

Q3 Report 2022

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



WINNING BRANDS CORPORATION

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SIC: 2841 - Soap and Other Detergents

QUARTERLY REPORT

For the Three Months Ending Sept 30, 2022
(the "Reporting Period")

As of the Current Reporting Period, for the three months ending September 30, 2022, the number of shares outstanding of our Common Stock was **5,480,800,136**

As of the Prior Quarter, for the three months ending June 30, 2022, the number of shares outstanding of our Common Stock was **5,480,800,136**

As of the most recent completed Fiscal Year End, December 31, 2021, the number of shares outstanding of our Common Stock was: **5,389,305,754**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐

No: ☒

¹ "Change in Control" shall mean any events resulting in: (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; (iii) A change in the composition of the Board occurring within a two (2)- year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

Current Name: **WINNING BRANDS CORPORATION**

Name History:

Essex Enterprises, Inc., May 1995 (Incorporation) to Dec 1996;

Veronique, Inc., From Dec 1996 to Apr 1999;

Digital Launch, Inc., From Apr 1999 to Feb 2000;

Global E Tutor, Inc., From Feb 2000 to Oct 2005;

**Winning Brands Corporation
from October 2005 to Present**

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware. Active.

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

None.

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

The issuer will incorporate an additional subsidiary to serve as a Tech Division. This is now possible because a Receiver's Certificate has been filed with the Superior Court on October 11, 2022. This confirms that the issuer's acquisition of GestureTek™ assets and intellectual property rights, was completed successfully.

The address(es) of the issuer's principal executive office:

92 Caplan Avenue, Suite 134
Barrie, Ontario, L4N 9J2
Canada

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐

No: ☒

2) Security Information

Trading symbol:	WNBD
Exact title and class of securities outstanding:	Common Shares
CUSIP:	975012105 <u>DWAC Approved / DRS Approved 2021</u>
Par or stated value:	\$0.001
Total shares authorized:	10,000,000,000 as of Sep 30, 2022
Total shares outstanding:	5,480,800,136 as of Sep 30, 2022
Number of shares in the Public Float ² :	5,454,729,467 as of Sep 30, 2022
Total number of shareholders of record:	220 as of Sep 30, 2022

Additional class of non-publicly trading security:

Trading symbol:	Not Applicable
Exact title and class of securities outstanding:	Preferred Shares
CUSIP:	Not Applicable
Par or stated value:	\$0.001
Total shares authorized:	15,000,000 as of Sep 30, 2022
Total shares outstanding:	10,000,000 as of Sep 30, 2022

Transfer Agent

Name:	Pacific Stock Transfer
Phone:	800-785-7782
Email:	info@PacificStockTransfer.com
Address:	6725 Via Austi Parkway, Suite 300 Las Vegas, Nevada, 89119 www.PacificStockTransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

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

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

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

A. Changes to the Number of Outstanding Shares Dec 31, 2018 – Sep 30, 2022 (Table Below)

<div> <div>Opening Balance</div> <div> Date Common: Preferred: </div> <div> Dec 31/18 3,468,281,098 10,000,000 </div> </div>			Share Count is Transfer Agent Verified						
Date	Transaction Type	Number of Shares Issued (or cancelled)	Security Class	Value of shares issued (\$/per share) at Issuance	Discount to Market (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
Mar 6 2019	Issuance	340,000,000	Common	\$0.00002	Yes	Blackbridge Capital Alex Dillon	Debt Conversion	Unrestricted	Section 4(a)(1)
Apr 27 2021	Issuance	400,000,000	Common	\$0.000005	Yes	Carpathia LLC Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
May 15, 2021	Issuance	311,741,860	Common	.001	Yes	Jahoco LLC James Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
July 12, 2021	Issuance	279,994,922	Common	.000075	Yes	Carpathia LLC Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
July 29, 2021	Issuance	145,723,660	Common	.001	Yes	Jahoco LLC James Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
Nov 03, 2021	Issuance	300,000,000	Common	.0009	Yes	Machiavelli LLC/Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(10)
Dec 08, 2021	Issuance	51,989,041	Common	.00035	Yes	Carpathia LLC/Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)

Dec 16, 2021	Issuance	91,575,173	Common	.00042	Yes	Machiavelli Ltd LLC/Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
Feb 22, 2022	Issuance	45,401,369	Common	.0003	Yes	Machiavelli Ltd LLC/Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
Mar 14, 2022	Issuance	46,093,013	Common	.0003	Yes	Machiavelli Ltd LLC /Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
Date	Sep 30, 2022								
Common:	5,480,800,136								
Preferred:	10,000,000								

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

The Debt Securities table below is to be read in conjunction with this Preface:

The Debt Securities table is published on a No Prejudice basis, vis a vis indicated creditors. The issuer of the debt instruments (Winning Brands or its subsidiary or any guaranteeing individual; "debtor") may have recourse to settlement options that arise from negotiation or statutory rights, including relief under limitation periods, interest adjustment, correction of any detail for accuracy, failure by the creditor to perform an obligation toward the debtor, and discovery of any violation by the creditor of a warranty or representation toward the debtor. The foregoing reserved rights also include protection from interference by a creditor with the debtor's ability to perform any obligation toward the creditor, or the failure by a creditor to comply with applicable norms and conventions, including tort law, governing their conduct toward the debtor.

