow disclosures:		
Cash paid for interest	$ -	$ 1,750
Cash paid for income taxes	$ -	$ -

See accompanying notes to unaudited consolidated financial statements.

Southern ITS International, Inc.
Notes to Unaudited Consolidated Financial Statements
March 31, 2026

NOTE 1 – NATURE AND DESCRIPTION OF BUSINESS

Southern ITS International, Inc. (the "Company") was incorporated in the State of Nevada on September 27, 1984.

On November 19, 2021, the Company and other founders formed Pure Oil & Gas Inc. in which the Company holds 20% interest under equity investment. On March 27, 2024, the Company entered into a Restructuring Agreement with the other owners of Pure Oil & Gas, Inc., so that the Company now owns 55% of all of the issued and outstanding shares of voting stock of Pure Oil & Gas, Inc., thus, making it a 55% owned subsidiary of the Company.

Effective April 18, 2022, the Company acquired a 30% interest in Growth Goods, Inc., a Des Moines, Iowa – based e-Commerce company. Growth Good, Inc. was formed by the Company and other founders on February 25, 2021. The Company owns 150,000 shares of the 500,000 authorized and issued shares of common stock. No consideration was involved in the acquisition of 30% interest in Growth Goods, Inc. The Company has a controlling financial interest in and is the primary beneficiary of Growth Goods, Inc. being the variable interest entity of the Company. On March 19, 2024, the Company entered into a Securities Purchase Agreement with the other owners of Growth Goods, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Growth Goods, Inc., thus, making it a wholly owned subsidiary of the Company.

In September 30, 2023, Ingenious Roasters LLC, an Arizona limited liability company, was formed by the Company which is now holding a 45% interest in the Company. No consideration was involved in the acquisition of Ingenious Roasters LLC. The Company is currently developing future business plans with Ingenious Roasters LLC expected to commence in Q1 2024. On March 26, 2024, the Company entered into a Member Interests Purchase Agreement with the other members and owners of Ingenious Roasters LLC with a consideration of $105,000 in cash and $100,000 in common stock, which results in the Company's 55% holding of all of the issued and outstanding member interests of Ingenious Roasters LLC, thus, making it a subsidiary of the Company. On October 31, 2024, the Company purchased an additional 5% interest in Ingenious Roasters LLC through additional cash consideration of $100,000. As of December 31, 2024, the Company owns 60% interest in Ingenious Roasters LLC.

On May 31, 2024, the Company acquired an Eighty percent (80%) interest in Kinzie LLC, an Iowa limited liability company. Kinzie, which was formed in 2013, is a well-seasoned, high volume Amazon account seller and distributor of various brands of consumer products. (Note 13) As of July 1, 2025, the Company sold its eighty percent of Kinzie LLC for $4,895,618 including $150,000 in restructuring fees, $200,000 in guaranteed payments over 12 month and $5,121,738 in non-cash net debt settlement, and gain on the disposition of $2,132,892 (Note 14).

During the three months ended June 30, 2024, the Company formed Gen 7 Health, Inc., a Wyoming corporation, with the intent for Gen 7 Health, Inc. to drive the growth of businesses and technologies that are transforming the healthcare industry. We expect to invest in and form joint ventures with both existing and visionary technology companies offering solutions for the healthcare industry. As of December 31, 2024, the Company owns 80% interest in Gen 7 Health, Inc.

On October 28, 2024, the Company formed MIA Corp, LLC which entered into asset purchase agreement with Mia Coffee Distributor, Inc. As of December 31, 2024, the Company owns 70% interest in MIA Corp, LLC.

On February 3, 2025, the Company acquired Fifth One percent (51%) interest in Last Mile Capital Partners, LLC, and Last Mile Production, LLC, ("Last Mile Capital") Texas limited liability companies for $2,000,000. (Note 13)

On March 18, 2024, the Company filed for corporation name change from Southern ITS International, Inc. to Corp HQ, Inc. currently pending approval from FINRA.

As of March 31, 2026, the Company holds a 100% interest in Growth Goods, Inc., 80% interest in Gen 7 Health, Inc., a 60% interest in MIA Corp, LLC, a 56% interest in Ingenious Roasters LLC., a 51% interest in Pure Oil & Gas Inc. and a 51% interest in Last Mile Capital Partners, LLC.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements as of March 31, 2026 include the accounts of the Company and its subsidiaries (Note 1). All intercompany accounts and activities have been eliminated. These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business Combinations

In accordance with ASC 805-10, "*Business Combinations*", the Company accounts for all business combinations using the acquisition method of accounting. Under this method, assets and liabilities, including any remaining non-controlling interests, are recognized at fair value at the date of acquisition. The excess of the purchase price over the fair value of assets acquired, net of liabilities assumed, and non-controlling interests is recognized as goodwill. Certain adjustments to the assessed fair values of the assets, liabilities, or noncontrolling interests made subsequent to the acquisition date, but within the measurement period, which is up to one year, are recorded as adjustments to goodwill. Any adjustments subsequent to the measurement period are recorded in income. Any cost or equity method interest that the Company holds in the acquired company prior to the acquisition is re-measured to fair value at acquisition with a resulting gain or loss recognized in income for the difference between fair value and the existing book value. Results of operations of the acquired entity are included in the Company's results from the date of the acquisition onward and include amortization expense arising from acquired tangible and intangible assets.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures," which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts payable, note payable, due to related parties and accrued liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The derivative liability in connection with the conversion feature of the convertible debt, classified as a level 3 liability, is the only financial liability measured at fair value on a recurring basis.

