QUARTERLY REPORT OF

Minerco, Inc.

FOR THE THREE MONTHS ENDED OCTOBER 31, 2017

A NEVADA CORPORATION

800 Bering Drive, Suite 201, Houston, TX 77057

(866-601-2639)

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ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS

The exact name of the company is Minerco, Inc.

Minerco, Inc. formerly known as Minerco Resources, Inc., was incorporated in Nevada on June 21, 2007. Minerco is a cutting-edge brand management company specializing in the development of beverage, entertainment and related ancillary brands.

MINE is a holding company with one subsidiary and one indirect subsidiary.

Since 2012, our primary focus has been on our functional beverage business. Our specialty beverage business develops, produces, markets and distributes a diversified portfolio of forward-thinking, good-for-you consumer brands. Minerco has developed or acquired and maintains exclusive rights to: VitaminFIZZ®, COFFEE BOOST and The Herbal Collection™. During the year ended October 31, 2015 we generated revenue of $233,824 all of which was generated from sales of our VitaminFIZZ® products.

We organically developed the COFFEE BOOST™ Brands, and we acquired the exclusive, worldwide rights to the VitaminFIZZ® Brand from VITAMINFIZZ, L.P. in November, 2013. The current focus of our business is on the VitaminFIZZ® brand and in September 2014, we acquired 100% ownership of the brand. We are completing the formulation and packaging for The Herbal Collection™ brand.

In July, 2017, Minerco acquired Fuse Live Events, Inc. Fuse is a recognized live events company which capitalizes on the always expanding, global live entertainment market through the generation, production and promotion of premium quality live entertainment such as concerts, festivals and other live events. Most recently, Fuse delivered unforgettable experiences to hundreds of thousands of diversified consumers in multiple key markets in demanded genres. A notable list includes events around Super Bowl LI in Houston, NBA All Star Weekend in New Orleans and Mayweather vs. McGregor in Las Vegas. Fuse also hosts, produces and presents live concerts in South Florida, Houston and New York City, among others.

Fuse's model generates immediate revenues from diversified streams from vertical and sister segments including, but not limited to, ticket sales, sponsorship opportunities, other advertising platforms and premium access packages. Fuse's model is scalable in size and scope and is expected to grow exponentially by increasing frequency of events, target markets, size of events and adding business lines. Additional business lines, through organic growth, acquisition or partnership, could include artist management, venue ownership / operations and ticket sales.

Minerco is always seeking new opportunities to expand our portfolio, whether the brands are well established or startups.

ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

A. Company Headquarters

Our principal executive and administrative offices are located at 800 Bering Drive, Suite 201, Houston, TX 77057

Email: info@minercoinc.com

Website: www.minercoinc.com

B. IR Contact

None.

ITEM 3. SECURITY INFORMATION

Trading symbol: MINE

CUSIP: 603171 109

As of the period ended October 31, 2017, the capital stock of the company was as follows:
Class: Common stock, $ 0.001 par value;
Number of shares authorized: 5,000,000,000 shares;
Number of shares outstanding: 2,560,519,466
Freely tradable shares: 1,810,519,466
Total number of shareholders of record: 1,529
Class: Preferred Series A, $0.001 par value;
Number of shares authorized: 15,000,000
Number of shares outstanding: 650,000
Class: Preferred Series B, $0,001 par value;
Number of shares authorized: 2,000,000
Number of shares outstanding: 472,070
Class: Preferred Series C, $0.001 par value;
Number of shares authorized: 1,000,000
Number of shares outstanding: 336,543

Transfer Agent: Worldwide Stock Transfer LLC
One University Plaza, Suite 500
Hackensack, NJ 07601
Telephone: (201) 820-2008
FAX: ( )

Is the transfer agent registered under the Exchange Act?
Yes.

List any restrictions on the transfer of security:
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:
None.

ITEM 4. ISSUANCE HISTORY

List of securities offerings and shares issued for services in the past two fiscal years.

On July 31, 2017, the Company issued 25,000,000 common shares to settle a note payable in the amount of $250,000.

On July 31, 2017, the Company issued 2,829,670 common shares for the conversion of 565,934 Series B Class B Preferred.
During the three months ended October 31, 2017, the Company converted $21,180 of principal and interest of the line of credit into 5,000,000 shares of common stock and recorded a loss of $29,720 due to the difference between the fair market value of $50,900 and note and interest converted to settle the debt respectively.

