

TRANS AMERICAN AQUACULTURE, INC

FORM 10-Q (Quarterly Report)

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Address	1022 SHADYSIDE LANE DALLAS, TX, 75223
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2024**

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: **000-56640**

TRANS AMERICAN AQUACULTURE, INC.
(Exact name of registrant as specified in its charter)

Colorado

(State of other jurisdiction of incorporation or organization)

02-0685828

(I.R.S. Employer Identification No.)

1022 Shadyside Lane, Dallas, TX

(Address of Principal Executive Offices)

75223

(Zip Code)

(972) 358-6037

(Registrant’s telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Not applicable	Not applicable	Not applicable

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 checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of the registrant’s common stock, \$0.000001 par value per share, outstanding as of November 15, 2024, was 1,567,096,354.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Trans American Aquaculture, Inc.
(Formerly Gold River Productions, Inc.)

Consolidated Balance Sheets

	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 0	\$ 6,600
Receivable from factor	12,357	0
Inventory	222,234	247,825
Other current assets	904	0
TOTAL CURRENT ASSETS	235,495	254,425
PROPERTY AND EQUIPMENT		
Less accumulated depreciation	7,901,541 (547,287)	7,935,824 (527,827)
NET PROPERTY AND EQUIPMENT	7,354,254	7,407,997
TOTAL ASSETS	\$ 7,589,749	\$ 7,662,422
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Overdraft	\$ 5,605	\$ 0
Accounts payable	486,946	480,721
Accrued interest expense	1,154,126	789,265
Other accrued expenses	594,208	345,825
Income tax payable	0	0
Due to related parties	1,642,598	1,667,985
Current portion of notes payable	1,129,671	525,609
TOTAL CURRENT LIABILITIES	5,013,154	3,809,406
LONG-TERM LIABILITIES		
Notes payable, net of current portion	4,164,388	4,332,293
TOTAL LONG-TERM LIABILITIES	4,164,388	4,332,293
STOCKHOLDERS' EQUITY		
Common stock, \$.000001 par value, 3,000,000,000 shares authorized, 1,471,954,105 and 1,452,655,528 shares issued and outstanding	35	20
Preferred Stock, Series A, .000001 par value 9,078,000 and 9,078,000 shares authorized, 9,078,000 issued and outstanding	0	0
Preferred Stock, Series B, .000001 par value 5,000 and 5,000 shares authorized, 5,000 issued and outstanding	0	0
Preferred Stock, Series C, \$.000001 par value, 100,000 and 100,000 shares authorized, 100,000 issued and outstanding and outstanding	0	0
Preferred Stock, Series D, .000001 par value, 1,144 shares authorized, 1,143 and 1,076 issued and outstanding	0	0
Additional paid in capital - common stock	135,103	99,980
Additional paid in capital - preferred stock (Series C)	1,287,091	1,287,091
Additional paid in capital - preferred stock (Series D)	1,143,774	1,076,864
Accumulated deficit	(4,153,796)	(2,943,231)
TOTAL STOCKHOLDERS' EQUITY	(1,587,793)	(479,277)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,589,749	\$ 7,662,422

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

Trans American Aquaculture, Inc.
(Formerly Gold River Productions, Inc.)

Consolidated Statements of Operations

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES				
Sales and service	\$ 0	\$ 0	\$ 315,145	\$ 0
COST OF REVENUES				
Cost of revenues	196,552	400,000	419,851	400,000
GROSS PROFIT	(196,552)	(400,000)	(104,706)	(400,000)
GENERAL AND ADMINISTRATIVE EXPENSES	213,250	246,667	534,633	592,242
OTHER INCOME (EXPENSE)				
Gain on disposal of property and equipment	6,041	0	6,041	0
Other income	5,000	0	5,700	1,750
Other expense	(728)	0	(66,702)	0
Interest expense	(175,836)	(121,551)	(449,356)	(358,925)
TOTAL OTHER INCOME (EXPENSE)	(165,523)	(121,551)	(504,317)	(357,175)
NET INCOME (LOSS) BEFORE TAXES	(575,325)	(768,218)	(1,143,656)	(1,349,418)
INCOME TAX (EXPENSE) BENEFIT	0	0	0	(26,937)
NET INCOME (LOSS)	<u>\$ (575,325)</u>	<u>\$ (768,218)</u>	<u>\$ (1,143,656)</u>	<u>\$ (1,322,481)</u>
Basic and Diluted Net loss per common share	(0.000328)		(0.000378)	
Weighted average common shares outstanding - basic	1,471,954,105		1,464,204,910	

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

Trans American Aquaculture, Inc.
(Formerly Gold River Productions, Inc.)

Consolidated Statements of Stockholders' Equity
For the three months and six months ended June 30, 2024 and 2023

	Common Stock		Preferred Stock, Series A		Preferred Stock, Series B		Preferred Stock, Series C		Preferred Stock, Series D		Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Deficit	
Balance December 31, 2022	1,432,655,528	\$ 0	9,078,000	\$ 0	5,000	\$ 0	100,000	\$ 1,287,091	0	\$ 0	\$ (922,817)	\$ 364,274
Issuance of common shares	20,000,000	100,000	0	0	0	0	0	0	0	0	0	100,000
Issuance of preferred stock	0	0	0	0	0	0	0	0	250	250,000	0	250,000
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(258,194)</u>	<u>(258,194)</u>
Balance March 31, 2023 (Unaudited)	1,452,655,528	\$ 100,000	9,078,000	\$ 0	5,000	\$ 0	100,000	\$ 1,287,091	250	\$ 250,000	\$ (1,181,011)	\$ 456,080
Issuance of common shares	0	0	0	0	0	0	0	0	286	286,000	0	286,000
Stock dividends	0	0	0	0	0	0	0	0	8	8,000	(8,000)	0
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(296,069)</u>	<u>(296,069)</u>
Balance June 30, 2023 (Unaudited)	<u>1,452,655,528</u>	<u>\$ 100,000</u>	<u>9,078,000</u>	<u>\$ 0</u>	<u>5,000</u>	<u>\$ 0</u>	<u>100,000</u>	<u>\$ 1,287,091</u>	<u>544</u>	<u>\$ 544,000</u>	<u>\$ (1,485,080)</u>	<u>\$ 446,011</u>
Issuance of common shares	0	0	0	0	0	0	0	0	434	422,000	0	422,000
Stock dividends	0	0	0	0	0	0	0	0	19	19,471	(19,471)	0
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(768,218)</u>	<u>(768,218)</u>
Balance September 30, 2023 (Unaudited)	<u>1,452,655,528</u>	<u>\$ 100,000</u>	<u>9,078,000</u>	<u>\$ 0</u>	<u>5,000</u>	<u>\$ 0</u>	<u>100,000</u>	<u>\$ 1,287,091</u>	<u>997</u>	<u>\$ 985,471</u>	<u>\$ (2,272,769)</u>	<u>\$ 99,793</u>
Balance December 31, 2023	1,452,655,528	\$ 100,000	9,078,000	\$ 0	5,000	\$ 0	100,000	\$ 1,287,091	1,076	\$ 1,076,863	\$ (2,943,231)	\$ (479,277)
Issuance of common shares	7,615,277	21,118	0	0	0	0	0	0	0	0	0	21,118
Issuance of preferred stock	0	0	0	0	0	0	0	0	22	21,780	(21,780)	0
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(238,021)</u>	<u>(238,021)</u>
Balance March 31, 2024 (Unaudited)	<u>1,460,270,805</u>	<u>\$ 121,118</u>	<u>9,078,000</u>	<u>\$ 0</u>	<u>5,000</u>	<u>\$ 0</u>	<u>100,000</u>	<u>\$ 1,287,091</u>	<u>1,098</u>	<u>\$ 1,098,643</u>	<u>\$ (3,203,032)</u>	<u>\$ (696,180)</u>
Issuance of common shares	11,683,300	14,020	0	0	0	0	0	0	0	0	0	14,020
Issuance of preferred stock	0	0	0	0	0	0	0	0	22	22,213	(22,213)	0
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(330,311)</u>	<u>(330,311)</u>