The following table summarizes fair value measurement by level at March 31, 2026 and December 31, 2025, measured at fair value on a recurring basis:

March 31, 2026	Level 1	Level 2	Level 3	Total

Liabilities				
Derivative liability	-	-	454,396	454,396

December 31, 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Derivative liability	-	-	453,406	453,406

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company does not have any cash equivalents.

Periodically, the Company may carry cash balances at financial institutions in excess of the federally insured limit of $250,000 per institution. The amount in excess of the FDIC insurance as of March 31, 2026 was approximately $0.3 million. The Company has not experienced losses on these accounts and management believes, based upon the quality of the financial institutions, that the credit risk with regard to these deposits is not significant.

Accounts Receivable

Accounts receivable are recorded in accordance with ASC 310, "Receivables." Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company does not currently have any amount recorded as an allowance for doubtful accounts. Based on management's estimate and based on all accounts being current, the Company has not deemed it necessary to reserve for doubtful accounts at this time.

Digital Assets

The Company's digital assets consist solely of our tokenized carbon credits. The Company retains ownership of and control over its digital assets and utilizes a third-party custodial service to secure it. The cost basis of the Company's digital assets is calculated based on using the weighted average cost method.

The Company initially records its digital assets at their cost, which includes the capitalization of any transaction costs or fees, which are subsequently, remeasured at fair value based on the exchange quoted price each reporting period, with changes in fair value recognized on the consolidated statements of operations.

Inventory

Inventory is stated at lower of cost or net realizable value, with cost being determined on the weighted average cost method.

Work-in-progress represents the costs incurred on carbon projects that are in the process of development and are expected to generate carbon credits in the future. Such costs may include project design, permitting, verification, and other directly attributable expenditures necessary to bring the projects to a stage where credits can be issued. Work-in-progress is carried at cost, and upon certification and issuance of the underlying carbon credits, the related costs are reclassified from work-in-progress to carbon credit inventory.

No reserves are considered necessary for slow moving or obsolete inventory as inventory on hand at quarter-end was purchased near the end of the quarter. The Company continuously evaluates the adequacy of these reserves and makes adjustments to these reserves as required. As of March 31, 2026 and December 31, 2025, inventory was $111,595 and $161,189, respectively.

Prepaid Expense

Prepaid Expense and Deposits consist of the following:

	March 31, 2026	**December 31, 2025**
Prepayment for future projects	1,109,169	1,446,313
Prepayment for auditors	20,000	20,000

Prepayment for insurance	21,250	26,250
Others	101,130	76,551
	$ 1,251,549	$ 1,569,114

Property and Equipment, Net

Property and equipment are measured using the cost model and is stated at cost less accumulated depreciation. Acquisition cost includes mainly the costs directly attributable to the acquisition and the initial estimated dismantlement, removal, and restoration costs associated with the assets. Depreciation is calculated using the straight-line method over the estimated useful lives, as more details follow. Depreciation is included in operating expenses and is allocated based on estimated usage for each class of asset.

	Depreciation Method	Useful Life
Vehicles	Straight-line method	5 years
Furniture and equipment	Straight-line method	5 years
Computer equipment	Straight-line method	5 years
Leasehold Improvement	Straight-line method	5 years

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value of the item disposed and proceeds realized thereon.

Revenue Recognition

The Company recognizes revenue from the sale of products in accordance with ASC 606, "*Revenue Recognition*" following the five steps procedure:

Step 1: Identify the contract(s) with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to performance obligations
Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company's revenue mainly derives from the below sales categories from its subsidiaries:

Pure Oil & Gas Inc: Oil Sales

MIA Corp, LLC: Coffee, Tea, Converter/Machine, Dry Product, Paper Goods, Consumer Sales, Rental Income

Last Mile Capital: Barrel of Oil Equivalent "BOE" Sales

The Company records deferred revenues when cash payments are received or due in advance of performance, including amounts which are refundable.

During the three months ended March 31, 2026 and 2025, the Company recognized total revenue from continuing operations of $694,041 and $947,121, incurred cost of sales of $324,394 and $290,285, resulting in gross profit of $369,647 and $656,836, respectively.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current period presentation, there was no impact or change to net income.

Segments

ASC Topic 280, “Segment Reporting,” requires use of the “management approach” model for segment reporting. The management approach model is based on the way a company’s chief operating decision maker organizes segments within the company for making operating decisions assessing performance and allocating resources. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates and manages its business as Product Sales, Oil & Gas, Rental Income and Corporate operating segments and all of the Company’s revenues and operations are currently in the United States.