On August 1, 2017, the Company issued 750,000,000 shares of common stock pursuant to the stock purchase agreement of Fuse Live Events, Inc.

During the three months ended October 31, 2017, the Company issued, 70,582,192 common shares for the conversion of $28,445 convertible promissory notes and accrued interest. These notes converted at conversion rates between $0.00035 and $0.0005.

During the three months ended October 31, 2017, the Company converted $54,305 of principal and interest of the line of credit into 70,280,192 shares of common stock and recorded a loss of $50,229 due to the difference between the fair market value of $104,534 and the note and interest converted to settle the debt respectively.

Subsequent to October 31, 2017, the Company issued 812,000,000 shares of common stock to convert principal and interest of of the line of credit.

Subsequent to October 31, 2017, the Company issued 655,000,000 shares of common stock to settle Debt Settlement Agreements.

Minerco, Inc.
Consolidated Balance Sheets
(unaudited)

		October 31, 2017		July 31, 2017
ASSETS				
Cash	$	—	$	—
Accounts Receivable, Net		—		—
Inventory		—		—
Prepaid Expenses		—		—
Notes Receivable, Current		—		—
Current Assets		—		—
Other Assets				
Property and Equipment, net		3,430		3,949
Goodwill		1,408,500		—
Intangible Assets, net		289,515		291,268
Total Assets	$	1,701,445	$	295,217
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts payable and accrued liabilities	$	1,946,748	$	1,306,972
Note Payable, net of unamortized discount $18,360 and $0		—		—
Accounts Payable – Related Party		9,128		8,666
Convertible debt, net unamortized discount $696,718 and $1,855,218		92,724		110,724
Capital Lease Obligations, Current		—		—
Line of Credit		—		—
Derivative liabilities		1,125,300		3,496,541
Short term Debt		3,145,208		2,179,458
Total Current Liabilities		6,375,358		7,102,360
Stockholders' Deficit				
Series A Convertible Preferred stock, $0.001 par value, 15,000,000 shares authorized, 650,000 outstanding at October 31, 2017 and at July 31, 2017		650		650
Series B Convertible Preferred stock, $0.001 par value, 2,000,000 shares authorized, 472,070 outstanding at October 31, 2017 and at July 31, 2017		472		472
Series C Convertible Preferred stock, $0.001 par value, 1,000,000 shares authorized, 336,543 outstanding at October 31, 2017 and at July 31, 2017		337		337
Common stock, $0.001 par value, 5,000,000,000 shares authorized, 1,093,519,466 and 202,657,082 outstanding at October 31, 2017 and at July 31, 2017		1,093,519		202,658
Additional paid-in capital		28,677,536		28,498,722
Accumulated deficit		(34,446,427)		(35,509,981)
Total Stockholders' Deficit		(4,673,913)		(6,807,143)
Total Liabilities and Stockholders' Deficit	$	1,701,445	$	295,217

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

Minerco, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(unaudited)

	Three Months Ended October 31, 2017	Three Months Ended October 31, 2016
Sales:		
Products	$ —	$ —
Services	—	—
Total Sales	—	—
Cost of Goods Sold	—	—
Gross Profit	—	—
Selling and Marketing	—	—
General and Administrative	2,272	397,644
Total Operating Expenses	2,272	397,644
Net Loss from Operations	(2,272)	(397,644)
Other Income (Expenses):		
Interest Expense, net	(1,067,750)	(89,829)
Gain/(Loss) on Derivative Liability	2,313,419	(221,928)
Gain/(Loss) on Debt for Equity Swap	(59,409)	(29,720)
Total Other Expenses	1,186,260	(341,477)
Net gain/(loss)	1,183,988	(739,121)
Net loss attributable to Noncontrolling interest	—	—
Net gain/(loss) attributable to Minerco	1,183,988	(739,121)
Preferred Stock Dividends	64,184	214,273
Net gain/(loss) attributable to common shareholders	$ 1,063,554	$ (953,394)
Total Comprehensive Income (Loss)	$ 1,063,554	$ (953,394)
Net Loss Per Common Share – Basic and Diluted	$ 0.00	(0.01)
Weighted Average Common Shares Outstanding	964,084,353	115,905,623

