

AUSCRETE CORP

FORM 10-Q (Quarterly Report)

Filed 05/22/23 for the Period Ending 03/31/23

Address	504 WEST FIRST ST. RUFUS, OR, 97050
Telephone	541-739-8200
CIK	0001492091
Symbol	ASCK
SIC Code	3272 - Concrete Products, Except Block and Brick
Industry	Homebuilding
Sector	Consumer Cyclical
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2023**

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-35923**

AUSCRETE CORPORATION

(Exact name of registrant as specified in its charter)

Wyoming

(State of Incorporation)

27-1692457

(IRS Employer ID Number)

**49 John Day Dam Rd
Goldendale, WA 98620**

(Address of principal executive office)

Registrant's telephone number, including area code (509) 261-2525

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if registrant has elected not to extended transition period for complying with any new or revised financial accounting standards provided pursuant to 'Section 7(a)(2)(B) of the Security Act. ☐ Yes ☐ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

APPLICABLE TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ☐ Yes ☐ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock. The number of shares outstanding as of May 22, 2023 of the Issuer's Common Stock is 83,343,901

AUSCRETE CORPORATION

March 31, 2023

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AUSCRETE CORPORATION
BALANCE SHEETS

	March 31, 2023 Unaudited	December 31, 2022 Audited
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ 11,192
Accounts Receivable	8,000	11,751
Prepaid Expenses	4,895	1,543
Inventory	6,198	22,470
TOTAL CURRENT ASSETS	19,093	46,956
Property, Plant and Equipment (net)	25,266	28,252
TOTAL ASSETS	\$ 44,359	\$ 75,208
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Bank Overdraft	\$ 1,552	\$ -
Accounts Payable and Accrued Expenses	179,709	168,059
Accrued Interest Payable	86,288	72,064
Deferred Revenue	-	11,250
Notes Payable (net of discount)	1,362,795	1,376,461
Derivative Liability	146,314	80,774
TOTAL CURRENT LIABILITIES	1,776,658	1,708,608
TOTAL LIABILITIES	1,776,658	1,708,608
Commitments and Contingencies	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock, 0.0001 par value, authorized 2,000,000,000 shares 75,811,229 and 62,957,291 shares issued and outstanding as of March 31, 2023 and December 31, 2022 respectively, restated to APIC below for the 40 for 1 reverse stock split.	7,579	6,295
Additional Paid In Capital	11,775,862	11,727,659
Accumulated deficit	(13,515,740)	(13,367,354)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(1,732,299)	(1,633,400)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 44,359	\$ 75,208

The accompanying notes are an integral part of these financial statements

AUSCRETE CORPORATION
STATEMENTS OF OPERATIONS
For the three months ended March 31

Unaudited

	2023	2022
REVENUE	\$ 33,750	\$ -
Cost of Goods sold	22,977	-
Gross Profit	10,773	-
EXPENSES		
Accounting and Legal	14,714	8,000
Salaries and wages	36,711	45,790
G&A Expenses	41,329	22,899
Depreciation expense	2,985	2,985
TOTAL EXPENSES	95,739	79,674
Income (loss) from operations	(84,966)	(79,674)
OTHER INCOME (EXPENSES)		
Gain / (Loss) on derivative	(35,346)	(95,426)
Financing cost	-	(41,868)
Interest Expense	(28,074)	(48,644)
TOTAL OTHER INCOME (EXPENSES)	(63,420)	(185,938)
INCOME (LOSS) BEFORE TAXES	(148,386)	(265,612)
Provision for Income Taxes	-	-
NET INCOME (LOSS)	\$ (148,386)	\$ (265,612)
NET INCOME (LOSS) PER COMMON SHARE - BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	67,739,887	56,798,678

The accompanying notes are an integral part of these financial statements

AUSCRETE CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For Quarter ended 3/31/2022 and 3/31/2023