Earnings (Loss) per Share

The Company computes basic and diluted net loss per share amounts in accordance with ASC Topic 260, “Earnings per Share.” Basic loss per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the reporting period. Diluted loss per share reflects the potential dilution that could occur if convertible notes to issue common stock were converted resulting in the issuance of common stock that could share in the loss of the Company. For the three months ended March 31, 2026 and 2025, convertible notes, convertible preferred shares and warrants were dilutive instruments and were not included in the calculation of diluted loss per share as their effect would be antidilutive.

	March 31, 2026 (Shares)	**March 31, 2025 (Shares)**
Preferred Shares	32,131,527	267,292,326
Convertible Notes	21,624,370	13,122,376
Warrants	-	40,000
Common Stock Payable	4,000,000	4,125,000
	57,755,897	284,579,702

As of March 31, 2026 and 2025, the Company had 8,790,000 and 30,790,000 shares of preferred stock issued and outstanding that are convertible into 31,541,219 shares and 267,292,326 shares of common stock, respectively.

As of March 31, 2026 and 2025, the Company had the principal amount of convertible notes of $440,000 and $398,189 that are convertible into 15,292,196 shares and 13,122,376 shares of common stock, respectively.

As of March 31, 2026 and 2025, the Company had 0 and 40,000 outstanding warrants to purchase up to 40,000 share of common stock exercisable in two years at $0.75 per share, respectively.

As of March 31, 2026 and 2025, the Company had stock payable of $132,500 and $137,500 for outstanding 4,000,000 and 4,125,000 shares of common stock, respectively.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Related Party Balances and Transactions

The Company follows FASB ASC 850, "*Related Party Disclosures*," for the identification of related parties and disclosure of related party transaction.

Convertible Financial Instruments

The Company accounts for our convertible financial instruments in accordance with ASC 470-20 "Debt with Conversion and Other Options." The standard reduced the number of accounting models for convertible debt instruments and convertible preferred stock. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting; and, (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. ASU2020-06 removes from U.S. GAAP the separation models for (1) convertible debt with a cash conversion feature ("CCF") and (2) convertible instruments with a beneficial conversion feature ("BCF"). With the adoption of ASU2020-06, entities will not separately present in equity an embedded beneficial conversion feature from the convertible debts.

Following the adoption of ASU 2020-06 on January 1, 2022, which we elected to adopt using a modified retrospective approach, we no longer separate the convertible notes into liability and equity components. Now convertible notes are recorded and disclosed as convertible notes payable, net of unamortized discount.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For our derivative financial instruments, the Company used a Black Scholes valuation model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within twelve (12) months of the balance sheet date.

Share-Based Compensation

The Company accounts for share-based compensation under the fair value method in accordance with ASC 718, "Compensation – Stock Compensation," which requires all such compensation to employees and non-employees to be calculated based on its fair value of the equity instrument at the grant date and recognized in the earnings over the requisite service or vesting period.

During the three months ended March 31, 2026 and 2025, the Company recorded $0 and $145,925 in stock-based compensation, respectively. The stock-based compensation incurred from common stock awarded to consultants and executives was reported under wages and consulting fees in the statements of operation.

	Three Months Ended March 31,	
	2026	**2025**
Common stock award to consultants	$ -	$ 20,925
Common stock award to management and executives - related parties	-	125,000
	$ -	$ 145,925

Oil and Gas Property

Costs of lease, exploration, carrying and retaining unproven oil and gas properties are expensed as incurred. The Company expenses all oil and gas exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs are amortized based on useful life of the oil and gas exploration assets over the proven and probable reserves following the commencement of production.

Interest expense allocable to the cost of developing oil and gas properties and to construct new facilities is capitalized until assets are ready for their intended use.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

The Company assesses the carrying costs of the capitalized oil and gas properties for impairment under ASC 360-10, "Impairment of long-lived assets", and evaluates its carrying value under ASC 930-360, "Extractive Activities - Mining", annually. An impairment is recognized when the sum of the expected undiscounted future cash flows is less than the carrying amount of the oil and gas properties. Impairment losses, if any, are measured as the excess of the carrying amount of the oil and gas properties over its estimated fair value.

Based on the Company's evaluation, no impairment has been recorded on the oil and gas properties for the period ended March 31, 2026.

As of March 31, 2026 and December 31, 2025, the Company has recorded capitalized oil and gas exploration cost of $46,214 and $46,214, respectively. During the three months ended March 31, 2026 and 2025, the depletion expense, computed at 15% of oil revenue recognized during the period, was $0 and $31,690, respectively.

During the three months ended March 31, 2026 and 2025 the Company incurred oil and gas exploration cost of $1,764 and $193,833 respectively.

Intangible Assets

The Company accounts for intangible assets (including mining right) in accordance with ASC 350 "Intangibles-Goodwill and Other."

ASC 350 requires that goodwill and other intangibles with indefinite lives be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. In addition, ASC 350 requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests when circumstances indicate that the recoverability of the carrying amount of goodwill may be in doubt. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. Changes in these estimates and assumptions or the occurrence of one or more confirming events in future periods could cause the actual results or outcomes to materially differ from such estimates and could also affect the determination of fair value and/or goodwill impairment at future reporting dates.