The table below is disclosure of notes for securities filing purposes only and is not evidentiary for purposes of litigation between any note holder and debtor. The table does not include non-note structured accounts payable to suppliers, credit card lines of credit, commercial merchant cash advances that are from time to time repayable from cashflow, 3rd. party accounts receivable financing arising from delivered merchandise, bank overdraft protection or loans/notes that have been retired by repayment, negotiated alternative settlement or write-off for whatever reason.

Date of Note Issuance	Outstanding \$ Balance	Principal \$ Amount at Issuance	Interest \$ Accrued	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities have individual with voting / investment control disclosed)	Reason for Issuance
Nov 27/13	822,793	3,665,662	N/A	Nov 27/14	25% Discount	ASC Recap LLC (Stephen Hicks)	Debt Consolidation Footnote 1
Jan 22/13	10,000	5,000	5,000	Jan 22/14	50%	John Kennison	Working Capital Footnote 2
2017 -2021	300,000	300,000	Included	2022	Settlement	Charles Perlman	Debt Conversion Footnote 3

Mar 24/17	5,000	5,000	TBD	Mar 24/18	50%	Machiavelli (Joe Canouse)	Working Capital
Jun 29/17	5,000	5,000	TBD	Jun 29/18	50%	Machiavelli Ltd LLC (Joe Canouse)	Working Capital
Feb 10/21	26,000	26,000	N/A	Feb 10/22	50%	JP Carey Enterprises (Joe Canouse)	Working Capital
Mar 5/21	36,000	36,000	N/A	Mar 05/22	50%	JP Carey Enterprises (Joe Canouse)	Working Capital
June 15/21	48,500	48,500	N/A	Jun 15/21	Intended for future issuance of stock @ .00125 av. or adjusted	Congregation Yisroel Zev (Sol Kahan)	Working Capital Subscription Intention
Aug 3/2021	103,000	103,000	Included	Aug 3/22	40%	J.P.Carey Limited Partners L.P. Joe Canouse	Working Capital
Nov 23/21	27,500	27,500	Included	Nov 23/22	50%	J.P.Carey Limited Partners L.P./Joe Canouse	Working Capital
Mar 01/22	50,000	50,000	N/A	Mar 01/23	50%	J.P.Carey Limited Partners L.P. /Joe Canouse	Working Capital
Apr 06/22	50,000	50,000	N/A	Apr 06/23	50%	J.P.Carey Limited Partners L.P. / Joe Canouse	Working Capital
Apr 25/22	30,000	30,000	N/A	Apr 25/23	50%	Congregation Yisroel Zev (Sol Kahan)	Capital Pool Footnote 4
May 31/22	50,000	50,000	N/A	May 31/23	50%	Congregation Yisroel Zev (Sol Kahan)	Capital Pool

WINNING BRANDS NOTICE TO READER:

If after reading the Preface to the table, any party who believes that their debt security is not included in the disclosure above, or whose description differs from their own records, is invited to contact the filer directly for review of same: customerservice@winningbrands.ca

Footnote 1: In 2013, certain creditors of the issuer entered into debt purchase agreements with ASC Recap LLC (a “non-affiliated entity”). These debts were sold by their original creditors to the non-affiliated entity in order to qualify for conversion into equity under Section 3(a)(10). By these debt purchases, the debts ceased to be payable by Winning Brands to the original creditors. Partial equity conversions were thereafter carried out by Winning Brands in favor of the non-affiliated entity, as and when requested, in lieu of cash payment by the issuer to the original creditors. The purchase agreements between the original creditors and the non-affiliated entity obligated those parties to notify Winning Brands in writing within 6 months of the purchase dates if the arrangements between those parties were unsatisfactory or the conditions of the purchase agreements had not been met. In the absence of such notifications, Winning Brands gained in each case the right by statute of limitations to reclassify or write-off any portion of the original debts. Renegotiation may occur at the sole discretion of Winning Brands. The recognition of this balance in this disclosure chart and in the financial statements is Without Prejudice and for conservative presentation only. The balance has been reduced from earlier disclosure reports and will continue to be reduced in future disclosure reports as the issuer applies reclassification where appropriate.

Footnote 2: In May of 2019, the note holder chose to exercise the conversion right of the promissory note but was prevented by his own financial institution from depositing a settlement stock certificate in paper form, due to the policies of that institution, not due to any fault of the issuer. The issuer has agreed to delay the conversion until such time that the note holder qualifies for deposit with their financial institution. Conversion pricing may be reviewed, at that time.