Balance June 30, 2024 (Unaudited)	<u>1,471,954,105</u>	<u>\$ 135,138</u>	<u>9,078,000</u>	<u>\$ 0</u>	<u>5,000</u>	<u>\$ 0</u>	<u>100,000</u>	<u>\$ 1,287,091</u>	<u>1,120</u>	<u>\$ 1,120,856</u>	<u>\$ (3,555,556)</u>	<u>\$ (1,012,471)</u>
Issuance of common shares	0	0	0	0	0	0	0	0	0	0	0	0
Issuance of preferred stock	0	0	0	0	0	0	0	0	23	22,915	(22,915)	0
Net loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(575,325)</u>	<u>(575,325)</u>
Balance September 30, 2024 (Unaudited)	<u>1,471,954,105</u>	<u>\$ 135,138</u>	<u>9,078,000</u>	<u>\$ 0</u>	<u>5,000</u>	<u>\$ 0</u>	<u>100,000</u>	<u>\$ 1,287,091</u>	<u>1,143</u>	<u>\$ 1,143,771</u>	<u>\$ (4,153,796)</u>	<u>\$ (1,587,796)</u>

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

Trans American Aquaculture, Inc.
(Formerly Gold River Productions, Inc.)

Consolidated Statements of Cash Flows

	For the nine months ended September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,143,656)	\$ (1,322,481)
Noncash items included in net loss:		
Depreciation expense	52,291	55,585
Common stock issued for professional services	19,012	100,000
Gain on disposal of property and equipment	(6,041)	0
Amortization of discount and loan cost on notes payable	3,067	0
Amortization of loan cost on notes payable	1,333	0
(Increase) decrease in:		
Accounts receivable	(12,357)	(12,219)
Inventory	25,591	(242,641)
Deferred tax liability	0	(26,937)
Other current assets	(904)	0
Increase (decrease) in:		
Accounts payable	6,225	343,936
Other accrued expenses	248,382	0
Income tax payable	0	12,218
Accrued interest expense	364,861	267,991
CASH USED IN OPERATING ACTIVITIES	(442,196)	(824,548)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for the purchase of fixed assets	(12,216)	(15,132)
Proceeds from sale of fixed assets	19,710	0
CASH PROVIDED BY INVESTING ACTIVITIES	7,494	(15,132)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of bank overdraft	0	(288)
Bank overdraft	5,605	0
Proceeds from shareholder notes payable	48,988	123,700
Payments on shareholder notes payable	(74,375)	(116,488)
Payments on notes payable	(74,243)	(56,258)
Proceeds from notes payable	506,000	0
Issuance of common shares	16,127	0
Stock dividends	0	0
Issuance of preferred shares	0	958,000
CASH PROVIDED BY FINANCING ACTIVITIES	428,102	908,667
NET INCREASE (DECREASE)	(6,600)	68,986
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,600	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 0	\$ 68,986
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 84,496	\$ 22,518
Cash paid for income taxes	\$ 0	\$ 0
NON-CASH		
Preferred series D stock dividends	\$ 66,910	\$ 27,471
Common stock issued for services rendered	\$ 19,012	\$ 100,000

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

NOTE 1 – BUSINESS ORGANIZATION

Business Organization

Trans American Aquaculture, Inc. formerly Gold River Productions, Inc. (GRP), (“the Company”) was incorporated in the State of Delaware on September 18, 2006, as Polythene Metro Corp before being acquired by Gold River Productions, Inc. on January 25, 2007. The Company was re-incorporated in the State of Colorado in July 2018. In February 2023, pursuant to shareholder and Board approval, the Company changed its name to Trans American Aquaculture, Inc., reflective of its new management and operations, and applied to the Financial Industry Regulatory Authority (“FINRA”) to change its ticker symbol from GRPS to TAAQ.

On August 28, 2022, Richard Goulding, executive and selling party of Gold River Productions, Inc. and Adam Thomas, purchaser, executed a Stock Purchase Agreement (“SPA”). Under the terms of the SPA, Mr. Goulding, agreed to sell to Adam Thomas, CEO of TAA, 9,078,000 shares of the Company’s Series A Preferred Stock, and to retain 640,000 shares for later conversion to the Company’s common stock. Each share of Series A Preferred Stock is convertible into 100 shares of the Company’s common stock. In addition, Mr. Thomas agreed to purchase all the Company’s outstanding shares of Series B Preferred Stock from Mr. Goulding for a cash payment of \$5,000.

In further consideration for the sale of the shares of Series A and Series B Preferred Stock, Mr. Goulding agreed to:

1. Increase the authorized shares of the Company’s common stock to three billion (3,000,000,000) shares;
2. Convert his retained 640,000 shares of Series A Preferred Stock, to 64,000,000 shares of common stock;
3. Issue to various former employees and consultants of the Company an aggregate amount of 15,248,503 shares of the Company’s common stock; and
4. Complete the assignment of assets and assumption of liabilities as they existed immediately prior to the closing of the stock purchase agreement on August 29, 2022.