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed, either on a straight-line or accelerated basis over the estimated periods benefited. Patents, technology and other intangibles with contractual terms are generally amortized over their respective legal or contractual lives. When certain events or changes in operating conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted.

As of March 31, 2026 and December 31, 2025, the organization cost was $10,000. The organization cost was amortized under useful life of five years.

As of March 31, 2026 and December 31, 2025, the prepaid software was $0 and $6,929, respectively.

Recently Adopted Accounting Standards

In July 2025, the FASB issued Accounting Standards Update 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (“ASU 2025-05”). ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods in those years. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. The adoption of ASU 2025-05 has not had a material effect on the Company’s statements and disclosures.

NOTE 3 - GOING CONCERN

The Company’s financial statements are prepared using 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. As reflected in the accompanying financial statements, the Company has an accumulated deficit of $38,022,383 from inception to March 31, 2026. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to address the going concern issue by funding future operations through revenues, the sale of equity capital and by loans, if needed.

The Company is changing its business operations and anticipates that it will be able to have profitable operations in the near future. The Company believes its current available cash, along with anticipated revenues, will be sufficient to meet its cash needs for the near future. There can be no assurance that future financing will be available in amount for terms acceptable to the Company, if at all.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The ability of the Company to continue its operations is dependent on Management's plans, which include expanding the new business of Growth Goods, Inc., Pure Oil & Gas Inc., Gen 7 Health, Inc. and MIA Corp, LLC and Last Mile Capital Partners, LLC, the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements.

The Company may need to incur additional liabilities with certain related parties to sustain the Company’s existence.

These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

During the three months ended March 31, 2026 and 2025, the depreciation expense was $22,889 and $64,149, respectively.

NOTE 5 – CONVERTIBLE NOTES PAYABLE

As of March 31, 2026 and December 31, 2025, the Company had convertible notes payable of $440,000.

The terms of the convertible notes are summarized as follows:

- Loan Expiry Term of two years
- All outstanding notes are now at default
- Annual Interest Rate ranged from 8% to 10% per annum
- Convertible at 80% of the average 10-day trading price prior to date of conversion

During the three months ended March 31, 2026 and 2025, the Company incurred amortization of note discount of $0 and $55,299, respectively.

During the three months ended March 31, 2026 and 2025, the Company accrued interest expense of $13,500 and $15,625 and repaid accrued interest of $0 and $1,750, respectively. As of March 31, 2026 and December 31 2025, the accrued interest was $125,652 and $112,152, respectively.

During the year ended December 31, 2025, the Company also issued 5,500,000 common stock for note conversion of $165,000 issued to a non-affiliate from Pure Oil.

NOTE 6 - DERIVATIVE LIABILITY

The Company analyzed the conversion options for derivative accounting consideration under ASC 815, Derivatives and Hedging, and determined that the instrument should be classified as a liability when the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

The Company determined its derivative liabilities to be a Level 3 fair value measurement and used the Black-Scholes pricing model to calculate the fair value as of March 31, 2026. The Black-Scholes model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate. Changes to these inputs could produce a significantly higher or lower fair value measurement.

The following table summarizes the derivative liabilities included in the Balance Sheets at March 31, 2026 and December 31, 2025:

Balance - December 31, 2024	**$**	**349,528**
Reduction of derivative liabilities from conversion of convertible notes		(87,252)
Gain on change in fair value of the derivative		191,130
Balance - December 31, 2025	**$**	**453,406**
Gain on change in fair value of the derivative		990
Balance - March 31, 2026	**$**	**454,396**

The following table summarizes the loss (gain) on derivative liability included in the income statement for the three months ended March 31, 2026 and 2025, respectively.

	Three Months Ended			
		March 31, 2026		**March 31, 2025**
Day one loss due to derivative liabilities on convertible notes	$	-	$	-
Loss (Gain) on change in fair value of derivative liabilities on convertible notes		990		(132,415)
Loss (Gain) on change in fair value of derivative liabilities	$	990	$	(132,415)

The table below shows the Black-Scholes option-pricing model inputs used by the Company to value the derivative liability for convertible notes at each measurement date:

	Three Months Ended	
	March 31, 2026	**March 31, 2025**
Expected term	0 years	0.07 to 1.20 years
Expected average volatility	-	89% - 114%
Expected dividend yield	-	-
Risk-free interest rate	-	4.03% - 4.38%

NOTE 7 – NOTES PAYABLE – RELATED PARTY

On February 19, 2024, the Company issued a promissory note to the former President of the Company at $1,750,000 as partial consideration for the repurchase of 5,000,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and has a maturity term of two years. During the year ended December 31, 2024, the former President of the Company agreed to buy out $50,000 of a loan due from Shibue in exchange for reduction of the promissory note of $50,000. As of March 31, 2026 and December 31, 2025, the promissory note payable was $1,700,000.

On March 15, 2024, the Company issued a promissory note to the CCO of the Company for $1,250,000 for the repurchase of 2,500,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and has a maturity term of three years. Through December 31, 2025, the Company has repaid $75,000. As of March 31, 2026 and December 31, 2025, the promissory note payable was $1,175,000.