Footnote 3: Commencing in 2017 advances for working capital were made by an unaffiliated individual, Charles Perlman. Minutes of Settlement were arrived at pursuant to litigation. The U.S. \$300,000 amount indicated in this chart is an estimation of the maximum net burden to Winning Brands of this settlement, dependent upon the timing of its satisfaction. The Minutes of Settlement originally envisioned satisfaction through Section 3(a)10 share issuance and sale but allowed for agreed alternatives. One such alternative is retirement in cash through Regulation A+ proceeds. In the interim, monthly payments on account are being made, but not yet reflected in the reported remaining obligation amount, which is declining. The Minutes of Settlement contain provisions for enforcement of the obligation with court authority. The Minutes of Settlement allow payment at any time without penalty, with or without equity conversion.

Footnote 4: Funds earmarked for a specific purpose, as compared with general working capital.

4) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Internal, Certified by CEO.

Title:

Relationship to Issuer:

Financial Statements are appended at the end of this Quarterly Report, including:

Balance Sheet; Statement of Income; Cashflow Statement;
Statement of Retained Earnings (Statement of Changes in Stockholders' Equity), Financial notes.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Q3 2022 Principal Finished Products or Services and Their Markets

- 1000+ TM Stain Remover, World's Most Versatile Cleaning Solution TM
- TrackMoist® Soil Conditioner & Dust Suppressant for Sports Venues
- ReGuard4 TM Multi-use Bunker Gear Cleaner
- BRILLIANT TM Professional Wet Cleaning Solutions
- Niagara Mist Perfume (New)

These were the focus of commercial operations in Q3 2022, in addition to joint venture / consultation revenue. The consumer products are offered for sale through stores in the home improvements sector. The commercial/industrial products are targeted to professional end-users such as sports entertainment venues in the case of TrackMoist TM, fire-fighting organizations in the case of ReGUARD4 TM and dry cleaners in the case of professional wet cleaning solutions. The new perfume launch is described below in greater detail.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Distribution Methods of the Products and Services

Sale of Winning Brands' consumer goods is primarily through distributors, whereas commercial products are primarily sold to end-users.

Distributors take delivery of Winning Brands inventory into their warehouse. Ownership of the finished product passes to the distributor once the goods are in the distributors' possession. This inventory is manufactured via third-party contract manufacturing facilities to Winning Brands' proprietary specifications and according to Winning Brands intellectual property. Niagara Mist Marketing Ltd, division of Winning Brands, is therefore the "manufacturer of record" and records revenue from the sale of these goods. All products are duty-free in North America under NAFTA.

Distributors provide value-added services to Winning Brands such as making sales presentations, delivering goods to retail accounts and invoicing those accounts. Distributors hold some retailer Accounts Receivable as the distributor's own, with the responsibility to collect from those retail accounts.

As compensation for these services, distributors mark up the price of the products they sell to retailers. These retailers add a final mark-up, resulting in the retail price to be paid by the consumer (end-user). This is usually the "Manufacturer's Suggested Retail Price", however, retailers may sell for more or less; the MSRP is provided for guidance. Occasionally, Winning Brands will supply a retail account directly. This is a "house account". This is done when no distributor is available to handle all service requirements of the targeted retail account, or when a retailer is so large that the use of its own internal distribution and merchandising infrastructure represents a duplication of distributor services. Some large retailers prefer to purchase single stock-keeping units (SKU's) through distributors who offer an assortment of related goods for efficiency in the retailer's procurement and accounting.

Status of New Products or Services

In addition to the Management Discussion and Analysis within this report, expanded information is supplied at www.WinningBrandsCorporation.com/blog and www.Twitter.com/WinningCEO

Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition

The marketplace for the issuer's products is competitive. Large well-established multi-national firms produce a range of products in the two principal categories of cleaning and perfume, many of which have existed for decades. The reader is cautioned that the competitive environment is challenging for independent entrants. The chances of success for new entrants are low. This competitive environment, however, is not impenetrable. Attractive niches exist.

Large competitors need high minimum sales volume to meet substantial infrastructure costs. They avoid smaller niches that may still be substantial from the point of view of smaller vendors. Smaller, agile competitors such as Winning Brands, can produce and sell into these niches with lower overhead costs and less complicated decision making. Success for the independent brand requires gaining consumer awareness and retail acceptance within the product category. This is difficult for an unrecognized brand, however, the emergence of social media as a platform for marketing, and for stakeholder community formation, helps new entrants who are smaller aspiring firms, like Winning Brands.

If an independent brand is successful, then it may be and often is, acquired by larger firms. This is an exit strategy for the founders and investors in independent brands. Such acquisitions drive market share growth for large companies. The largest companies often purchase their “success stories”. This is more cost efficient than investing in new initiatives that may not be successful. Smaller winners are likely to be purchased when they have proven themselves. Winning Brands products are independent and intended to create an affinity community of users. Such brands are sometimes called “artisan” brands or “micro” brands.