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

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Minerco, Inc.
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended October 31, 2017	Three months ended October 31, 2016
Cash Flows from Operating Activities		
Net income (loss) for the period	$ 1,063,554	$ (953,394)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on debt for equity swap	59,409	29,720
Loss on derivative liability	(2,313,419)	221,928
Accretion Discount	989,750	10,000
Stock-based Compensation	—	301,447
Amortization and Depreciation	2,272	2,272

Changes in operating assets and liabilities:		
Prepaid expenses	—	—
Inventory	—	—
Accounts Receivable	—	—
Accounts payable	198,434	472,545
Accrued Expenses	—	—
Accounts payable - related parties	—	—
Net Cash Used in Operating Activities	—	—
Cash Flow from Investing Activities		
	—	—
Net Cash Used in Investing Activities	—	—
Cash Flows from Financing Activities		
Repayments of note payable	—	(13,864)
Proceeds from short term debt	—	325,000
Proceeds from note payable	—	40,000
Net proceeds (payments) from line of credit	—	110,527
Repayments of Capital Lease Obligations	—	(15,939)
Net Cash Provided by Financing Activities	—	445,724
Net change in cash	—	(6,977)
Cash, Beginning of Period	—	7,258
Cash, End of Period	$ —	$ 281
Supplemental disclosures of cash flow information		
Cash paid for interest	$ —	$ —
Cash paid for income taxes	—	—
Non Cash investing and Financing activities:		
Debt and accrued interest Converted into Shares	28,445	11,122
Reclass derivative liability to equity	57,822	17,700
Dividend Declared	64,184	214,273

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

Minerco, Inc.
Consolidated Statements of Members' Deficit and Stockholders’ Deficit
Three Months Ended October 31, 2017
(unaudited)

	COMMON STOCK		PREFERRED STOCK SERIES A		PREFERRED STOCK SERIES B		PREFERRED STOCK SERIES C		ADDITIONAL PAID-IN	ACCUMULATED	NONCONTROLLING	ACCUMUL:ATED OTHER COMPREHENSIVE	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	CAPITAL	DEFICIT	INTEREST	LOSS	TOTAL
Balance, July 31,2016	110,887,387	$ 110,888	150,000	$ 150	1,074,309	$ 1,074	836,543	837	$ 27,744,453	$ (33,952,013)	$ —	$ —	$ (6,094,614)
Common Shares Issued for Debt Conversion	29,090,025	29,090	—	—	—	—	—	—	17,233	—	—	—	46,233
Stock in resolution of debt liabilities	34,850,000	34,850	—	—	—	—	—	—	45,900	—	—	—	80,750
Write off of derivative liabilities	—	—	—	—	—	—	—	—	62,698	—	—	—	62,698
Preferred stock issued for employment agreeements	—	—	—	—	—	—	—	—	(353,595)	—	—	—	(353,595)
Exchanged Preferred	—	—	500,000	500	(36,305)	(36)	(250,000)	(250)	759,295	—	—	—	759,509
Preferred B issuance for Dividends	2,829,670	2,830	—	—	(565,934)	(566)	—	—	(2,264)	—	—	—	—
Issuance for Note Payable	25,000,000	25,000	—	—	—	—	—	—	225,000	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	(1,557,697)	—	—	(1,557,697)
Balance, July 31, 2017	202,657,082	$ 202,658	650,000	$ 650	472,070	$ 472	336,543	337	$ 28,498,722	$ (35,509,981)	$ —	$ —	$ (6,807,143)
Common Stock Issued for Debt Conversion	70,582,192	70,582	—	—	—	—	—	—	(42,137)	—	—	—	28,445
Stock in resolution of debt liabilities	70,280,192	70,280	—	—	—	—	—	—	13,129	—	—	—	83,409
Write off of derivative liability	—	—	—	—	—	—	—	—	57,822	—	—	—	57,822
Shares issued acquisition	750,000,000	750,000	—	—	—	—	—	—	150,000	—	—	—	900,000
Net gain	—	—	—	—	—	—	—	—	—	1,183,988	—	—	1,183,988
Balance, October 31, 2017	1,093,519	$ 1,093,519	650,000	$ 650	472,070	$ 472	336,543	337	$ 28,667,536	$ (34,905,407)	$ —	$ —	$ (4,673,913)

Minerco, Inc.
Consolidated Notes to the Financial Statements
(unaudited)

1. Basis of Presentation

The accompanying unaudited interim financial statements of Minerco, Inc. ("Minerco" or the "Company"), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (the "SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Minerco's Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein.