On May 31, 2024, the Company issued a promissory note to the CFO of the Company for $1,900,000 as part of the consideration for the acquisition of Kinzie LLC. The promissory note bears annual interest rate of 8% and has a maturity term of three years. The promissory note shall be amortized into thirty-six (36) equal monthly installments of $59,639, which includes interest at the rate of 8%. As of July 1, 2025, the Company sold Kinzie and the debt was extinguished as part of the sale.

On May 31, 2024, the Company issued a promissory note to a related party of the Company for $1,900,000 as part of the consideration for the acquisition of Kinzie LLC. The promissory note bears annual interest rate of 8% and has a maturity term of three years. The promissory note shall be amortized into thirty-six (36) equal monthly installments of $59,639, which includes interest at the rate of 8%. As of July 1, 2025, the Company sold Kinzie and the debt was extinguished as part of the sale.

During the three months ended March 31, 2026 and 2025, the Company accrued interest expense of $146,058 and $111,937 and repayment of accrued interest was $14,687 and $0, respectively. As of March 31, 2026 and December 31, 2025, accrued interest was $200,493 and $179,241, respectively.

On November 1, 2024, MIA Corp. LLC entered into an assets purchase agreement with MIA Coffee Distributors, Inc. for the acquisition of inventory and furniture and equipment in exchange for a loan agreement of $575,000 with a two-year term and annual interest rate of 5%. Through March 31, 2026, repayments of $138,532 was made by MIA Coffee which is a related party of MIA Coffee Corp. As of March 31, 2026 and December 31, 2025, the loan payable to MIA Coffee Distributors, Inc. was $425,622.12 and $430,242, respectively.

As of March 31, 2026 and December 31, 2025, the note payable to related parties was $3,300,622 and $3,305,242, respectively.

NOTE 8 – NOTE PAYABLE

On February 13, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of $10,000 with one year term and an interest rate of 6% per annum with free interest for the first year so interest accrual commenced on February 13, 2024. During the year ended December 31, 2025, net reversal of interest of $382 was recorded due to over-accrual of interest during year ended December 31, 2024. As of March 31, 2026 and December 31, 2025, the accrued interest was $1,295 and $1,415, respectively.

On February 14, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of $10,000 with one year term and an interest rate of 6% per annum with free interest for the first year so interest accrual commenced on February 14, 2024. During the year ended December 31, 2025, net reversal of interest of $381 was recorded due to over-accrual of interest during year ended December 31, 2024. As of March 31, 2026 and December 31, 2025, the accrued interest was $1,293 and $1,143, respectively.

On May 1, 2025, Pure Oil & Gas Inc. issued a promissory note of $2,850,000 to ICS Energy LLC, an unaffiliated party for oil and gas exploration service, for the purchase of assets. As of March 31, 2026 and December 31, 2025, the note balance was $2,588,750 and $2,601,250, respectively.

On May 1, 2025, Pure Oil & Gas Inc. issued a promissory note of $25,247 to an unaffiliated party. As of March 31, 2026 and December 31, 2025, the note balance was $5,055 and $8,387, respectively.

As of March 31, 2026 and December 31, 2025, the note payable was $2,640,300 and $2,629,637, respectively.

NOTE 9 – LOAN PAYABLE

During the year ended December 31, 2025, the Company entered into loan agreements with unaffiliated parties for an aggregate amount of $2,825,000 for financing the acquisition of 51% interest in Last Mile Capital Partners, LLC. The loans are repayable in six months from issuance or as soon as the cash flow from the sale of Carbon Credits from Last Mile Capital allows. The loans are non-interest bearing. The lenders will also be entitled to ongoing royalties paid from 10% of the Company's net income from Last Mile Capital capped at 10 times the principal amount of the loans. During the year ended December 31, 2025, repayment of $750,000 was made. As of March 31, 2026 and December 31, 2025, the loan payable was $2,075,000.

NOTE 10 – LOAN PAYABLE - RELATED PARTY

During the three months ended March 31, 2026, the Company entered into loan agreements with a related party for a total of $133,333 with annual interest rates of 10%.

The first note for $66,667 commences bearing interest April 25, 2026 with quarterly required interest only payments for twenty four months. Principal and interest payments commence April 25, 2028 for twenty four months. As of March 31, 2026 the principal balance was $66,667.

The second note for $66,667 commences bearing interest April 25, 2027 with quarterly required interest only payments for twenty four months. Principal and interest payments commence April 25, 2029 for twenty four months. As of March 31, 2026 the principal balance was $66,667.

NOTE 11 – MEZZANINE AND STOCKHOLDERS' EQUITY

The Company has authorized shares of common stock of 900,000,000 shares, par value of $0.001, and authorized shares of preferred stock to 100,000,000 shares, par value of $0.001.

Preferred Stock – Mezzanine Equity

<u>Series D Preferred Stock</u>

The Company has designated 2,500,000 preferred shares, par value of $0.001, as Series D Preferred Stock with each share convertible into $1.00 of common stock of the Company.