Following the purchase of the shares of Class A and Class B Preferred Stock, Mr. Thomas and TAA agreed to:

1. To have the Company issue shares of a Class C Preferred Stock to the former members of TAA, such shares to be convertible into 85% of the Company’s common stock, but limited as to this conversion for a minimum of 12 months from the date of issuance; and
2. To cancel and withdraw the shares of Series A Preferred Stock.

As of June 30, 2024, the parties are contemplating an amendment to the SPA; however, no terms have been agreed.

NOTE 1 – BUSINESS ORGANIZATION (CONTINUED)

On August 29, 2022, Gold River Productions, Inc. and Goulding executed an Assignment of Rights and Assumption of Liabilities Agreement whereby Gold River Productions, Inc. assigned all of its assets and liabilities to Mr. Richard Goulding (Mr. Goulding), Chairman of the Board and CEO of GRP, resulting in GRP becoming a public shell company without any assets or liabilities and became the accounting acquiree.

On September 13, 2022, Gold River Productions, Inc. and Trans American Aquaculture, LLC (“TAA”) executed a Definitive Equity Exchange Agreement in a transaction accounted for as a reverse acquisition, whereby TAA became the accounting acquiror. TAA operates a large land-based shrimp farming and technology company located in South Texas. The Company produces premium quality, farm-raised white shrimp, 100% free of antibiotics and hormones, and cultivated using safe and sustainable practices. Its principal markets consist of seafood distributors, restaurants, and grocery store chains in the United States. Using decades of experience in the shrimp aquaculture industry, products are grown with our superior technology and our proprietary genetics which results in a superior fresh product always grown in the United States.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements include the accounts of Trans American Aquaculture, Inc and its wholly owned subsidiary Trans American Aquaculture, LLC, a Texas Limited Liability Company. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Inventory

Inventory is valued at lower of cost or the net realizable value on a first-in, first-out basis. Depending on the development and growth stage of shrimp, the Company’s inventory is comprised of 1) broodstock held for restocking the next harvest cycle, 2) broodstock held for sale, and shrimp held for sale. The Company evaluates realization of shrimp based on market prices at the end of each period.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Maintenance and repairs are expensed while expenditures for renewals which prolong the lives of the assets are capitalized. When items are disposed of, the cost and accumulated depreciation are eliminated from the accounts and any net gain or loss is included in the consolidated statement of income.

For financial reporting purposes, depreciation of property and equipment is provided for by using the straight-line method based on the estimated service lives of the property as follows:

Land improvements	40 years
Buildings and structures	40 years
Farm equipment	10 – 20 years
Autos and trucks	10 years

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined that an asset has been impaired, the amount of the impairment is charged to operations. No impairments were recognized for the periods ended September 30, 2024 and 2023.

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually.

Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of September 30, 2024, the Company needs to file federal and state income tax returns for 2020, 2021, 2022 and 2023. During 2020, the Company had taxable income primarily as a result of a short-term capital gain of \$445,500 on the sale of a joint venture interest. This resulted in taxable income of \$155,200 and an unremitted federal income tax liability of \$33,180. With accrued penalties and interest, the total due the IRS is approximately \$58,300. All liabilities, including federal taxes, were indemnified by Goulding as part of the transaction and accordingly a receivable due from the previous owner of the Company has been recorded and netted against the tax obligation. The Company intends to file its 2020 federal tax return and pay the tax due, plus penalties in interest once it has sufficient cash to do so.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenues according to the Financial Accounting Standard Board (“FASB”) Accounting Standard Codification (“ASC 606”) and Accounting Standard Update ASU 2014-09 “Revenues from Contracts with Customers.” Under the ASC 606, revenues is recognized when the customer obtains control of promised goods or services in amounts that reflect the consideration which the entity expected to receive in exchange of goods and service. The Company does not collect sales, value-add and other taxes collected on behalf of third parties. To determine revenue recognition, the Company performs the following five steps: (1) identify the contract with customer; (2) identify the performance obligations in contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligation in the contract; and (5) recognize revenues when (or as) the entity satisfies a performance obligation.

The Company recognizes revenue as a single performance obligation when it transfers its products to customers, being when the goods are shipped and transfers to a buyer and when performance obligation under contracted sales are completed.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to credit risk consist primarily of temporary cash investments and accounts receivable.

The Company maintains its cash balances at a large financial institution. At times such balances may exceed federally insured limits. The Company has not experienced any losses in an account. The Company believes it is not exposed to any significant credit risk on cash and had no balances in excess of the \$250,000 FDIC limit for the period ended September 30, 2024.

For the nine months ended September 30, 2024 and 2023, two and one customer accounted for 100% of total revenues earned.

The Company's sole source of expected future revenue consists of the sale of a single live product which requires substantial care. Production risks such as weather, disease and other factors could affect the Company's ability to realize revenue from its inventory stock.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through November 19, 2024, the date the consolidated financial statements were issued.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by using the weighted-average number of common shares outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the dilutive potential shares of common stock had been issued. The dilutive effect of the Company is reflected in diluted net loss per share by application of the treasury stock method. The dilutive securities are excluded from the computation of diluted net loss per share when net loss is recorded for the period as their effect would be anti-dilutive.

NOTE 3 – ACCOUNTS RECEIVABLE

On December 11, 2023, the Company entered into an accounts receivable factoring agreement in the amount of \$750,000. The agreement calls for 80% with recourse financing on eligible receivables. The amount received for the factored receivables on February 7, 2024, totaled \$135,847, of which \$12,357 remains outstanding after factoring fees at September 30, 2024 and \$0 at December 31, 2023.

NOTE 4 – INVENTORY

The inventory at September 30, 2024, consists of shrimp held for sale and broodstock held for restocking. Included in this amount is the broodstock cost basis reclassified to shrimp held for sale as those costs are applicable expenditures and charges directly and indirectly incurred in bringing shrimp inventory to its existing condition and location as noted in FASB ASC 330-10-30. Although, these animals will eventually come to end of life, their costs are considered part of the necessary costs to birthing and raising shrimp held for sale.

Just prior to harvest, the Company segregates and retains selected premium shrimp to become broodstock for the following shrimp harvest cycle. Upon identification and segregation, the selected animals are transferred from outdoor ponds to specialized indoor tanks. These tanks are highly regulated with respect to temperature, lighting and salinity levels. Costs allocated to broodstock animals at September 30, 2024 and December 31, 2023 totaled \$210,000 and \$60,388, respectively.

The Company recorded inventory write-down of \$196,552 related to the death of broodstock in its aquaculture operations. The number of broodstock animals held decreased from 15,400 to 3,000 during the three-months ended September 30, 2024. The write-down is included in the cost of revenues in the consolidated statement of operations.