Unaudited

	Common Stock		Additional Paid in Capital	Accumulated Deficit	TOTAL
	Shares	Amount			
Balance, December 31, 2021	<u>56,798,678</u>	<u>\$ 5,679</u>	<u>\$ 11,621,307</u>	<u>\$ (13,110,006)</u>	<u>\$ (1,483,020)</u>
Note conversion	6,158,613	616	106,352		106,968
Net Profit (Loss)				(257,348)	(257,348)
					-
Balance, December 31, 2022	<u>62,957,291</u>	<u>6,295</u>	<u>11,727,659</u>	<u>(13,367,354)</u>	<u>(1,633,400)</u>
Note conversion	12,853,938	1,284	48,203		49,487
Net Profit (Loss)				(148,386)	(148,386)
					-
Balance, March 31, 2023	<u>75,811,229</u>	<u>7,579</u>	<u>11,775,862</u>	<u>(13,515,740)</u>	<u>(1,732,299)</u>

The accompanying notes are an integral part of these financial statements

AUSCRETE CORPORATION
STATEMENT OF CASH FLOWS
For the three months ended March 31,

Unaudited

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net Income (Loss)	\$ (148,386)	\$ (265,612)
Finance Costs	-	41,868
Depreciation	2,985	2,985
Gain on Debt Forgiveness	35,346	-
Change in other assets	(3,352)	1,481
Change in Accounts Receivable	3,751	-
Change in Inventory	(16,272)	-
Change in Accounts Payable and Accrued Expenses	25,874	30,636
Change in Deferred revenue	(11,250)	-
Change in Derivative and Note Discount	56,810	118,677
Net Cash Used by Operating Activities	<u>(54,494)</u>	<u>(69,965)</u>
INVESTING ACTIVITIES:		
Purchase of Equipment	-	-
Net cash used by investing activities	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES:		
Bank Overdraft / (Repayment)	1,552	(5,624)
Proceeds from notes payable	41,750	88,000
Net cash provided by financing activities	<u>43,302</u>	<u>82,376</u>
NET INCREASE (DECREASE) IN CASH	<u>(11,192)</u>	<u>12,411</u>
CASH AT BEGINNING OF PERIOD	11,192	-
CASH AT END OF PERIOD	<u><u>\$ -</u></u>	<u><u>\$ 12,411</u></u>
Supplemental Cashflow Information		
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

AUSCRETE CORPORATION
UNAUDITED NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY

Auscrete Corporation (“the Company”) was formed as an enterprise to take advantage of technologies developed for the construction of affordable, thermally efficient and structurally superior housing. This “GREEN” product is the culmination of design and development since the early 1980’s. The company’s Registration Statement outlines the result of the amalgamation of various material development stages, taking an idea to a product and further developing that product to address an ongoing problem in the world’s largest marketplace, the quest for affordable, efficient and enduring housing. Auscrete’s structures are monetarily highly competitive. A turnkey house, ready to move in sells for around \$100-110 per square foot. That is very low in today’s market but is brought about by Auscrete’s ability to manufacture large panels in mass production format. The house is virtually “fastened” together on site to produce an attractive site-built home, a home that will stay where it is put through all kinds of adverse weather and age conditions. It will not burn, is not affected by bugs, termites or rot, it saves extensively on energy costs and has very low maintenance needs.

BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The summary of significant accounting policies of Auscrete Corporation is presented to assist in the understanding of the Company’s financial statements. The financial statements and notes are representations of the Company’s management, who is responsible for their integrity and objectivity.

The financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The financial statements are presented in condensed format and should be read in conjunction with the audited financial statement on the form 10-K for the year ended December 31, 2022.

INCOME TAXES

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act, (the “Tax Act”) was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowers the U.S. federal corporate income tax rate (“Federal Tax Rate”) from 35% to 21% effective January 1, 2018. The Company will compute its income tax expense for the year ended December 31, 2022 using a Federal Tax Rate of 21%.

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard required by ASC 740-10-25-5.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash in banks and highly liquid investments with original maturities of 90 days or less. There were \$0 cash equivalents as of March 31, 2023, and \$11,192 as of December 31, 2022.