The Company determined that the Series D Preferred Stock should be classified as Mezzanine Equity (temporary equity outside of permanent equity), that the Series D Preferred Stock more closely aligned with debt as the stock has a fixed value of $1 per share or $2,500,000 in total, either redeemable at the company's option for cash of $1 per share or converted by the shareholder's option at a conversion value of $1 per share of equivalent common stock.

As of March 31, 2026 and December 31, 2025 there were no Series D Preferred Stock outstanding.

Preferred Stock - Equity

<u>Series A Preferred Stock</u>

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series A Preferred Stock with preferred voting rights equal to 500 votes for each 1 preferred share. As of March 31, 2026 and December 31, 2025, 5,000,000 shares of Series A Preferred Stock were issued and outstanding.

<u>Series B Preferred Stock</u>

The Company has designated 15,000,000 preferred shares, par value of $0.001, as Series B Preferred Stock with conversion rights of 10 shares of common stock for each share of Series B Preferred Stock.

Effective April 1, 2022, the Company issued 10,000,000 shares of its Series B Preferred Stock to the President of the Company valued at $4,302,404 and 5,000,000 shares of its Series B Preferred Stock to the CCO of the Company valued at $2,151,202.

On March 15, 2024, the Company issued a promissory note to the former President of the Company for $1,750,000 and issued 6,000,000 shares of Series J of Convertible Preferred for the repurchase of 5,000,000 shares of Series B Preferred Stock.

On March 15, 2024, the Company issued a promissory note to the CCO of the Company for $1,250,000 for the repurchase of 2,500,000 shares of Series B Preferred Stock.

On July 1, 2025, 5,000,000 shares of Series B Preferred Stock were converted into 50,000,000 shares of common stock.

As of March 31, 2026 and December 31, 2025, 2,500,000 shares of Series B Preferred Stock were issued and outstanding.

Series E Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series E Preferred Stock with conversion rights of 10 shares of common stock for each share of Series E Preferred Stock.

On April 18, 2022, the Company issued 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Internet Sales valued at $2,503,737 and 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Marketing valued at $2,503,737.

On July 1, 2025, 7,500,000 shares of Series E Preferred Stock were converted into 75,000,000 shares of common stock.

On July 1, 2025, 2,500,000 shares of Series E Preferred Stock were cancelled in relation to sale of Kinzie.

As of March 31, 2026 and December 31, 2025, 0 and 10,000,000 shares of Series E Preferred Stock were issued and outstanding.

Series G Preferred Stock

The Company has designated 30,000,000 preferred shares, par value of $0.001, as Series G Preferred Stock with each twenty-five shares convertible into $1.00 of common stock of the Company based upon 80% of the average of the10-day closing bid price prior to the date of conversion.

On September 29, 2022, the Company issued 1,250,000 shares of its Series G Preferred Stock to an unaffiliated party for cash proceeds of $50,000.

As of March 31, 2026 and December 31, 2025, 1,250,000 shares of Series G Preferred Stock were issued and outstanding.

Series H Preferred Stock

The Company has designated 1,000,000 preferred shares, par value of $0.001, as Series H Preferred Stock with conversion rights of 10 shares of common stock for each share of Series H Preferred Stock.

On December 31, 2022, the Company issued 1,000,000 shares of its Series H Preferred Stock to ICS Energy LLC, an unaffiliated party for oil and gas exploration service valued at $419,212.

On May 1, 2025, ICS Energy LLC returned 1,000,000 shares of Series H Preferred Stock in relation to the sale of assets to Pure Oil & Gas Inc. In return, Pure Oil issued a promissory note of $2,850,000 to ICS.

As of March 31, 2026 and December 31, 2025, 0 share and 1,000,000 shares of Series H Preferred Stock were issued and outstanding.

Series I Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series I Preferred Stock with each twenty-five shares convertible into $1.00 of common stock of the Company based upon 80% of the average of the10-day closing bid price prior to the date of conversion.

On February 1, 2023, the Company issued four (4) units of series I preferred stock and warrants, to an unaffiliated party for cash proceeds of $20,000. Each unit is comprised of 40,000 shares of series I preferred stock and 40,000 warrants. Each warrant allows the holder to purchase one share of common stock exercisable for two years at $0.75 per share. The warrants expired on February 1, 2025.

As of March 31, 2026 and December 31, 2025, 40,000 shares of Series I Preferred Stock were issued and outstanding.

Series J Preferred Stock

The Company has designated 6,000,000 preferred shares, par value of $0.001, as Series J Preferred Stock with each share convertible into one share of common stock of the Company.

On March 15, 2024, the Company issued 6,000,000 shares of Series J of Convertible Preferred to the former President of the Company as part of the consideration for the repurchase of 5,000,000 shares of Series B Preferred Stock.

On August 14, 2025, 6,000,000 shares of Series J Preferred Stock were converted into 6,000,000 shares of common stock.

As of March 31, 2026 and December 31, 2025, 0 shares and 6,000,000 shares of Series J Preferred Stock were issued and outstanding.