Winning Brands products have the potential, on technical merits, to become favorites amongst consumers who discover them.

The performance qualities of Winning Brands products have been determined through customer feedback. Winning Brands receives unsolicited testimonials from consumers. The company’s products are meeting customer expectations in a variety of real markets. There are many precedents of artisan/micro brands eventually becoming “mainstream”. It is the goal of Winning Brands to achieve success for its brands in this manner, although this can take many years.

Sources and Availability of Raw Materials; Principal Suppliers

The Company manufactures its advanced cleaning solutions on a trade-secrecy basis. Publishing the names of suppliers constitutes dissemination of commercially confidential information. The sourcing and availability of raw materials has not been problematic and does not pose a significant business risk.

Dependence upon One or Few Major Customers

Winning Brands has been dependent on major customers. The loss of major customers is difficult for Winning Brands due to the company’s small size. De-listings jeopardize Winning Brands’ viability if they are not replaced with new customers. The principal customers to-date continue to include USA HomeDepot.com (online), USA Walmart.com (online), USA Do it Best hardware stores, Lowe’s and Home Hardware stores in Canada. Select independent retailers supplement this list. The reader is cautioned that no retailer listing can be relied upon as a “secure” account. De-listings (and re-listings) can and do occur for reasons unrelated to Winning Brands’ corporate performance or product quality. Winning Brands’ viability requires continuous new business development. However, Winning Brands has been resilient in adapting to changes and finding new retailer opportunities.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements

The Company favors Trade Secrecy protection over patents for its chemical formulations. Patents require a detailed description of the proprietary information for a trade benefit which is geographically specific, time-limited and costly to enforce. Trade Secrecy enables more rapid and flexible technical accommodations to market opportunities. It also reduces the expense, distraction and challenges associated with enforcement actions. Accordingly, Winning Brands formulations are proprietary to the company and are therefore not controlled by any other party with regard to rights or obligations; financially or otherwise. Patent protection for non-chemical technology will be adopted when future product development warrants it.

The Company identifies all of its consumer and commercial products with notice of trademark. The Company does not currently grant franchises nor is it a franchisee. It is not subject to any overriding concessions (other than commissions to sales personnel) or long term/irrevocable royalty agreements. There is no collective agreement between the Company and its employees. The employment relationship between employees and the Company are individual and standard for the industry.

Government Approval of Principal Products or Services and Status of Requests for Approval

The Company's products do not require prior government approval to manufacture or sell if they have been manufactured and labelled according to the applicable regulations. There are no outstanding actions by any government agency pertaining to the compliance of Winning Brands' products with any regulations.

B. Please list any subsidiaries, parents, or affiliated companies.

Winning Brands Corporation's operating subsidiary is Niagara Mist Marketing Ltd dba Winning Brands. Niagara Mist Marketing Ltd is also licensed to operate as Niagara Mist Cosmetics. This Master License (Niagara Mist Cosmetics) is being utilized for the launch of a fragrance product, Niagara Mist Perfume. XMG Corporation is a former distributor of products for Niagara Mist Marketing Ltd under affiliated ownership through CEO Eric Lehner. Its financial statements are combined and consolidated for historical consistency of unretired inter-company arrangements. Please read the Notes that accompany the financial statements for greater detail.

C. Describe the issuers' existing products or services:

Extensive detailed information is available at the websites shown below for the convenience of the reader:

www.1000PlusStainRemover.com

www.BrilliantWetCleaning.com

www.TrackMoist.com

www.ReGUARD4.com

www.NiagaraMistPerfume.com



MANAGEMENT DISCUSSION: Innovation Coming

WNBD management encourages potential shareholders to read the Company's corporate material carefully in order to understand the "VISION 21" principle and to assess the risks and opportunities associated with Winning Brands. In all investment decisions made by potential shareholders, Company management advises caution. No amount of management enthusiasm is a substitute for caution by potential shareholders and any other party. The issuer, Winning Brands Corporation, is in the highest risk category of public investments. Any and all funds invested in stock of the Company should be considered purely speculative. All comments made by the Company and its management regarding the Company's potential are aspirational and based on best efforts. Potential shareholders who in any manner depend upon the success of the Company for the security of their investment should not invest. No other communication by the Company overrides this official public declaration that the purchase of the Company's stock is subject to many unpredictable reversals with unforeseeable consequences. This precautionary notice is highlighted prominently in the Company's filing to ensure that it is seen and understood. Readers are advised to govern themselves accordingly.

Last year, Winning Brands introduced the concept of **VISION 21** as a reset of Winning Brands business strategy for 2022 and beyond. The goal was to increase potential WNBD shareholder value starting in 2022 by shifting focus toward bold, inspired arrangements that harness uncertainty for exceptional upside. This uncertainty is a source of speculative potential for shareholders because it provides growth possibilities that are not merely incremental and can occur at any time.