Fair Value Measurements

The Company adopted guidance which defines fair value, establishes a framework for using fair value to measure financial assets and liabilities on a recurring basis, and expands disclosures about fair value measurements. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent sources. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 - Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in accessible active markets.

Level 2 - Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.

Level 3 - Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect a company's own assumptions about the inputs that market participants would use.

The Company's financial instruments consist of cash, prepaid expenses, inventory, accounts payable, convertible notes payable, advances from related parties, and derivative liabilities. The estimated fair value of cash, prepaid expenses, investments, accounts payable, convertible notes payable and advances from related parties approximate their carrying amounts due to the short-term nature of these instruments.

The Company's derivative liabilities have been valued as Level 3 instruments.

	Level 1	Level 2	Level 3	Total
Fair value of convertible notes derivative liability – March 31, 2023	\$ -	\$ -	\$ 146,314	\$ 146,314

Fair value of convertible notes derivative liability – March 31, 2023

	Level 1	Level 2	Level 3	Total
Fair value of convertible notes derivative liability – December 31, 2022	\$ -	\$ -	\$ 80,774	\$ 80,714

Fair value of convertible notes derivative liability – December 31, 2022

REVENUE RECOGNITION POLICY

The Company recognizes revenue under ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," ("ASC 606"). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods and services transferred to the customer. The following five steps are applied to achieve that core principle:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when the company satisfies a performance obligation

The Company has manufactured and delivered a structure during the period January 1, 2023 through March 31, 2023. Revenue recognized upon completion and delivery and all performance obligations were met.

For the three months ended March 31, 2023, our revenue was \$33,750 and \$0 for March 31, 2022

COST OF SALES

Amounts that will be recorded as cost of sales relate to direct expenses incurred in order to fulfill orders of our products. Such costs are recorded as incurred. Our cost of sales will consist primarily of the cost of product, labor and selling costs and does not include G&A expenses.

PROPERTY AND EQUIPMENT

Property and Equipment was stated at historical cost less Accumulated depreciation and amortization. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

Depreciation is provided on a straight-line basis over the assets' estimated useful lives. The useful lives of the assets are as follows: equipment 7-years, vehicles 7-years, and buildings 30-years. Additions and improvements are capitalized while routine repairs and maintenance are charged to expense as incurred. Upon sale or disposition, the historically recorded asset cost and Accumulated depreciation are removed from the Accounts and the net amount less proceeds from disposal is charged or credited to other income or expense.

IMPAIRMENT OF LONG-LIVED ASSETS

We evaluate long-lived assets for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate their net book value may not be recoverable. When these events occur, we compare the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. There can be no assurance, however, that market conditions will not change or demand for the Company's products will continue. Either of these could result in the future impairment of long-lived assets. Estimates of fair value are determined through various techniques, including discounted cash flow models and market approaches, as considered necessary.

LOSS PER COMMON SHARE

Basic loss per common share is computed based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share consists of the weighted average number of common shares outstanding plus the dilutive effects of options and warrants calculated using the treasury stock method. In loss periods, dilutive common equivalent shares are excluded as the effect would be anti-dilutive. It is estimated that the Company will issue approximately ~143,000,000 as of March 31, 2023 a result of conversion of notes. Fully diluted weighted average common shares and equivalents were withheld from the calculation as they were considered anti-dilutive.

RECLASSIFICATION

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported income, total assets, or stockholders' equity as previously reported.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally Accepted Accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates and assumptions.

EMERGING GROWTH COMPANY

Not Applicable

NOTE 2 - GOING CONCERN AND PLAN OF OPERATION

The Company's financial statements have been presented on the basis that it will continue as a going concern. The Company has not generated revenues from construction related operations to date. The Company has an Accumulated deficit of \$13,515,740 as of March 31, 2023 which raises substantial doubt about the Company's ability to continue as a going concern.

The Company will use additional funds through equity and debt financing, collaborative or other arrangements with corporate partners, licenses or others, and from other sources, which may have the effect of diluting the holdings of existing shareholders. The Company has subsequent current arrangements with respect to, or sources of, such additional financing and the Company does not anticipate that existing shareholders will be required to provide any portion of the Company's future financing requirements.