NOTE 4 – INVENTORY (CONTINUED)

Total inventory is as follows at:

	September 30, 2024 (Unaudited)	December 31, 2023
Held for Sale		
Shrimp	\$ 12,234	\$ 187,437
Broodstock	0	4,026
Total Held for Sale	12,234	191,463
Broodstock - Restocking	210,000	56,362
Total inventory	\$ 222,234	\$ 247,825

NOTE 5 – PROPERTY AND EQUIPMENT

As of September 30, 2024, and December 31, 2023, the Company had the following property and equipment:

	September 30, 2024 (Unaudited)	December 31, 2023
Autos and trucks	\$ 26,345	\$ 66,845
Building and improvements	668,289	656,389
Farm equipment	434,598	440,281
Other equipment	646,067	646,066
	1,775,299	1,809,581
Less: accumulated depreciation	(547,287)	(527,827)
	1,228,012	1,281,754
Land	6,126,242	6,126,243
Net property and equipment	\$ 7,354,254	\$ 7,407,997

Depreciation expense for the nine months ended September 30, 2024 and 2023, totaled approximately \$52,291 and \$55,585. The amount of depreciation expense in cost of goods sold or inventory totaled \$0 and \$52,626 for the nine months ended September 30, 2024 and 2023.

NOTE 6 – NOTES PAYABLE

Notes payable as of September 30, 2024 and December 31, 2023, consisted of the following:

	September 30, 2024 (Unaudited)	December 31, 2023
Note to an entity by the former owner of farm property, interest at 6.00%, due in monthly installments of \$38,687 including interest, secured by real property, due in 2039	\$ 4,677,531	\$ 4,707,902
Unsecured Promissory Note to 1800 Diagonal Lending LLC, a commercial lender, with one-time interest of 13%, due in four installments beginning August 30, 2024 and due in total by November 30, 2024, original issue discount of \$18,600	52,253	0
Note to a bank, interest at 3.75%, due in monthly installments of \$719 including interest, secured by real property, due in 2050	146,875	150,000
Secured promissory Note to Arcadia Funding LLC, a commercial lender, accrued fixed interest at the rate of \$12,500 per month, secured by real property, due in December 16, 2024.	350,000	0
Unsecured Promissory Note to 1800 Diagonal Lending LLC, a commercial lender, with one-time interest of 13%, due in four instalments beginning February 28, 2025 and due in total by May 30, 2025, original issue discount of \$13,800	67,400	0
	5,294,059	4,857,902
Less Current Portion	(1,129,671)	(525,609)
Net Long-Term Debt	\$ 4,164,388	\$ 4,332,293

The estimated notes payable maturities as of September 30, 2024 are as follows:

September 30, 2025	\$ 1,129,671
September 30, 2026	232,254
September 30, 2027	246,408
September 30, 2028	261,638
September 30, 2029	277,700
Thereafter	3,146,388
	\$ 5,294,059

NOTE 6 – NOTES PAYABLE (CONTINUED)

In February 2024, the Company signed an unsecured promissory note with a lender for \$111,600, bearing one-time interest at the rate of 13%, and maturing on four dates beginning on August 2024 and ending on November 2024. The proceeds of this note were issued with an original issue discount of \$18,600, yielding net proceeds of \$93,000. Upon full maturity, the Company will have paid a total of \$126,108 of principal and interest on this note.

In May 2024, the Company signed a Secured Promissory Note with a lender for \$350,000 bearing fixed interest at the rate of \$12,500 per month with maturity date December 2024. The Secured Promissory Note requires monthly interest payments only commencing in June 2024. Principal amount along any accrued but unpaid interest should be paid at maturity date. The note is secured by property owned by the Company and trustee by Travis L. Bence or John R. Bailey.

At March 31, 2024, the Company was in default on the farm property note for \$4,707,902 due to failure to remit timely monthly payments. On May 31, 2024, the Company entered into a Forbearance and Modification Agreement with the lender. Under the agreement, the lender agreed that it would not exercise or enforce its rights or remedies against the Company to which it would be entitled under the terms of the Real Estate Lien Note dated June 15, 2017 in the original principal amount of \$5,600,000, and the Deed of Trust executed by the Company as grantor in favor of Jizhong Wang, as trustee, for the benefit of the lender by occurrence of the failure by the Company to pay principal and interest installments from May 1, 2022, through May 31, 2024 before August 6, 2024. The forbearance was conditioned on the obligation of the Company to pay the lender \$77,375, which was paid and applied to the principal and interest. At September 30, 2024, the Company is in default for \$4,845,024 including principal and interest due to failure to remit timely monthly payments. On October 25, 2024, the Company signed a Deed in Lieu of where the lender agrees to forbear from exercising its rights to foreclosure take position of the property secured by the loan on or prior to November 30, 2024. If by December 1, 2024, the full amount of the debt has not been paid, the lender will proceed to either record the Deed in Lieu of Foreclosure or pursue to take possession of the property.

In August 2024, the Company signed an unsecured promissory note with a lender for \$82,800 bearing one-time interest at the rate of 13%, and maturing on four dates beginning in February 2025 and ending on May 2025. The proceeds of this note were issued with an original issue discount of \$13,800 and loan cost \$6,000, yielding net proceeds of \$63,000. Upon full maturity, the Company will have paid a total of \$93,564 of principal and interest on this note.

NOTE 7 – RELATED PARTY NOTES PAYABLE

As of September 30, 2024 and December 31, 2023, shareholders have loaned the Company approximately \$1,642,598 and \$1,667,985, respectively, in notes which accrue interest ranging from 12% and 18% per annual period. Maturities between April 1, 2024, and July 1, 2024, have been extended to December 31, 2024. Accrued interest related to these notes totaled \$561,567 and \$414,624 as of September 30, 2024, and December 31, 2023, respectively.

NOTE 8 – INCOME TAX

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

NOTE 8 – INCOME TAX (CONTINUED)

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be covered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. An allowance has been recorded as of September 30, 2024 due to uncertainty of the realization of deferred tax asset in future periods.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In accordance with FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, included in ASC Topic 740, Income Taxes, the Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. There were no uncertain tax positions that required recognition by the Company. As of the date of these consolidated financial statements, the Company's federal and various state tax returns will generally remain open for the last three years.