The core principle of VISION 21 was the concept of "**success catalysts**" – i.e., "wildcard" factors that inject positive new energy, expand relationships and foster altogether new synergistic possibilities – i.e., introducing *dynamism*. In prior years, Winning Brands had focused on seeking retailer listings for its cleaning products in order to grow. This was, and remains, "sensible". However, it is no longer an adequate premise to satisfy the Company's aspiration for non-linear jumps in the growth of its intrinsic value in the coming decade.

Accordingly, Winning Brands began diversifying the company's pursuits. This includes the introduction of strategic consulting, developmental alliances, establishment of an OTC peer network, and leveraging special situations.

VISION 21 INITIATIVE - NEW TECH DIVISION ACQUISITION COMPLETED

A Receiver's Certificate was filed with the Superior Court on October 11, 2022 confirming completion of the acquisition of GestureTek interests by Winning Brands. Public disclosure was provided by news release on November 1, 2022. This is subsequent to the period covered in the Q3 2022 Report. A link to the news release is provided below. Readers of Q3 2022 are encouraged to read prior Quarterly and Annual Reports published by the issuer in order to understand the chronology of these events, and the full context of these developments.

NEWS RELEASE LINK:

<https://www.accesswire.com/723219/Winning-Brands-Acquisition-of-the-GestureTek-Brand-is-Complete>

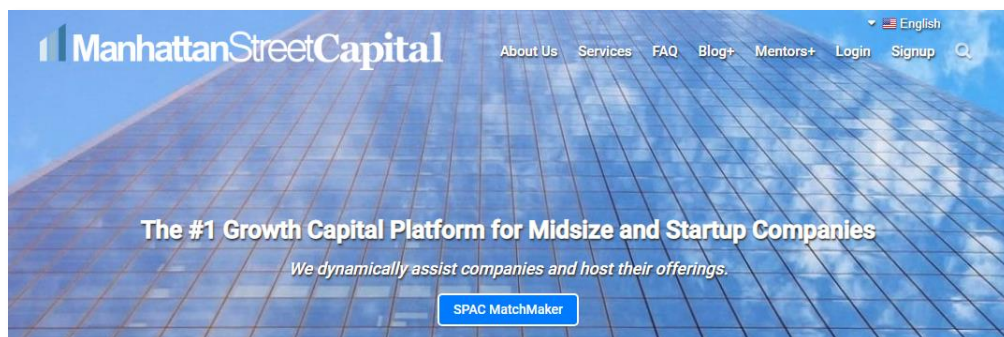
We have developed financing plans to revitalize GestureTek without driving WNBD dilution for this purpose. The arrangement described below will bring net free cashflow to Winning Brands.

GestureTek operating capital will be obtained by means of Regulation A issuance (or similar instrument) from a minority offering(s) out of a new GestureTek subsidiary of Winning Brands, to be majority owned by Winning Brands. The new GestureTek subsidiary equity instruments will trade in their own secondary market, not in the OTC Markets. The financing policy thereby allocates most proceeds of future issuances of Winning Brands common stock to WNBD debt reduction instead.

To reiterate - GestureTek working capital requirements in years to come will not drive the issuance of Winning Brands common stock. The primary driver of Winning Brands share issuance going forward is the retirement of legacy debt in order to improve the balance sheet. This is beneficial for WNBD shareholders. This was not possible before the arrival of a subsidiary with its own value base.

The new GestureTek subsidiary will be designed to qualify for a Tier 2 offering in all U.S. states, and international jurisdictions where permitted. The new GestureTek subsidiary will have a significant valuation. This permits a U.S.\$5 Million GestureTek financing out of the minority position. The new GestureTek subsidiary will provide WNBD with a combination of advance royalties and pari passu profit sharing. It will receive in return intellectual property commercialization rights, granted by Winning Brands via license. The Regulation A offering (or similar appropriate instrument) will be implemented by a proven specialist organization. Discussions have begun with suitable parties. For illustration only, an example of a suitably qualified organization is provided below. No inference should be made that a binding relationship is yet in place. The example is provided to describe the form and function of the intended financing mechanism, and to introduce sample candidate specialists. Readers are encouraged to explore examples of completed financings for illustration at the website below. They are comparable to the proposed GestureTek funding mechanism.

SAMPLE CANDIDATE GESTURETEK FUNDING ORGANIZER: www.ManhattanStreetCapital.com



With the prospect of significant new GestureTek capital resources in 2023, management anticipates that momentum will be restored to GestureTek following its trusteeship, delivering substantial growth to Winning Brands as the new owner of the GestureTek brand.

The tech industry sector in which GestureTek operates is immersive gesture control of computer and audio visual displays. The sector is vast in scope and long lasting in potential. Its scope encompasses a wide range of commercial, educational, advertising and health care settings where the line between “reality” and “virtual reality” is becoming blurred. This includes the anticipated surge in the adoption of virtual reality in health care physical therapy. That is only one field in which the GestureTek brand has relevant experience.