On October 24, 2014, through its subsidiary, Athena Brands, Inc. ("Athena"), the Company entered into an Agreement (the "Membership Interest Purchase Agreement") with Avanzar Sales and Distribution, LLC, a California Limited Liability Company ("Avanzar") to acquire an initial thirty percent (30%) equity position and fifty-one percent (51%) voting interest of Avanzar for the Purchase Price of $500,000 with an option to acquire an additional twenty-one percent (21%) interest and Second Option to acquire up to seventy-five percent (75%) of Avanzar (the "Acquisition"). The Acquisition broadens the Company's base in the consumer packaged goods industry through vertical integration. The acquisition was accounted for in accordance with ASC 805, Business Combinations.

The Acquisition has been accounted for in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for business combinations and accordingly, the Company's assets and liabilities, excluding deferred income taxes, were recorded using their fair value as of October 24, 2014. Under SEC rules, Avanzar is considered the predecessor business to Minerco given Avanzar's significant size compared to Minerco at the date of acquisition

The basis of presentation is not consistent between the successor and predecessor entities and the financial statements are not presented on a comparable basis. As a result, the accompanying consolidated statements of operations, cash flows and comprehensive income (loss) are presented for two different reporting entities:

Successor — relates to the financial periods and balance sheets succeeding the Membership Interest Purchase Agreement; and
Predecessor — relates to the financial periods preceding the Acquisition (prior to October 24, 2014).

Unless otherwise indicated, the "Company" as used throughout the remainder of the notes, refers to both the Successor and Predecessor.

On July 15, 2017, the Company entered into an Asset Purchase Agreement with Pacific Isle, Ltd., to divest of One Hundred percent (100%) of all of the Seller's rights, title and interest in and to Seller's subsidiary, Athena Brands, Inc., formerly Level 5 Beverage, Inc., including all Seller's right, title and interest to Avanzar Sales & Distribution, LLC. The Company issued Pacific Isle, Ltd. a Promissory Note in principal amount of Two Hundred and Fifty Thousand Dollars (US$250,000).

2. Going Concern

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. During the three months ended October 31, 2017, the Company has an accumulated deficit of $34,446,427, net gain of $1,063,554 and no revenue. The continuation of the Company as a going concern is dependent upon the Company's continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company intends to fund operations through revenue from operations and equity and debt financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending October 31, 2017.

3. Intangible Assets

Finite lived Intangible Assets, net, at October 31, 2017 and July 31, 2017 consists of:

	October 31, 2017	July 31, 2017
VitaminFizz Name Licensing Rights	$ 30,000	$ 30,000
VitaminFizz Brand Purchase	285,874	285,874
Vitamin Creamer	—	—
Less accumulated amortization	(26,359)	(24,606)
Intangible Assets, net	$ 289,515	$ 291,268

The Company had amortization expense of $1,752 and $1,752 during the three months ended October 31, 2017 and 2016, respectively.

4. Property and Equipment, Net

Equipment, net, at October 31, 2017 and July 31, 2017 consists of:

	Useful Life	October 31, 2017	July 31, 2017
Furniture and Fixtures	5 years	$ 7,830	$ 7,830
Computer and Equipment	3 years	2,413	2,413
Accumulated Depreciation		(6,813)	(6,294)
Property and Equipment, net		$ 3,430	$ 3,949

Depreciation expense was $520 and $520 for three months ended October 31, 2017 and 2016 respectively.

5. Fair Value of Financial Instruments

ASC 820, "Fair Value Measurements", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities, and due to related party. Pursuant to ASC 820, the fair value of the Company's cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on October 31, 2017.

	Level 1	Level 2	Level 3	Total
Assets	$ —	$ —	$ —	$ —
Liabilities				
Derivative Financial Instruments	$ —	$ —	$ 1,125,300	$ 1,125,300

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on July 31, 2017.