The Company's provision for income taxes attributable to income before income taxes for the periods ended September 30, 2024 and December 31, 2023, consisted of the following:

	September 31, 2024	December 31, 2023
Deferred tax assets related to:		
NOL Carryover	\$ 599,828	\$ 403,605
Deferred tax liability related to:		
Property and equipment	(7,313)	(8,715)
	592,515	394,890
Less: allowance	(592,515)	(394,890)
Net deferred tax asset (liability)	\$ 0	\$ 0
Current expense		
Federal	\$ 0	\$ 0
State	0	0
	\$ 0	\$ 0
Deferred income tax expense (benefit)	\$ 0	\$ (26,937)

NOTE 9 – EQUITY FINANCING AND SECURITIES PURCHASE AGREEMENT

Equity Financing Agreement

On January 20, 2023, the Company entered into an Equity Financing Agreement (“the EFA”) and Registration Rights Agreement (the “Registration Rights Agreement”) with GHS Investments, LLC, pursuant to which GHS agreed to purchase up to \$10,000,000 in shares of the Company common stock, from time to time over the course of 24 months after effectiveness of a registration statement on Form S-1 of the underlying shares of the Company’s common stock.

The EFA grants the Company the right, to direct GHS to purchase shares of the Company’s common stock on any business day (a “Put”), provided that at least ten trading days (as defined in the EFA) have passed since the closing of the most recent Put. The purchase price of the shares of common stock contained in a Put shall be 80% of the lowest traded price of the Company common stock during the ten consecutive

Trading Days preceding the date of the Put notice. In the event The Company up lists to Nasdaq or an equivalent national exchange, the purchase price will be 90%. No Put will be made in an amount less than \$10,000 or greater than \$500,000 and any single drawdown may not exceed 200% of the average daily trading dollar volume of the Company’s common stock during the ten trading days preceding the Put. In no event is the Company entitled to make a Put or is GHS entitled to purchase and own cumulative shares greater than 4.99% of the Company’s shares of common stock outstanding on such date.

The EFA will terminate upon any of the following events: when GHS has purchased an aggregate of \$10,000,000 in the common stock of the Company pursuant to the EFA; or on the date that is 24 months from the date of the EFA.

Actual sales of shares of common stock to GHS under the EFA will depend on a variety of factors, including, the number of public shares the Company has available for trading on the open market (excluding closely held and restricted stock), market conditions, the trading price of the common stock, the number of shares outstanding, and the Company’s determinations as to the appropriate sources of funding for the Company and its operations. The net proceeds under the EFA to the Company will depend on the frequency and prices at which the Company sells shares of stock to GHS.

The Registration Rights Agreement provides that the Company shall (i) use its best efforts to file with the SEC the Registration Statement within 60 calendar days of the date of the Registration Rights Agreement; and (ii) have the Registration Statement declared effective by the SEC within 60 calendar days after the date the Registration Statement is filed with the SEC, but in no event more than calendar 120 days after the Registration Statement is filed.

The Company will use the proceeds from the Puts for general corporate and working capital purposes and acquisitions or assets, businesses, or operations or for purposes the Board of Directors deems to be in the best interests of the Company.

On February 27, 2024, the Company put 4,615,277 shares of common stock to GHS at a purchase price of \$0.00224 under the EFA for net proceeds of \$2,106.

NOTE 9 – EQUITY FINANCING AND SECURITIES PURCHASE AGREEMENT (CONTINUED)

On May 29, 2024, the Company put 11,683,300 shares of common stock to GHS at the purchase price of \$.0012 under EFA for a net proceeds of \$12,715.

Securities Purchase Agreement

On January 20, 2023, The Company entered into a Securities Purchase Agreement with GHS (the “GHS SPA”) pursuant to which 250 shares of Series D Preferred Stock for \$250,000 were sold to GHS at a price per share of \$1,000. In addition, pursuant to the GHS SPA, the Company issued to GHS warrants to purchase 46,296,296 shares of common stock exercisable at \$0.005175 per share and terminating on January 20, 2028.

On April 18, 2023, the Company entered into an Amended Securities Purchase Agreement with GHS (the “Amended SPA”) pursuant to which the Company sold to GHS 102 shares of Series D Preferred Stock for \$102,000 (\$1,000 for each share of Series D Preferred Stock). In addition, pursuant to the Amended SPA, the Company issued to GHS warrants to purchase 20,606,061 shares of Common Stock exercisable at \$0.00391 per share and terminating on January 20, 2028.

On May 22, 2023, the Company entered into an Amended Securities Purchase Agreement with GHS (the “Amended SPA”) pursuant to which the Company sold to GHS 184 shares of Series D Preferred Stock for \$184,000 (\$1,000 for each share of Series D Preferred Stock). In addition, pursuant to the Amended SPA, the Company issued to GHS warrants to purchase 42,666,667 shares of Common Stock exercisable at \$0.00345 per share and terminating on January 20, 2028.

On July 6, 2023, the Company entered into an Amended Securities Purchase Agreement with GHS (the “Amended SPA”) pursuant to which the Company sold to GHS 96 shares of Series D Preferred Stock for \$96,000 (\$1,000 for each share of Series D Preferred Stock). In addition, pursuant to the Amended SPA, the Company issued to GHS warrants to purchase 19,047,620 shares of Common Stock exercisable at \$0.004025 per share and terminating on January 20, 2028.

On September 26, 2023, the Company entered into a Securities Purchase Agreement with GHS (the “September 2023 SPA”) pursuant to which the Company agreed to sell GHS 151 shares of Series D

Preferred Stock for \$146,000 (\$1,000 for each share of Series D Preferred Stock and five commitment shares). At the initial closing, GHS purchased 76 shares (\$1,000 per share of Series D Preferred Stock) and within 25 calendar days from the initial closing, GHS agreed to purchase 70 shares of Series D Preferred Stock. In addition, pursuant to the September 2023 SPA, the Company issued to GHS warrants to purchase 14,901,961 shares of Common Stock exercisable at \$0.003795 per share and terminating on September 26, 2028. On October 12, 2023, GHS purchased the remaining 70 shares of Series D Preferred Stock under the September 2023 SPA. In addition, pursuant to the September 2023 SPA, the Company issued to GHS warrants to purchase 14,705,883 shares of Common Stock exercisable at \$0.003795 per share and terminating on October 12, 2028.

NOTE 10 – LITIGATION

From time to time the Company is involved in lawsuits against the Company involving general liability or various contractual matters. In the opinion of the Company’s management, the potential claims against the Company not covered by insurance resulting from such litigation will not materially affect the financial position of the Company.

NOTE 11 – GOING CONCERN

The Company follows FASB ASU 2014-10 – Development Stage Entities because its principal operations have commenced, but there has been no significant revenue therefrom. To date, the Company's activities since inception have consisted principally of acquiring property, equipment, and other operating assets, raising capital, starting up production, recruiting and training personnel and raising capital.

The Company's ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan as well as continuing to develop its brood stock in order to fulfill recently signed contracts. The financial statements do not include any adjustments that might be necessary if the business plan cannot be implemented or if additional capital cannot be raised, either of which could result in the Company not being able to continue as a going concern.