GestureTek has supplied products and services to some of the world’s most discerning commercial customers in the past. GestureTek enjoys a legacy of patent protection for competitive advantage.

A screen shot collection of the logos of some of GestureTek’s past customers for GestureTek products, services or licensing is shown below. Such is the foundation for Winning Brands and GestureTek management to build future shareholder value for Winning Brands.



VISION 21 INITIATIVE – CBD INFUSED WINE BEVERAGE

Winning Brands has a consultative relationship to Health Advance Inc (OTC:HADV). This has contributed to HADV development momentum and to Winning Brands income by means of consulting fees and an earned vested interest in applicable present and future projects. The arrangement is non-dilutive to WNBD shareholder capitalization. Previous reports summarize the project development. The current status of the CBD project is that production has commenced, and samples were distributed to prospective retailers. Negotiations with a substantial USA grocer are underway for an exclusive cooperative launch. More information is available at OTC:HADV. Additional HADV initiatives in other areas are emerging, such as in nutraceuticals.

VISION 21 INITIATIVE — NIAGARA MIST PERFUME

The following are photographs of Niagara Mist Perfume in trial retail placement in the merchandising operations at Marriott Fallsview Hotel and Sheraton Fallsview Hotel. The contribution of this product to WNBD is still limited as fragrance testing continues. This is to compare varying concentrations of the scent preferred by consumers before committing to larger production runs.

*Marketing partner:
Sheraton Hotels*



*Sheraton Fallsview
Consumer Retail
Merchandising*

*Niagara Mist Perfume,
Official Fragrance of the
City of Niagara Falls*



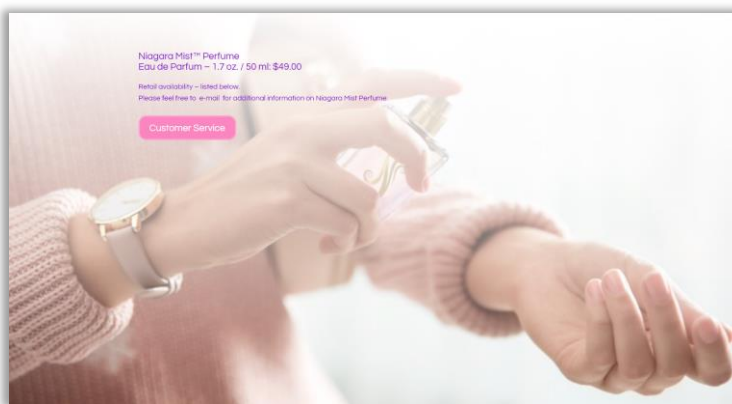
*Niagara Mist Perfume,
Official Fragrance of the
City of Niagara Falls is
an all-natural formulation
of essential oil derived
fragrances.*





The Niagara Mist Cosmetics operation of Winning Brands is uniquely positioned to contribute to future growth and WNBD stature as the Official Fragrance of the City of Niagara Falls gains exposure and retail partners

Niagara Falls, Ontario is the primary launch test region. Consumer mask mandates and limited spray tester permission (due to health codes) curtailed the planned in-store demonstrations and launch activity early on. With the reduction of such mandates in Q1, consumer testing has been more active in Q2 and Q3 and will continue through 2022 and into 2023 to benefit from the Spring 2023 season.



COMMENTS REGARDING Q1 2022 OPERATING RESULTS

In Q3 2022, Winning Brands maintained stability as it prepares for the integration of its new Tech Division. GestureTek has now been formally acquired, as intended. The GestureTek acquisition is transformative for Winning Brands. GestureTek has the scope and scale of reach to add significant sales to Winning Brands 2023, while Winning Brands manages its balance sheet for debt reduction where possible.

6) Issuer's Facilities

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

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership. If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer utilizes facilities of three types:

a) Administrative office space for issuer's own use:

The issuer's formal business office, with reception, boardroom and other public facilities is located in an executive business center at 92 Caplan Avenue, Barrie, Ontario. Niagara Mist and XMG Corporation are also located at this address. Additional use is made of off-site informal rental and home offices as required. The Business Centre is leased on a month-to-month basis with 30-day termination provisions.

b) Commercial Warehousing:

Warehousing Commercial warehouse facilities provide the issuer with low-cost storage and logistics resources for shipping on a basis that is flexible and professional. Winning Brands utilizes such facilities in Ontario and New York State (when required).

c) Informal use of strategic partner resources:

The issuer has use of office facilities at the locations of its distributors, who are strategic partners. This includes use of meeting rooms, training resources, telephone, fax equipment and internet. There is no cost to the issuer for this arrangement with distributors.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling, or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders. Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning more than 5% of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Eric Lehner	Chair, CEO, Voting Control through preferred shares	Barrie, Ontario	<u>108,740</u> 9,500,000	<u>Common</u> Preferred	<u>.003%</u> 95%	Voting Control

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 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; or