	Level 1	Level 2	Level 3	Total
Assets	$ —	$ —	$ —	$ —
Liabilities				
Derivative Financial Instruments	$ —	$ —	$ 3,496,541	$ 3,496,541

6. Convertible note payable and derivative liabilities

The total principal due at July 31, 2017 was $1,726,241 with an unamortized discount of $1,309,568 resulting in a balance of $416,673 at July 31, 2017. The Company had conversions of $18,000 in principal and $10,445 in accrued interest during the three months ended October 31, 2017. Total principal due at October 31, 2017 is $789,441 with an unamortized discount of $696,718 with a resulting balance of $92,723.

Due to their being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options embedded in the Convertible Promissory Notes, the options are classified as derivative liabilities and recorded at fair value.

Derivative Liability:

As of October 31, 2017, the fair values of the conversion options on the convertible notes were determined to be $1,125,330 using a Black-Scholes option-pricing model. Upon the issuance dates of the Convertible Promissory Notes, $050 was recorded as debt discount and $0 was recorded as day one loss on derivative liability. During the three months ended October 31, 2017, there was a loss on mark-to-market of the conversion options of $57,822. As of October 31, 2017 and July 31, 2017, the aggregate unamortized discount is $92,723 and $1,309,568, respectively. During the three months ended October 31, 2017, the gain on derivative liability was $2,313,419.

The following table summarizes the derivative liabilities included in the consolidated balance sheet at October 31, 2017:

Balance at July 31, 2017	$ 3,496,541
Debt discount	-
Day one loss on fair value	-
Loss on change in fair value	(2,313,419)
Write off due to Conversion	(57,822)
Balance at October 31, 2017	$ 1,125,300

Pursuant to ASC 815, "Derivatives and Hedging," the Company recognized the fair value of the embedded conversion feature of all the notes. The initial fair value of the derivative liability was determined using the Black Scholes option pricing model with a quoted market price of $0.0007 to $0.003, a conversion price between $0.00035 and $0.0005, expected volatility of 222% to 255%, no expected dividends, an expected term of one year and a risk-free interest rate of 0.01% to 0.32%. The discount on the convertible loan is accreted over the term of the convertible loan. During the three months ended October 31, 2017, the Company recorded amortization of debt discount of $989,750.

7. Debt

Short Term Debt - Minerco Line of Credit

On May 1, 2014, the Company entered into an Agreement (the "Line of Credit") with Post Oak, LLC ("Post Oak"), where, among other things, the Company and Lender entered into a Line of Credit Financing Agreement in the principal amount of up to Two Million Dollars ($2,000,000), or such lesser amount as may be borrowed by the Company as advances under this line of credit (the "Line of Credit"). On April 1, 2015, the Company increased the line of credit to Three Million Dollars ($3,000,000). As of October 31, 2017 and July 31, 2017, the Company had 1,865,563 and 1,829,548 outstanding under the line of credit respectively.

During the three months ended October 31, 2017, the Company converted $54,305 of principal and interest of the line of credit into 70,280,192 shares of common stock and recorded a loss of $50,229 due to the difference between the fair market value of $104,534 and the note and interest converted to settle the debt respectively. There is no accounting impact for the modification as there were not associated fees with the line of credit.

8. Common Stock

For the three months ended October 31, 2017, Minerco has issued following shares:

During the three months ended October 31, 2017, the Company issued, 70,582,192 common shares for the conversion of $28,445 convertible promissory notes and accrued interest. These notes converted at conversion rates between $0.00035 and $0.0005.

During the three months ended October 31, 2017, the Company converted $54,305 of principal and interest of the line of credit into 70,280,192 shares of common stock and recorded a loss of $50,229 due to the difference between the fair market value of $104,534 and the note and interest converted to settle the debt respectively.

9. Preferred Stock

The preferred stock may be divided into and issued in series. The Board of Directors of the Company is authorized to divide the authorized shares of preferred stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes.

On January 11, 2011, the Company authorized 25,000,000 shares of unclassified preferred stock.