No assurance can be given that additional financing will be available when needed or that such financing will be available on terms Acceptable to the Company. If adequate funds are not available, the Company may be required to delay or terminate expenditures for certain of its programs that it would otherwise seek to develop and commercialize. This would have a material adverse effect on the Company and raise doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that may result from the outcome of this uncertainty.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

Update 2020-06—Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This was issued in August of 2020 and will become effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.

NOTE 4 - RELATED PARTY TRANSACTIONS

Though the company has established banking credit cards to assist with the normal everyday purchases and payments of corporate needs such as utilities etc., The CEO and other involved parties occasionally use their own personal cards or funds for this purpose and, to represent this, the company has a continuous Related Party Advances section in its financial statements. This is adjusted typically at the end of each reporting period.

During the Quarter ending March 31, 2023 CEO John Sprovieri provided the Company \$5,000 in funds he received as a personal loan to help cover operations shortages.

As of March 31, 2023, and December 31, 2022 the balance owed to John Sprovieri was \$5,000 and \$0 respectively.

NOTE 5 - PROPERTY, INVENTORY AND EQUIPMENT

Inventory consists of Finished Product and Raw Materials that are valued at the lower of cost or market.

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Raw Materials:

Raw materials consist of rebar, insulation, surfactant, powdered cement, threaded inserts and sundry items. The cost is based on the cost of purchase from a non-related supplier. As of March 31, 2023 and December 31, 2022 the inventory value was \$6,198 and \$22,470 respectively.

Property and Equipment at March 31, 2023 were comprised of the following at:

	March 31, 2023	December 31, 2022
Capital Equipment	\$ 80,554	\$ 80,554
Vehicles	6,344	6,344
Accumulated Depreciation	(61,632)	(58,646)
Net Fixed Assets	\$ 25,266	\$ 28,252

Depreciation expense for the three months ended March 31, 2023 and 2022 was \$2,985 and \$2,985 respectively.

NOTE 6 - EQUITY

Common Stock:

During the Period January 1, 2022 to December 31, 2022, the Company issued 130,409 shares for convertible note conversions.

The following is a list of the foremost 6 shareholders of the Company as of March 31, 2023

NAME	ADDRESS	Number of Shares
1.	John & Mary Sprovieri PO Box 813, Rufus, OR 97050	40,675,923
2.	CEDE & Company 570 Washington Blvd. 5th. Floor, Jersey City, NJ 07310	21,907,128
3.	Kathleen D Jett PO Box 846, 618 W. First Street, Rufus, OR 97050.	6,025,352
4.	Kimberly Grimm 15011 SE Mt Royale Ct. Milwaukie, OR 97267.	3,275,120
5.	Michael Young 4405 Highway 30W, #407, The Dalles, OR.	1,100,000
6.	William S Beers PO Box 825, Rufus, OR 97058	1,110,200

NOTE 7 - INCOME TAXES

We currently have no current tax liability, as we have had limited revenue and incurred losses since inception.

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act, (the “Tax Act”) was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowers the U.S. federal corporate income tax rate (“Federal Tax Rate”) from 35% to 21% effective January 1, 2019. The Company will compute its income tax expense for the year ended December 31, 2023 using a Federal Tax Rate of 21%.

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard required by ASC 740-10-25-5.

Deferred income tax amounts reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes.

As of March 31, 2023, we had a net operating loss carry-forward of approximately \$(13,510,717) and a deferred tax asset of approximately \$2,828,691 using the statutory rate of 21%. The deferred tax asset may be recognized in future periods, not to exceed 20 years for 2020 and prior and post 2018 are indefinite.

However, due to the uncertainty of future events, we have booked valuation allowance of \$(2,828,691). FASB ASC 740 prescribes recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At March 31, 2023 the Company had not taken any tax positions that would require disclosure under FASB ASC 740.