The Company is in the process of raising additional capital to support the completion of the developmental stage activities and ramp up ongoing full shrimp harvest cycles and establish its customer base. Therefore, the Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to operationalize the Company's current technology. Further, the company is under threat of foreclosure of the farm facilities as described in Note 6. The company plans to sell certain assets, including portions of the land to pay off debt and fund operations.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events; are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on July 2, 2024. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

Critical Accounting Policies

The following discussions are based upon our financial statements and accompanying notes, which have been prepared in accordance with GAAP Financial Measures of the United States.

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingencies. We continually evaluate the accounting policies and estimates used to prepare the financial statements. We base our estimates on historical experiences and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management.

Accounting for Our Shrimp Inventory

Our inventory of shrimp is divided into shrimp held for sale and broodstock shrimp. Broodstock are shrimp that are used for breeding purposes; selected for their genetic, disease-free and size attributes they can be more valuable than shrimp held for sale. We collect broodstock from the biomass just before the harvest and segregate them from the shrimp that will be harvested and sold. Broodstock, because of their higher value, may be sold to other shrimp farmers in the United States and overseas. We also keep a number of broodstock for our own restocking purposes. So, during the year, our inventory can consist of shrimp held for sale, broodstock held for sale and broodstock used for restocking purposes.

Shrimp farming is a seasonal business. On a calendar year basis, we typically use the broodstock to breed our larvae shrimp during the first quarter so that by spring the shrimp are held in large post-larvae tanks for development. Later, in early summer, the shrimp are transferred to ponds where they complete the grow out process over the next five to nine months. This can vary if we have more than one cycle of shrimp. Grow out may begin in the second in the second quarter, with a second cycle grow out beginning in early summer. The first harvest cycle can occur in early fall with the second harvest cycle occurring in November or December. During 2023, we had one cycle and harvest occurred in early November 2023. During 2024, we have not stocked, nor have we had a harvest; however, we are in process of larval development for broodstock families and line continuation.

Our shrimp inventory is valued at lower of cost or the net realizable value on a first-in, first-out basis.

The inventory at September 30, 2024 consists of live broodstock animals. Included in this amount are costs and charges directly and indirectly incurred in bringing shrimp inventory to its existing condition and location as noted in FASB ASC 330-10-30.

At September 30, 2024, the broodstock shrimp for the 2024 harvest had been identified and segregated from consumable shrimp in outdoor ponds to indoor tanks. The table below summarizes inventory at September 30, 2024 and 2023.

	September 30, 2024	December 31, 2023
Held for Sale		
Shrimp	\$ 12,234	\$ 187,437
Broodstock	—	—
Total Held for Sale	12,234	4,026
Broodstock - Restocking	210,000	53,362
Total inventory	\$ 222,234	\$ 247,825

At September 30, 2024, approximately 3,000 animals of broodstock will be used to populate our next harvest in 2025. The cost of the broodstock was reclassified to broodstock held for restocking on a pro rata basis of cost per pound of the total biomass of shrimp held for sale. Subsequent costs will be allocated in accordance with ASC 330-10-30.

Business Overview

Founded in 2017, we are a leading aquaculture company that provides premium quality, farm-raised pacific white shrimp, 100% free of antibiotics and hormones, to the U.S. domestic seafood market. We believe we are a leading aquaculture company due to Best Aquaculture Practices (“BAP”) guidelines,¹ considering the rarity of the standards in the U.S. Although we are not currently in full compliance with BAP guidelines, we are working towards full compliance. At the moment, we adhere to BAP guidelines as part of our operating and production model. Grown at our 1,880-acre farm located in Rio Hondo, Texas, on the largest scale aquaculture farm in the U.S., our shrimp are meticulously raised to exceed in line with industry best practices according to BAP guidelines² using only authentic, sustainable practices. Within our controlled facility, each harvest is responsibly raised and cultivated onsite with minimal ecological footprint, promising our customers a superior product developed from the highest standard of care.

We have and will continue to utilize superior genetic lineage broodstock for cultivation of own post larvae in our onsite genetics, maturation and hatchery facilities. These facilities allow us to continually develop animals with increasing growth rates, lower mortality, and stronger disease resistance. We began formal production runs in 2018 and to date have produced almost one million lbs. of shrimp for consumption.

Recent trends in the shrimp industry, including that, according to preliminary 2023 data from the National Marine Fisheries Service, shrimp prices have dropped as much as 44% since 2022.³ Our business, prospects, revenues, profitability, and future growth are highly dependent upon the prices of and demand for shrimp. Our ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon shrimp prices. These prices have been and are likely to continue to be extremely volatile for seasonal, cyclical, and other reasons. Any substantial or extended decline in the price of shrimp will have a material adverse effect on our financing capacity and our prospects for commencing and sustaining any economic commercial production. In addition, increased availability of imported shrimp can affect our business by lowering commodity prices. This could reduce the value of inventories, held both by us and by our customers, and cause many of our customers to reduce their orders for new products until they can dispose of their higher-cost inventories.

¹ <https://www.bapcertification.org/Downloadables/pdf/BAP%20-%20BAP%20Farm%20Standard%20-%20Issue%203.1%20-%202007-February-2023.pdf>

² <https://www.bapcertification.org/Downloadables/pdf/BAP%20-%20BAP%20Farm%20Standard%20-%20Issue%203.1%20-%202007-February-2023.pdf>

³ <https://civileats.com/2023/06/20/cheap-imports-leave-us-shrimpers-struggling-to-compete/#:~:text=The%20U.S.%20Food%20and%20Drug,before%20entering%20the%20U.S.%20market>

Going Concern Uncertainty

As shown in the accompanying financial statements, during the three-months ended September 30, 2024, we reported a net loss of \$575,325. As of September 30, 2024, our current liabilities exceeded its current assets by \$4,777,659. As of September 30, 2024, we had \$0 cash. During the year ended December 31, 2023, we reported a net loss of \$1,971,551. As of December 31, 2023, our current liabilities exceeded its current assets by \$3,554,981. As of December 31, 2023, we had \$6,600 cash.

We will require additional funding to finance the growth of our operations and achieve our strategic objectives. These factors, as relative to capital raising activities, create doubt as to our ability to continue as a going concern. We are seeking to raise additional capital and are targeting strategic partners to accelerate the sales and marketing of our products and begin generating revenues. Our ability to continue as a going concern is dependent upon the success of future capital offerings or alternative financing arrangements, expansion of our operations and generating sales. The accompanying financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. Management is actively pursuing additional sources of financing sufficient to generate enough cash flow to fund its operations; however, management cannot make any assurances that such financing will be secured.