Class A Convertible Preferred Stock

On January 11, 2011, the Company designated 15,000,000 shares of its preferred stock as Class A Convertible Preferred Stock ("Class A Stock"). Each share of Class A Stock is convertible into 10 shares of common stock, has 100 votes, has no dividend rights except as may be declared by the Board of Directors, and has a liquidation preference of $1.00 per share.

Class B Convertible Preferred Stock

Dividends

The Series B Shares accrue dividends at the rate per annum equal to 8% of the Stated Value which initially is ten dollars per share payable in cash; provided that after an initial public offering of the Company's common stock the dividends may be paid at the option of the Company in cash or additional shares of common stock.

Conversion

Each Series B Share (together with any accrued but unpaid dividends thereon) is convertible into shares of Common Stock at the option of the holder at any time at a conversion price per share equal to the sum of the Stated Value a divided by the Conversion Price, subject to adjustment as described below. The initial Conversion Price is equal to $0.02 . The Series B Shares automatically convert to common stock immediately prior to the closing of a firmly underwritten public offering for gross offering proceeds of at least $10,000,000 or upon the consent of two-thirds of the holders of Series B Shares.

Redemption

The Company has the right to redeem the Series B Shares at any time at a price per share equal to the Stated Value multiplied by 125% .

Liquidation

In the event of a liquidation, dissolution or winding up of the Company and other Liquidation Events as defined in the Certificate of Designations, holders of Series B Shares are entitled to receive from proceeds remaining after distribution to the Company's creditors and prior to the distribution to holders of Common Stock but junior to the Series A Preferred Stock the (x) Stated Value (as adjusted for any stock splits, stock dividends, reorganizations, recapitalizations and the like) held by such holder and (y) all accrued but unpaid dividends on such shares.

Anti-Dilution

The Series B Shares are entitled to weighted average anti-dilution protection under certain circumstances specified in the Certificate of Designations.

Voting

Except as otherwise required by law and except as set forth below, holders of Series B Shares will, on an as-converted basis, vote together with the Common Stock as a single class. Each holder of Series B Shares is entitled to cast the number of votes equal to five times the number of shares of Common Stock into which such shares of Series B Shares could be converted at the record date for determining stockholders entitled to vote at the meeting.

On September 10, 2014, the Company issued 500,000 Class B convertible preferred shares to V. Scott Vanis ("Vanis"), its Chief Executive Officer valued at $0.62 or $1,550,000. The Company recognized this as compensation and will amortize this over the vesting period which is July 31, 2017. On January 7, 2015, the Company entered into an exchange agreement with Vanis, where, among other things, the Company and Vanis exchange Vanis' five hundred thousand (500,000) shares of the Company's Class 'B' Preferred stock and all accrued and unpaid dividends for two hundred fifty thousand (250,000) shares of the Company's Class 'C' Preferred stock.

Class C Convertible Preferred Stock

On January 7, 2015, the Company filed a Certificate of Designations for the creation of a class of Series C Preferred Stock with the Nevada Secretary of State. The number of shares constituting Series C Preferred is 1,000,000. The stated value is $20.00 per share. The holders of the Series C Preferred are also entitled to a liquidation preference equal to the stated value plus all accrued and unpaid dividends. Each share of Series C Preferred is convertible into 1,000 shares of common stock; however the conversion price is subject to adjustment. Holders of shares of Series C Preferred vote together with the common stock as a single class and each holder of Series C Preferred is entitled to 5 votes for each share of Common Stock into which such shares of Series C Preferred held by them could be converted. The Company has the right to redeem the shares of Series C Preferred at any time after the date of issuance at a per share price equal to 125% of the stated value.

Class D Convertible Preferred Stock

On July 7, 2017, the Company filed a Certificate of Designations for the creation of a class of Series D Preferred Stock with the Nevada Secretary of State. The number of shares constituting Series D Preferred is 3,000,000. The stated value is $1.00 per share. The holders of the Series D Preferred are also entitled to a liquidation preference equal to the stated value plus all accrued and unpaid dividends. Each share of Series D Preferred is convertible into 1,000 shares of common stock; however the conversion price is subject to adjustment. Holders of shares of Series D Preferred vote together with the common stock as a single class and each holder of Series D Preferred is entitled to 1.5 votes for each share of Common Stock into which such shares of Series D Preferred held by them could be converted. The Company has the right to redeem the shares of Series D Preferred at any time after the date of issuance at a per share price equal to 125% of the stated value.