	March 31, 2023	December 31, 2022
Deferred Tax Asset	\$ 2,828,691	\$ 1,993,357
Valuation Allowance	(2,828,691)	(1,993,357)
Deferred Tax Asset (net)	\$ -	\$ -

The Company is subject to tax in the U.S. federal and Washington jurisdictions. These filings are subject to a three-year statute of limitations unless the returns have not been filed at which point the statute of limitations becomes indefinite. No filings are currently under examination. No adjustments have been made to reduce the estimated income tax benefit at year end. Any valuations relating to these income tax provisions will comply with U.S. generally Accepted

NOTE 8 - NOTES PAYABLE AND DERIVATIVE LIABILITIES

On December 28, 2021, the company issued a 12-month Convertible Note for the sum of \$38,000 to Sixth Street Lending at 6%. Convertible at 65% of the averaged 3 lowest trading prices during the prior 15 day trading period. We recognized a derivative liability in the amount of \$117,851 as a result.

On March 18, 2022, the company issued a 12-month Convertible Note for the sum of \$50,000 to RB Capital at 10%. Convertible at \$0.06. No beneficial conversion was recognized as the conversion price was higher than the stock price.

On July 11, 2022, the company issued a 12-month Convertible Note for the sum of \$50,000 to RB Capital at 10%. Convertible at \$0.02. No beneficial conversion was recognized as the conversion price was higher than the stock price.

On July 15, 2022, the company issued a 12-month Convertible Note for the sum of \$1,050,000 to RB Capital at 8%. Convertible at \$0.05. This Note is a result of consolidation of [21] previous Notes ranging from 2/2/2018 up to and including 10/5/2021. No beneficial conversion was recognized as the conversion price was higher than the stock price.

On September 27, 2022, the company received a 12-month line of credit for the sum of \$50,000 from RB Capital at 10%.

On November 1, 2022, the company received a 12-month line of credit of \$100,000 from RB Capital at 8%.

On February 17, 2023, the company issued a 12-month Convertible Note for the sum of \$41,750 to Sixth Street Lending at 6%. Convertible at 65% of the averaged 3 lowest trading prices during the prior 15 day trading period.

As a result of the convertible notes we recognized the embedded derivative liability on the date that the note was convertible. We also revalued the remaining derivative liability on the outstanding note balance on the date of the balance sheet. The inputs used were a weighted volatility of 174% and a risk-free discount rate of 4.74%

The convertible notes have interest rates that range from 6% to 10% per annum and default rates that range from 10% to 22% per annum. The maturity dates range from six months to one year. The conversion rates range from 60% discount to the market to 65% discount to the market. As of March 31, 2023, there were seven convertible notes outstanding.

The remaining derivative liabilities valued using the level 3 inputs in the fair value hierarchy were:

	March 31, 2023	December 31, 2022
Derivative Liabilities on Convertible Loans:		
Outstanding Balance	146,314	80,774

NOTE 9 - COMMITMENTS

The company maintains a month-to-month lease agreement on a 8,000 sq. ft. facility located in outer Goldendale and monthly lease cost is \$2,000. The total lease payments for the three months ended March 31, 2023 were \$4,000.

As of March 31, 2023 the company has not remitted all of the backup withholdings, which could result in material trust-fund penalties from the internal revenue service.

NOTE 10 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Company has analyzed its operations subsequent to March 31, 2023 through May 22nd, 2023. The Company had issued and out 75,811,229 shares as at 12/31/22 and subsequent note conversions by 1800 diagonal increased issued and out to 83,343,901 as of May 22nd, 2023.

1800 Diagonal Lending on 4/25/2023 converted 3,769,231 shares at a cost basis of \$4,900 and on 5/2/2023 converted 3,763,441 shares at a cost basis of \$3,500.

The Company has determined that there were no additional material subsequent events to disclose in these financial statements, other than referenced above.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

Readers of this discussion are advised that the discussion should be read in conjunction with the financial statements of Registrant (including related notes thereto) appearing elsewhere in this Form 10-Q. Certain statements in this discussion may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect Registrant's current expectations regarding future results of operations, economic performance, financial condition and achievements of Registrant, and do not relate strictly to historical or current facts. Registrant has tried, wherever possible, to identify these forward-looking statements by using words such as "believe," "expect," "anticipate," "intend," "plan," "estimate" or words of similar meaning.