Common Stock

Three Months Ended March 31, 2026

During the three months ended March 31, 2026, the Company did not issue any common stock.

Three Months Ended March 31, 2025

During the three months ended March 31, 2025, the Company issued 2,500,000 shares of common stock valued at $125,000 to Clickstop, Inc. which is owned by the Chief Strategy Officer of the Company for service rendered.

As of March 31, 2026 and December 31, 2025, the Company had 327,171,488 shares of common stock issued and outstanding, respectively.

Common Stock Payable

On August 8, 2022, the Company received proceeds of $7,500 from stock subscription of 250,000 shares of common stock.

On November 15, 2022, the Company received proceeds of $25,000 from stock subscription of 1,250,000 shares of common stock.

On March 27, 2024, the Company is required to issue 2,500,000 shares of common stock, to related parties, valued at $100,000 as consideration for acquisition 10% additional interest in Ingenious Roasters, LLC.

As of March 31, 2026 and December 31, 2025, the stock payable was $132,500 for 4,000,000 shares of common stock.

NOTE 12 – RELATED PARTY TRANSACTONS

Amount due to related parties

During the three months ended March 31, 2026 and 2025, the Company incurred $0 and $9,030, respectively, in consulting expense to the Secretary and Director of the Company. As of March 31, 2026 and December 31, 2025, the amount due to the Secretary and Director of the Company was $5,257.

During the three months ended March 31, 2026 and 2025, an officer of the company advanced $6,046 and $0 to the company. The balance as of March 31, 2026 and December 31, 2025 was $6,046 and $0.

During the six months ended June 30, 2025, the Treasurer and CFO of Kinzie advanced $30,000 to the Company. During the year ended December 31, 2025, the Company incurred $6,000 in consulting expense. As of July 1, 2025, the Company sold Kinzie and the amount due to the treasurer was extinguished as part of the sale.

As of March 31, 2026 and December 31, 2025, the amount due to the Secretary was $4,206 and $4,206, respectively.

As of March 31, 2026 and December 31, 2025, the amount due to related parties was $9,674 and $270,473, respectively.

Amount due from related parties

During the year ended December 31, 2025, MIA Coffee made $21,334 in advancements to the Company and was repaid $7,004. As of December 31, 2025 and 2024, the amount due from the MIA Coffee was $14,330 and the amount due to MIA Coffee was $1,864, respectively.

On December 19, 2024, the Company made payment to a third party for settlement of $60,000 on behalf of the owner of Mia Coffee Distributors. The loan of $60,000 bears an annual interest rate of 10%, a 19-month term with the first payment on January 15, 2025. During the year ended December 31, 2025, repayment of $36,144 was made. As of December 31, 2025 and 2024, the amount due from was $23,856 and $60,000, respectively.

During the year ended December 31, 2024, the Company advanced $30,000 to JCG Development, LLC which was controlled by the former President of the Company, CMO of the Company and COO of the Company. As of December 31, 2025 and 2024, the amount due from JCG Development was $30,000. During the year ended December 31, 2025, the Company incurred $15,000 in consulting expenses to JCG Development.

During the years ended December 31, 2025 and 2024, the President of the Company made $11,971 and $5,139 advancement to the Company, respectively. During the year ended December 31, 2025, he was repaid for $13,062. As of December 31, 2025 and 2024, the amount due from the President of the Company was $4,048 and amount due to the President was $5,193. During the year ended December 31, 2025, the Company incurred $3,000 in consulting expense for the President.

As of December 31, 2025 and 2024, the amount due from the related parties was $72,234 and $90,000, respectively.

Share Issuance

During the three months ended March 31, 2026, the Company did not issue any shares of common stock.

During the year ended December 31, 2025, 2,500,000 shares of common stock valued at $125,000 were issued to Clickstop, Inc. which is owned by the President and CEO of the Company for service rendered

NOTE 13 – ACQUISITIONS

Kinzie

Effective May 31, 2024, the Company consummated the purchase of 80% of the interests of Kinzie LLC., ("Kinzie") from two sellers who own 95% of Kinzie interest. One of sellers is the Company's Treasurer and a director.

The purchase price (the "Purchase Price") payable to the Sellers for the shares is $4,220,800. Upon the execution of the Purchase Agreement, we agreed to pay $200,000 in cash, $3,800,000 in promissory note, and 4,000,000 common shares. The promissory note shall be amortized into thirty-six (36) equal monthly installments of $59,639, which includes interest at the rate of 8%. In addition, the cash purchase price shall be adjusted based upon the increase or decrease in gross revenues during the first 12 months following May 31, 2024.

The acquisition was closed on May 31, 2024. Kinzie has been included in our consolidated results of operations since the acquisition date.