During the three months ended October 31, 2017, the Company had accrued preferred dividends of $214,273.

On April 3, 2017, the Company entered into an Exchange Agreement with the former Chief Financial Officer and former member of the Board of Directors, who resigned on March 31, 2017, where, among other things, the Company and the former CFO exchanged his Two Hundred Fifty-Thousand shares of Class C Preferred Stock for amendment and restatement of his five (5) Convertible Promissory Notes. They are in the amounts of $52,500 dated April 30, 2016, $37,500 dated July 31, 2016, $37,500 dated October 31, 2016, $37,500 dated January 31, 2017 and $25,000 dated March 31, 2017.

On July 3, 2017, the Company entered into an Exchange Agreement with our Chief Executive Officer and Chairman of the Board of Directors, where, among other things, the Company and our CEO exchanged Vanis' accrued salary, for fiscal year 2017 (August 1, 2017 through October 31, 2017), in amount of Two Hundred and Twenty-Five Thousand Dollars and 00/100 Cents ($225,000.00), One Hundred Twelve Thousand Five Hundred Twenty-Six (112,526) shares the Company's Preferred Class 'B' Stock AND Two Hundred and Fifty Thousand (250,000) shares of the Company's Preferred Class 'C' Stock for Five Hundred Thousand Shares (500,000) of the Company's Preferred Class 'A' Stock.

On July 13, 2017, with an effective date of July 7, 2017, the Company filed a Certificate of Amendment with the Secretary of State of Nevada to increase its authorized common stock to 5,000,000,000, reduce its Class A Preferred Stock to authorized to 3,000,000, amend the Voting Rights of the Class A Preferred Stock to 10,000 to 1 and create a Class D Preferred Stock with an authorized of 3,000,000.

10. Related Parties

As of October 31, 2017, the Company owes its current Chief Executive Officer $520,161 ($463,911 – July 31, 2017) in accrued salary ($18,750 per month) and $9,128 ($11,166 – July 31, 2017) for advances made to the Company.

On April 30, 2016, the Company entered into a Convertible Promissory Note with its Chief Executive Officer in the amount of $407,661 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On April 30, 2016, the Company entered into a Convertible Promissory Note with its former Chief Financial Officer in the amount of $52,500 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On July 31, 2016, the Company entered into a Convertible Promissory Note with its Chief Executive Officer in the amount of $56,250 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On July 31, 2016, the Company entered into a Convertible Promissory Note with its former Chief Financial Officer in the amount of $37,500 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On October 31, 2016, the Company entered into a Convertible Promissory Note with its former Chief Financial Officer in the amount of $37,500 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On January 31, 2017, the Company entered into a Convertible Promissory Note with its former Chief Financial Officer in the amount of $37,500 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

On March 31, 2017, the Company entered into a Convertible Promissory Note with its former Chief Financial Officer in the amount of $25,000 for salary accrued. The notes carry an interest rate of 5%. The note is convertible at the lower of a variable conversion price of 50% of the market price and calculated using the lowest trading days during the preceding 5 days before conversion or $0.015. On April 3, 2017, the Company restated the conversion price to the lower of the lowest trading days during the preceding 5 days before conversion or $0.0005.

11. Subsequent Events

Subsequent to October 31, 2017, the Company issued 812,000,000 shares of common stock to convert principal and interest of of the line of credit.

Subsequent to October 31, 2017, the Company issued 655,000,000 shares of common stock to settle Debt Settlement Agreements.

ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.

A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.

MINE is a holding company with one subsidiary and one indirect subsidiary.

Since 2012, our primary focus has been on our functional beverage business. Our specialty beverage business develops, produces, markets and distributes a diversified portfolio of forward-thinking, good-for-you consumer brands. Minerco has developed or acquired and maintains exclusive rights to: VitaminFIZZ®, COFFEE BOOST and The Herbal Collection™. During the year ended October 31, 2015 we generated revenue of $233,824 all of which was generated from sales of our VitaminFIZZ® products.