Although Registrant believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties, which may cause the actual results to differ materially from those anticipated in the forward-looking statements. Such factors include, but are not limited to, the following: general economic and business conditions, which will, among other things, affect demand for housing, the availability of prospective buyers; adverse changes in Registrant's real estate and construction market; including, among other things, competition with other manufacturers, risks of real estate development and acquisitions; governmental actions and initiatives; and environmental/safety requirements.

Results of Operations

Recently completed was building site foundation work and manufacturing of all construction panels and purchase of all doors, windows and interior fixtures for a contracted 92 sq. ft. duplex.. This construction project introduced through an extensive area marketing effort has also brought inquiries from many interested buyers attracted to building similar homes in the area.

Additionally, this quarter the company has prepared details to build a 1,500 square foot and 1,800 square foot home in Olympia, Washington State. The building plan design phase is near completion and a goal of beginning site construction work is set for late Summer of 2023.

There were no material operational changes from the last financials of December 31, 2022. Revenue for the three months ended March 31, 2023 and 2022 was \$33,750 and \$0 respectively.

Net cash used in operating activities was \$54,494 for the three months ended March 31, 2023 compared to net cash used in operating activity of \$69,965 for the same period in 2022.

Net cash used in investing activities was \$0 in the three months ended March 31, 2023, compared to net cash used in investing activity of \$0 for the same period in 2022.

Net cash provided by financing activities was \$43,302 for the three months ended March 31, 2023, compared to \$82,376 for same period in 2022.

We have had minimal operating activity since inception of the company in 2010. Our 2023 short-term obligations are being covered by funding received from convertible notes.

As of March 31, 2023, the Company had inadequate cash to operate its business at the current level for the next three months and to achieve its business goals. The success of our business plan during and beyond the next three months will be provided by additional loan financing of a minimum of \$300,000.

Overview

Auscrete Corporation was formed as an enterprise to take advantage of technologies developed for the construction of affordable, thermally efficient and structurally superior housing. This “GREEN” product is the culmination of design and development since the early 1980’s. The current technology is the amalgamation of various material stages of Company development, taking an idea to a product and further developing that product to address an ongoing problem in the world’s largest marketplace, the quest for affordable, efficient and enduring housing.

Auscrete’s structures are monetarily very competitive. A turnkey house, ready to move in sells for around \$110 to \$120 per square foot. That is very competitive in today’s market but is brought about by Auscrete’s ability to manufacture

large panels in mass production format. The house is very quickly constructed on site to produce an attractive and functional site-built home, a home that will stay where it is put through all kinds of adverse weather and age conditions. It will not burn, is not affected by insect infestation or rot, it saves extensively on energy costs and has very low maintenance needs.

Financing

Auscrete Corporation, a Wyoming public company was incorporated on December 31, 2009 and initially became effective with the SEC for an IPO on August 16, 2012. The IPO was never exercised and expired.

Subsequently the company had an S-1 become Effective on December 30, 2014. This was not an Offering and not used for fundraising.

The company is quoted on the OTC Pink Bulletin Board under the symbol “ASCK” and is DWAC registered.

Financial Statements in this document represent the full results of the company during the three month period to March 31, 2023. There are no “off balance sheet” arrangements.

Marketing

Principal marketing efforts are aimed at leveraging specific contacts and relationships that have developed over the last 12 years since the inception of the founders’ pilot plant. The company has interviewed and chosen an experienced sales person who will have the luxury of dealing with existing contacts as well as the multitude of inquiries received every week.

Auscrete’s product is also extremely suitable for the construction of commercial and industrial structures. Company marketing will also explore the commercial world for applications and it is believed that such construction will become a large part of the company’s future direction.

Operations Management

The Auscrete Team will comprise of a minimal tiered management structure that enables control and knowledge to be firmly at the hands of senior management ensuring rapid and simplified direct reporting to action.