Results of Operations for the Three-Months Ended September 30, 2024 and 2023

Revenues

For the three-months ended September 30, 2024, total revenues were \$0 compared to \$0 for the same period in 2023. In 2023, the Company focused efforts primarily on the development of genetic lines in the first half of the year and did not produce a meaning full harvest until the end of the year.

Cost of Goods Sold and Gross Profit

For the three-months ended September 30, 2024, cost of goods sold was \$196,552 compared to \$400,000 for the same period in 2023, a decrease of \$203,448 or 51%. This was the result of less inventory written off during the current three months ended September 30, 2024.

There was no gross margin for the three-months ended September 30, 2024 and for the same period in 2023.

Operating Expenses

General and administrative expenses for three-months ended September 30, 2024 decreased by \$33,417, or 13%, to \$213,250 from \$246,667 for the three-months ended September 30, 2023. This decrease in expenses resulted from less legal and professional fees and payroll wages, the primary components, being approximately the same.

Other Income (Expense)

For the three-months ended September 30, 2024, we had interest expenses of \$175,836 compared to interest expenses of \$121,551 for the same period in 2023, an increase in interest expense of \$54,285. This increase in interest expense was due primarily to three new notes.

Net Income (Loss)

As a result of the above, we reported a net loss of \$575,325 for the three-months ended September 30, 2024 compared to a net loss of \$768,218 for the three-months ended September 30, 2023.

Results of Operations for the Nine-Months Ended September 30, 2024 and 2023

Revenues

For the nine-months ended September 30, 2024, total revenues were \$315,145 compared to \$0 for the same period in 2023, an increase of \$315,145 or 315,145%. This increase consisted entirely of our production of shrimp for consumption sales. In 2023, the Company was able to produce a harvest and was sold for sale in 2024.

Cost of Goods Sold and Gross Profit

For the nine-months ended September 30, 2024, cost of goods sold was \$419,851 compared to \$400,000 for the same period in 2023, an increase of \$19,851 or 5%. This was the result of sales of shrimp during the current nine months ended September 30, 2024.

There was no gross profit during the nine-months period September 30, 2023 and for the same period in 2023.

Operating Expenses

General and administrative expenses for nine-months ended September 30, 2024 decreased by \$57,609, or 10%, to \$534,633 from \$592,242 for the nine-months ended September 30, 2023. These nearly equivalent expenses resulted from legal and professional fees and payroll wages, the primary components, being approximately the same.

Other Income (Expense)

For the nine-months ended September 30, 2024, we had interest expenses of \$449,356 compared to interest expenses of \$358,925 for the same period in 2023, an increase in interest expense of \$90,431. This increase in interest expense was due primarily to three new notes.

Net Income (Loss)

As a result of the above, we reported a net loss of \$1,143,656 for the nine-months ended September 30, 2024 compared to a net loss of \$1,322,481 for the nine-months ended September 30, 2023.

Liquidity and Capital Resources

As of September 30, 2024, we had a cash balance of \$0, compared to a balance of \$6,600 at December 31, 2023. We currently do not have sufficient cash to fund our operations for the next 12 months and we will require working capital to complete development and production, testing and marketing of our products and to pay for ongoing operating expenses. We anticipate adding management positions for corporate development and the corresponding operations of the Company, but this will not occur prior to obtaining additional capital. Currently, competitively priced loans from banks or other lending sources for lines of credit or similar short-term borrowings are not available to us. We have been able to raise working capital to fund operations through the issuances of convertible preferred stock to GHS, factoring our receivables, and borrowing funds from employees of the Company. As of September 30, 2024, our current liabilities exceeded our current assets by \$4,777,659 as compared to December 31, 2023, when current liabilities exceeded current assets by \$3,554,981, an increase of \$1,222,678.

Our liquidity is significantly impacted by the farm note to King's Aqua Farm LLC, dated June 15, 2017, in the original amount of \$5,600,000 bearing interest at 6.0% per annum, due in 2039, yielding a monthly payment of \$38,687. Secured by the farm property, the outstanding principal balance at both September 30, 2024 and December 31, 2023, was \$4,707,902. On May 31, 2024, the Company entered into a Forbearance and Modification Agreement with the lender. Under the agreement, the lender agreed that it would not exercise or enforce its rights or remedies against the Company to which it would be entitled under the terms of the Real Estate Lien Note dated June 15, 2017 in the original principal amount of \$5,600,000, and the Deed of Trust executed by the Company as grantor in favor of Jizhong Wang, as trustee, for the benefit of the lender by occurrence of the failure by the Company to pay principal and interest installments from May 1, 2023 through May 31, 2024 before August 6, 2024. The forbearance was conditioned on the obligation of the Company to pay the lender \$77,375, which was paid. At September 30, 2024, the Company is in default for \$4,845,024 including principal and interest due to failure to remit timely monthly payments. On October 25, 2024, the Company signed a Deed in Lieu of where the lender agrees to forbear from exercising its rights to foreclosure take position of the property secured by the loan on or prior to November 30, 2024. If by December 1, 2024, the full amount of the debt has not been paid, the lender will proceed to either record the Deed in Lieu of Foreclosure or pursue to take possession of the property.

The Company is also a party to an SBA Loan through a bank in the original amount of \$150,000 bearing interest at 3.75% per annum, due in 2050, yielding a monthly payment amount of \$731.

Liquidity is also affected by notes to our shareholders. At September 30, 2024, shareholders have loaned the Company approximately \$1,642,598 which notes accrue interest at ranging from 12.0% to 18% per annum and were due March 31, 2024. The Company extended this due date to July 1, 2024, and plans to extend it again to January 1, 2025. Current discussions with noteholders are underway and, although an extension is not certain, we expect the noteholders to agree to this extension. Until an extension is agreed, the notes are in default.

In February 2024, the Company signed an unsecured promissory note with a lender for \$111,600, bearing one-time interest at the rate of 13%, and maturing on four dates beginning on August 30, 2024 and ending on November 30, 2024. The proceeds of this note were issued with an original issue discount of \$18,600, yielding net proceeds of \$88,000. Upon full maturity, the Company will have paid a total of \$126,108 of principal and interest on this note.

In August 2024, the Company signed an unsecured promissory note with a lender for \$82,800 bearing one-time interest at the rate of 13%, and maturing on four dates beginning in February 2025 and ending on May 2025. The proceeds of this note were issued with an original issue discount of \$13,800 and loan cost \$6,000, yielding net proceeds of \$63,000. Upon full maturity, the Company will have paid a total of \$93,564 of principal and interest on this note.