The following table summarizes the fair value of the consideration paid by the Company:

Fair Value of Consideration:		May 31, 2024
Cash	$	200,000
Promissory note		3,800,000
Common stock		220,800
Total Purchase Price	$	4,220,800

The following table summarizes the preliminary identifiable assets acquired and liabilities assumed upon acquisition of Kinzie and the calculation of goodwill:

Total purchase price	**$**	**4,220,800**
Cash		138,604
Inventory		167,339
Due from related party		134,887
Property and equipment		409,641
Other assets		39,984
Total identifiable assets		890,455
Accrued liabilities		(232,531)
Loans payable		(482,886)
Total liabilities assumed		(715,417)
Net assets		**175,038**
Non-controlling interest - 20%		35,008
Total net assets		140,030
Goodwill	**$**	**4,080,770**

Last Mile Capital Partners, LLC

In February of 2025, the Company consummated the purchase of 51% of the membership interest of Last Mile Production, LLC, and 51% of Last Mile Capital Partners, LLC, Texas Limited Liability Companies, ("Last Mile Capital") from a seller who owns 100% of the two companies.

The purchase price (the "Purchase Price") payable to the Seller for the membership interest is $2,000,000. Upon the execution of the Purchase Agreement, we agreed to pay $2,000,000 in cash, $500,000 due on signing and $1,500,000 payable by a payment schedule to be fully paid as of May 31, 2025. As at March 31, 2025, a total of $1,250,000 was paid with $750,000 payable.

The acquisition was closed on February 3, 2025. Last Mile has been included in our consolidated results of operations since the acquisition date.

Fair Value of Consideration:		February 3, 2025
Cash	$	690,000
Promissory note		1,310,000
Total Purchase Price	$	2,000,000
Total purchase price	**$**	**2,000,000**
Cash		1,094,105
Property and equipment		55,191
Other assets		657,023
Total identifiable assets		1,806,319
Accrued liabilities		(2,099,414)
Loans payable		(52,447)
Total liabilities assumed		(2,151,860)
Net assets (liabilities)		**(345,542)**
Non-controlling interest - 49%		(169,316)
Total net assets		(176,226)

Goodwill	**$**	**2,176,226**

NOTE 14 – DISCONTINUED OPERATIONS

Effective July 1, 2025, the Company sold its 80% of the interest in Kinzie LLC., ("Kinzie").

The sale of the ownership interest included cash and non-cash components and contingent amounts payable upon certain future conditions being met. The Company paid $150,000 in cash for restructuring fees, and has a $200,000 guaranteed payment in quarterly installments of which the first payment was made in August 2025 of $50,000. The non-cash components include the cancellation and return to treasury of 2,500,000 Preferred E Shares, that were convertible into 25,000,000 common shares, valued at $1,187,500, the extinguishment of all intercompany balances owed of $200,162, long term notes payable for a total of $3,900,000 and accrued interest of $334,400. Based on the terms of the sale agreement, there is up to $400,000 in cash that is contingently payable upon certain future conditions being met.

During the period year December 31, 2025, the Company ceased operations in Pure Oil Eastland 1A and wound up its operations for a gain on disposal of $186,981.

	December 31, 2024	**Kinzie, LLC December 31, 2024**	**Pure Oil Eastland December 31, 2024**	**Continuing Operations December 31, 2024**
Assets				
Current assets:				
Cash	$ 1,201,458	$ 42,502	$ 996	$ 1,157,960
Accounts receivable and other receivables	191,480	-	-	191,480
Prepaid expenses and other assets	2,428,515	24,228	-	2,404,287
Inventory	101,504	19,555	-	81,949
Due from related parties	90,000	-	124,500	(34,500)
Deferred tax asset	3,091	-	-	3,091
Total current assets	4,016,048	86,285	125,496	3,804,267
Property and equipment, net	1,495,600	24,688	-	1,470,912
Intangible Assets, net	47,705	-	5,000	42,705
Oil and Gas Exploration Cost - Tangible, net	648,389	-	-	648,389
Oil and Gas Exploration Cost - Intangible	74,226	-	(122,970)	197,196
Goodwill	4,285,770	-		4,285,770
Total Assets	$ 10,567,738	$ 110,973	$ 7,526	$ 10,449,239
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$ 464,208	$ 122,086	$ -	$ 342,122
Line of credit	235,387	175,387	-	60,000
Accrued Interest	59,915	-	-	59,915
Accrued Interest - related parties	259,083	-	-	259,083
Due to related parties	21,823	-	-	21,823
Convertible notes payable, net of note discount	327,953	-	-	327,953
Notes payable	20,000	-	-	20,000
Derivative Liability	349,528	-	-	349,528
Income tax payable	96	-	-	96
Total Current liabilities	1,737,993	297,473	-	1,440,520
Note payable - related parties	7,239,154	-	-	7,239,154
Automobile Loans	185,653	57,483	-	128,170
Convertible notes payable, non-current portion, net of note discount	14,938	-	-	14,938
Total Liabilities	9,177,738	354,956	-	8,822,782

NOTE 15 – DEFERRED REVENUE

The deferred revenue consists of payments received for our digital token that are in production consisting of our carbon capture and storage credits. A summary of activity for our deferred revenues is noted in the table below.

		Deferred Revenue
Balance December 31, 2024	$	-
Additions		1,025,012
Balance December 31, 2025		1,025,012
Additions		-
Balance March 31, 2026	$	1,025,012

NOTE 16 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events from March 31, 2026 through the date these financial statements were issued and determined that no events require disclosure.