NO

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

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

No new proceedings.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Vic Devlaeminck, Esq.
Phone: (503) 806-3533
Website: N/A
Email: Vic@VickDevlaeminck.com

Accountant

Name: Internal
Firm:
Phone:
Website
Email:

Investor Relations

Name: Eric Lehner, CEO
Firm: Winning Brands Corporation
Address 1: 92 Caplan Avenue, Suite 134
Address 2: Barrie, Ontario
Phone: L4N 9J2
Email: eric@WinningBrands.ca

Other Service Providers

Provide the name of any other service provider(s) that that assisted, advised, prepared or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Not Applicable

10) Issuer Certification

Principal Executive and Financial Officer:

I, Eric Lehner certify that:

- 1. I have reviewed this 2022 Q3 Disclosure Statement of Winning Brands Corporation*
- 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.*



Nov 20, 2022

Eric Lehner, CEO



Department of State: Division of Corporations

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Entity Details

File Number:	2505751	Incorporation Date / Formation Date:	5/9/1995 (mm/dd/yyyy)
Entity Name:	WINNING BRANDS CORPORATION		
Entity Kind:	Corporation	Entity Type:	General
Residency:	Domestic	State:	State/Province:
Status:	Good Standing	Status Date:	3/28/2022

[REGISTERED AGENT INFORMATION](#)

Name:	NATIONAL REGISTERED AGENTS, INC.		
Address:	1209 ORANGE STREET		
City:	WILMINGTON	County:	New Castle
State:	DE	Postal Code:	19801
Phone:	302-658-7581		

Winning Brands Corporation
Combined Consolidated Financial Statements
(Unaudited)

For the Three Months Ending
Sep 30, 2022

The accompanying notes are an integral part of the financial statements.

Winning Brands Corporation

Balance Sheet Sep 30, 2022

(With Comparative Figures)

(Unaudited)

	Sep 30 22	Jun 30 22
ASSETS		
<i>Current</i>		
Cash	5,226	11,620
Accounts Receivable	11,300	9,820
Inventory	35,323	22,000
<i>Current Assets</i>	51,849	43,440
 <i>Non Current Assets</i>		
Prepays	226,000	226,000
Settlements Pending - Section 3(a)(10)	10,000	10,000
Loans Receivable	25,000	25,000
Property, Plant, Equipment	20,000	20,000
<i>Non Current Assets</i>	281,000	281,000
<i>Total Assets</i>	332,849	324,440
 LIABILITIES		
<i>Current</i>		
Bank Operating Line of Credit	50,000	50,000
Accounts Payable & Accruals	128,544	123,422
Other Current Liabilities	330,000	330,000
<i>Current Liabilities</i>	508,544	503,422
 <i>Long Term Liabilities</i>		
Loans Payable	1,563,793	1,563,793
<i>Total Liabilities</i>	2,072,337	2,067,215
 STOCKHOLDERS' EQUITY (DEFICIENCY)		
<i>Preferred Stock</i>		
15,000,000 Shares Authorized		
10,000,000 Shares Outstanding	10,000	10,000
 <i>Common Stock</i>		
7,000,000,000 Shares Authorized		
5,480,800,136 Shares Issued	5,869,542	5,869,542
Additional Paid-in Capital	7,308,893	7,308,893
	-	-
Retained Earnings (Accumulated Deficit)	14,917,924	14,921,211
<i>Shareholders Equity</i>	-1,739,488	-1,742,776
<i>Total Liabilities and Equity</i>	332,849	324,440

Winning Brands Corporation

Consolidated Income Statement for the Three Months Ending Sep 30 2022

(With Comparative Figures)

(Unaudited)

	Sep 30 2022	Jun 30 2022
Sales	104,355	100,107
Cost of Goods Sold	34,541	31,971
Gross Contribution	69,814	68,136
Operating Expenses		
Administration and Bookkeeping	5,200	5,800
Advertising and Promotion	4,275	4,881
Banking Charges	1,980	2,133
Computer Services and Web	1,200	906
Dues and Subscriptions	100	100
Entertainment	173	202
Financing Costs and Fees	22,500	10,000
Premises Occupancy and Maintenance	4,500	4,217
Freight, Courier, Postage	1,020	844
Insurance	854	854
Legal, Accounting & Professional Fees	11,400	12,000
Office Expenses	6,511	6,981
Management	5,000	5,000
Telecommunications	1,025	996
Vehicles and Travel	789	652
Total Expenses	66,527	55,566
Net Income (Loss)	3,287	12,570
Foreign Currency Translation Adjustment		
Income (Loss) for the Period	3,287	12,570

Winning Brands Corporation

Statement of Cashflow for the 3 Months Ending Sep 30, 2022

(Unaudited)

Cash at Beginning of Period	11,620
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Cashflow from Operating Activity

Net Income	3,287
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Additions to Cash

Increase in Accounts Payable	5,122
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Subtractions from Cash