Cash Flows from Operating Activities

During the nine-months ended September 30, 2024, net cash used in operating activities was \$442,196 due mainly to a net loss of \$1,143,656, increase in accounts payable and accrued expense of \$613,243 due to increased operations, and increase in accrued interest expense due mainly to falling into arrears on the note payable covering our farm property and increased interest expense on notes payable to shareholders.

By comparison, during the nine-months ended September 30, 2023, net cash used in operating activities was \$824,548 resulting mainly from a net operating loss of \$1,322,481 and increased inventory levels of \$242,641, offset by increases in accrued interest of \$267,991.

Cash Flows from Investing Activities

During the nine-months ended September 30, 2024, we had \$7,494 net cash provided by investing activities. During the nine-months ended September 30, 2023, we had \$15,132 of net cash used in investing activities. This increase is mainly due to sale of property and equipment.

Cash Flows from Financing Activities

During the nine-months ended September 30, 2024, net cash provided by financing activities was \$428,102 which was mainly comprised of proceeds from notes payable of \$506,000, offset by payments due to shareholders of \$74,375, and notes payable of \$74,243. During the nine-months ended September 30, 2023, net cash provided by financing activities was \$908,667 which was mainly comprised of proceeds from \$958,000 from issued Series D Preferred Stock to GHS, offset by \$116,488 in payments on related party notes and \$56,258 in notes payable as well as proceeds from shareholder notes of \$123,700.

Factors That May Affect Future Results

Management's Discussion and Analysis contains information based on management's beliefs and forward-looking statements that involve several risks, uncertainties, and assumptions. There can be no assurance that actual results will not differ materially from the forward-looking statements as a result of various factors, including but not limited to, our ability to obtain the equity/debt funding or borrowings necessary to produce, market and launch our products, our ability to successfully serially produce and market our products; our success establishing and maintaining production lines; the acceptance of our products by customers; our continued ability to pay operating costs; our ability to meet demand for our products; the amount and nature of competition from our competitors; the effects of technological changes on products and product demand; and our ability to successfully adapt to market forces and technological demands of our customers.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity capital expenditures or capital resources.

Recent Accounting Pronouncements

We have provided a discussion of recent accounting pronouncements in NOTE 2 to the Quarterly Consolidated Financial Statements for September 30, 2024 and 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, the Company has elected not to provide the disclosure required by this item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and, as such, is accumulated and communicated to our Chief Executive Officer and Chief Financial Officer, Adam Thomas, who serves as our principal executive officer and principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosure. Mr. Thomas has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, as of September 30, 2024. Based on his evaluation, Mr. Thomas concluded that, due to a material weakness in our internal control over financial reporting, our disclosure controls and procedures were not effective as of September 30, 2024. In light of the material weakness in internal control over financial reporting, we completed substantive procedures, including validating the completeness and accuracy of the underlying data used for accounting prior to filing this Form 10-Q.

These additional procedures have allowed us to conclude that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements included in this Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company’s internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during our quarter ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

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

On August 21, 2024, we issued a convertible promissory note to 1800 Diagonal Lending LLC in the principal amount of \$82,800. Upon an “Event of Default,” as described in the note, the note is convertible at 61% multiplied by the lowest Trading Price (as defined in the note) for the Common Stock during the 10 Trading Days (as defined in the note) prior to the Conversion Date (as defined in the note).

The note was issued in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506(b) of Regulation D under the Securities Act, based in part on the representations of the investor. No selling commissions were paid in connection with the issuance of the note.

Item 3. Defaults Upon Senior Securities.

We issued a note to King’s Aqua Farm LLC, dated June 15, 2017, in the original amount of \$5,600,000 bearing interest at 6.0% per annum, due in 2039, yielding a monthly payment of \$38,687. This note is secured by the farm property. On May 31, 2024, we entered into a Forbearance and Modification Agreement with the lender. Under the agreement, the lender agreed that it would not exercise or enforce its rights or remedies against us to which it would be entitled under the terms of the Real Estate Lien Note dated June 15, 2017 in the original principal amount of \$5,600,000, and the Deed of Trust executed by us as grantor in favor of Jizhong Wang, as trustee, for the benefit of the lender by occurrence of the failure by us to pay principal and interest installments from May 1, 2023 through May 31, 2024 before August 6, 2024. The forbearance was conditioned on the obligation of the Company to pay the lender \$77,375, which was paid. We failed to make the payment before August 6, 2024 and the note is in default. At September 30, 2024, the Company is in default for \$4,845,024 including principal and interest due to failure to remit timely monthly payments. On October 25, 2024, the Company signed a Deed in Lieu of where the lender agrees to forbear from exercising its rights to foreclosure take position of the property secured by the loan on or prior to November 30, 2024. If by December 1, 2024, the full amount of the debt has not been paid, the lender will proceed to either record the Deed in Lieu of Foreclosure or pursue to take possession of the property.

Item 5. Other Information

During the quarter ended September 30, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

SEC Ref. No.	Title of Document
31.1*	Rule 13a-14(a) Certification by Principal Executive Officer
31.2*	Rule 13a-14(a) Certification by Principal Financial and Accounting Officer
32.1**	Section 1350 Certification of Principal Executive Officer and Principal Financial and Accounting Officer
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
104***	Cover Page Interactive Data File (formatted in Inline XBRL, and included in exhibit 101).

*Filed with this Report.

**Furnished with this Report.

*** To be filed by amendment

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.

TRANS AMERICAN AQUACULTURE, INC.

By: /s/ Adam Thomas
Adam Thomas
Chief Executive Officer and Chief Financial Officer (Principal
Executive Officer and Principal Financial and Accounting Officer)

Date: November 19, 2024

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

I, Adam Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trans American Aquaculture, Inc.
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 small business issuer 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 the Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the 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 small business issuer is made known to us by others, particularly during the period in which this report is being prepared;
 - b. Designed such disclosure 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 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. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's issuer'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 small business issuer'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 issuer's internal control over financial reporting.

Date: November 19, 2024

By: /s/ Adam Thomas
Adam Thomas
Chief Executive Officer
(Principal Executive Officer)

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

I, Adam Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trans American Aquaculture, Inc.
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 small business issuer 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 the Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the 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 small business issuer is made known to us by others, particularly during the period in which this report is being prepared;
 - b. Designed such disclosure 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 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. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's issuer'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 small business issuer'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 issuer's internal control over financial reporting.

Date: November 19, 2024

By: /s/ Adam Thomas

Adam Thomas

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Trans American Aquaculture, Inc. (the “Company”) on Form 10-Q for the quarter ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Adam Thomas, Chief Executive 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Adam Thomas

Adam Thomas

Chief Executive Officer and Chief Financial Officer

(Principal Executive Officer and

Principal Financial and Accounting Officer)

Date: November 19, 2024