We organically developed the COFFEE BOOST™ Brands, and we acquired the exclusive, worldwide rights to the VitaminFIZZ® Brand from VITAMINFIZZ, L.P. in November, 2013. The current focus of our business is on the VitaminFIZZ® brand and in September 2014, we acquired 100% ownership of the brand. We are completing the formulation and packaging for The Herbal Collection™ brand.

In July, 2017, Minerco acquired Fuse Live Events, Inc. Fuse is a recognized live events company which capitalizes on the always expanding, global live entertainment market through the generation, production and promotion of premium quality live entertainment such as concerts, festivals and other live events. Most recently, Fuse delivered unforgettable experiences to hundreds of thousands of diversified consumers in multiple key markets in demanded genres. A notable list includes events around Super Bowl LI in Houston, NBA All Star Weekend in New Orleans and Mayweather vs. McGregor in Las Vegas. Fuse also hosts, produces and presents live concerts in South Florida, Houston and New York City, among others.

Fuse's model generates immediate revenues from diversified streams from vertical and sister segments including, but not limited to, ticket sales, sponsorship opportunities, other advertising platforms and premium access packages. Fuse's model is scalable in size and scope and is expected to grow exponentially by increasing frequency of events, target markets, size of events and adding business lines. Additional business lines, through organic growth, acquisition or partnership, could include artist management, venue ownership / operations and ticket sales.

Minerco is always seeking new opportunities to expand our portfolio, whether the brands are well established or startups.

B. DATE AND STATE OF INCORPORATION

The Company was originally incorporated in the State of Nevada on June 21, 2007.

C. PRIMARY AND SECONDARY SIC CODES

The Company's primary (and only) SIC code is 2833(Holding Companies)

D. THE COMPANY'S FISCAL YEAR END DATE

The Company's fiscal year ends on July 31.

E. RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2017 COMPARED TO THE THREE MONTHS ENDED OCTOBER 31, 2016:

Revenues: The Company had $0 in revenue for the three months ended October 31, 2017, compared to $0 revenue for the three months ended October 31, 2016.

Cost of Revenues: the Company had $0 in costs of revenue for the three months ended October 31, 2017 compared to $0 cost of revenue for the three months ended October 31, 2016.

Gross Profit: The Company had $0 in gross profit for the three months ended October 31, 2017, compared to $0 gross profit for the three months ended October 31, 2016.

Operating Costs: Operating costs consist of the Company's administrative expenses before depreciation and interest. Operating costs for the three months ended October 31, 2017 totaled $2,272 compared to $397,644 for the three months ended October 31, 2015.

Operating Gain (Loss): The Company produced an operating loss for the three months ended October 31, 2017 of $2,272 compared to a loss of $397,644 for the three months ended October 31, 2016.

Net Gain (Loss) Before Income Taxes: Net gain or loss before income taxes represents operating gain or loss plus other (non-operating) gain or loss. For the three months October 31, 2017, the company had a net gain of $1,063,554 compared to a net loss of $739,121 for the three months ended October 31, 2016.

Liquidity and Capital Resources: During the three months ended October 31, 2017, the Company used cash or cash equivalents from operations of $0.

G. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not engage in any off-balance sheet arrangements during the three months ended October 31, 2017.

ITEM 7. DESCRIBE THE ISSUER'S FACILITIES

The Company is currently operating from leased offices located at 800 Bering Drive, Suite 201, Houston, TX 77057.

ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS

A. NAMES OF OFFCERS, DIRECTORS AND CONTROL PERSONS

The current CEO of the Company is V. Scott Vanis

There is one member of the board of directors: V. Scott Vanis

B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

   NO.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities:

   NO.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated:

   NO.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities:

   NO.

C. BENEFICIAL SHAREHOLDERS

None.

ITEM 9. THIRD PARTY PROVIDERS

A. Legal Counsel

None.

B. Accountant or Auditor

None.

C. Investor Relations Consultant

None.

D. Other Advisor(s)

None.

ITEM 10. OTHER INFORMATION

None.

ITEM 11. EXHIBITS

N/A

ITEM 12. CERTIFICATIONS

I, V. Scott Vanis, certify that:

1. I have reviewed this quarterly disclosure statement of Minerco, Inc.

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

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

/s/ V. Scott Vanis
V. Scott Vanis, CEO

Dated: January 11, 2017