Under control of the CEO will be marketing, manufacturing operations, design architecture and engineering, administration and safety compliance. Additionally, the Construction Manager will oversee Auscrete’s own construction activities as well as liaise with contractors and developers.

Operations

Design and Engineering will prepare new design concepts and adapt customer's designs, either residential or commercial, to the Auscrete style of construction as well as preparing all drawings for manufacturing on the production floor.

The construction manager will be responsible for liaising with contractors, developers and other customers to ensure the satisfactory completion of their contract. As well, the company will have its own construction division that will not conflict with other contractors but will enable the company the ability to carry out construction operations where no alternative exists. The construction manager will also oversee these operations.

Future Strategy

Auscrete Corporation intends to position itself as a major supplier in the affordable housing market. Housing is generally considered "affordable" when its cost does not exceed 30 percent of the median family income in a given area. In many parts of the country, housing costs have shown signs of adversely affecting corporations, workers and local economies. Yet, still the availability of affordable housing is becoming increasingly scarce.

The company is promoting a product that will not only make housing affordable but also offers some luxuries as well, such as incorporated heat pump/air conditioning units that would not be available in other houses at such comparable pricing. By constructing with the Auscrete Building System, those luxuries will result in lower cost utilities and a comfortable 'feel' to the living environment, as can be achieved with a product offering excellent thermal and soundproofing qualities as well as superb fire resistance.

Developers and contractors will offer the homes as complete ready constructed site-built units on suitable land. They are NOT and will not be offered under the banner of such categories as 'pre-fabricated', 'modular' or 'factory built' homes. They are **just plain good value masonry homes** built of a time proven product, concrete.

Although Auscrete can economically deliver whole house panel sets as far away as New Mexico or Alberta, Canada, the Company will concentrate mostly on its home markets here in the Northwest where future growth will be achieved by servicing this fast-emerging market in this above average (for affordable housing) evolving area.

The company plans on selling most of its output to developers, contractors and builders who will purchase the complete set of wall, roof and interior panels from Auscrete and use their own construction crews to construct the houses.

The Plant's specialized line equipment installation has been completed with end line product fabrication meeting the Company's expectations in high construction standards. The Company has made further equipment purchases to support its machine shop which will allow it to build additional much needed casting tables amongst other production plant assets.

Housing construction planning is currently in a number of project stages. The Company's Marketing efforts have recently diversified to also include designs of small dwellings sometimes referred to as "Tiny Homes." These structures are 80 – 500 square feet housing units built to fill the gap in urban multi-unit homeless transitional housing. This additional new venture in fabrication fits well with Auscrete's overall model in concrete panel construction for housing and commercial structures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, our Chief Executive and Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this quarterly report. Based on this evaluation, our Chief Executive and Financial Officer concluded as of March 31st, that our disclosure controls and procedures are not effective such that the information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive and Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in internal controls

There were no changes in our internal control over financial reporting during the three months ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

At present, the Company is not engaged in or the subject of any material pending legal proceedings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Number	Description
<u>31.1*</u>	<u>Certification of Chief Executive Officer Pursuant to Sarbanes-Oxley Section 302</u>
<u>32.1*</u>	<u>Certification Pursuant To 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AUSCRETE CORPORATION

Date: May 22, 2023

By: /s/ A. John Sprovieri
A. John Sprovieri
(Chief Executive and Financial Officer)

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, **John Sprovieri**, certify that:

1. I have reviewed this **Form 10-Q for the period ending March 31, 2023 of Auscrete Corporation**;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 22, 2023

/s/John Sprovieri/s/

John Sprovieri
Principal Executive Officer and Principal Financial
Officer

***CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Quarterly Report of **Auscrete Corporation** (the “Company”) on Form 10-Q for the period ended **March 31, 2023** as filed with the Securities and Exchange Commission on the date here of (the “report”), I, **John Sprovieri**, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 22nd day of May, 2023.

/s/John Sprovieri/s/

John Sprovieri

Chief Executive Officer and Chief Financial Officer