Increase in Accounts Receivable	-1,480
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Increase in Inventory	<u>-13,323</u>
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<i>Net Cash from Operations</i>	- 6,394
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Cashflow from Investing Activity

Change in Prepays	Nil
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Cashflow from Financing Activity

Change in Loans Payable	Nil
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Change in Notes Payable	<u>Nil</u>
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Nil

Cashflow for Period Ending Sep 30 2022	
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Cash at End of Period	<u><u>5,226</u></u>
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Winning Brands Corporation
Combined Consolidated Statement of Changes in Stockholders' Equity

	Preferred Shares		Common Shares		Additional Paid-In	Accumulated	Accumulated	Stockholders' Equity
	Number of Shares	Share Amount	Number of Shares	Share Amount	Capital	Deficit	Currency Translation	(Deficiency)
Net Income - Q4 2017						(47,143)		(47,143)
Foreign Currency Translation Adjustment							85	85
December 31, 2017	10,000,000	10,000	3,808,281,098	5,869,542	4,511,434	(13,588,629)	312,007	(2,885,646)
Net Income December 31, 2018						27,864		27,864
Adjustments					(63,316)	449,521		386,205
December 31, 2018	10,000,000	10,000	3,808,281,098	5,869,542	4,448,118	(13,111,244)	312,007	(2,783,584)
Net Income December 31, 2019						21,046		21,046
Foreign Currency Translation Adjustment						(2,025,821)		(2,025,821)
Special Contribution						189,983		189,983
December 31, 2019	10,000,000	10,000	3,808,281,098	5,869,542	4,448,118	(14,926,036)	312,007	(4,598,376)
Net Income December 31, 2020						39,871		39,871
Reduction of Special Contribution						(133,273)		(133,273)
December 31, 2020	10,000,000	10,000	3,808,281,098	5,869,542	4,448,118	(15,019,438)	312,007	(4,691,778)
Net Income December 31, 2021						66,273		66,273
Reversal of Adjustment for Issuance Below Par Value						10,000		10,000
Debt Adjustment via APIC					2,777,762			
December 31, 2021	10,000,000	10,000	5,389,305,754	5,869,542	7,225,880	(14,493,165)	312,007	(1,847,743)
Net Income March 31, 2022						9,384		9,384
Debt Adjustment via APIC					4,742			
March 31, 2022	10,000,000	10,000	5,480,800,136	5,869,542	7,230,622	(14,933,781)	312,007	(1,833,617)
Net Income June 30, 2022						12,570		12,570
Debt Adjustment via APIC					78,282			
June 30, 2022	10,000,000	10,000	5,480,800,136	5,869,542	7,308,904	(14,921,211)	312,007	(1,742,775)
Net Income Sep 30, 2022						3,287		3,287
September 30, 2022	10,000,000	10,000	5,480,800,136	5,869,542	7,308,904	(14,917,924)	312,007	(1,746,062)

Notes to Combined Consolidated Financial Statements

as of Sep 30, 2022

Summary of Significant Accounting Policies

a) Nature of business

Winning Brands Corporation, a Delaware incorporated entity in good standing, is an SEC non-reporting issuer quoted by the symbol WNBD on OTC Markets under the Alternative Reporting Guidelines.

Winning Brands Corporation owns 100% of the capital stock of Niagara Mist Marketing Ltd (NMML) which has been in business since 1977 dba itself and as Winning Brands and as Niagara Mist Cosmetics. NMML's historic activities include the creation and manufacturing of household and commercial cleaning chemicals, directly and by licensing and/or subcontracting, as well as cosmetic and personal care formulations. Management has been broadening the scope of the company business in 2022 into new technology categories. This introduces additional risk and opportunity. Readers are urged to read the risk notice in the body of the Quarterly Report.

b) Basis of presentation

These combined consolidated financial statements include the accounts of Winning Brands Corporation and its wholly-owned subsidiary, Niagara Mist Marketing Ltd, and a separate but historically related corporation under common control, XMG Corporation. Some columns and line items are rounded to a dollar to achieve intercompany consistency with original books of entry. Duplicative accounts and transactions have been eliminated in order to reflect the net offset of their combined operations. Combination and consolidation involve best efforts to merge amounts between similar categories of income and expenditure. These financial statements reconcile such factors for materially accurate approximation of the combined company elements. This is an aid to Winning Brands common shareholders to approximate group assets, liabilities, opportunities and risks. The companies operate in more than one tax jurisdiction. This requires individuation of the entities for tax filing purposes. Tax filings are not combined and consolidated, and thus are not directly comparable to the combined reporting tool of these financial statements. The reader is cautioned that these financial statements may not be suitable for their purposes and no obligation exists by the company to address specific analytical requirements. Winning Brands management reserves the right to modify the basis of combination and consolidation at any time to improve the quality of this presentation.

c) Foreign Currency Translation

The combined consolidated financial statements are presented in United States Dollars as follows:

- Conversion of Canadian to US Dollars, and any other foreign currency, at prevailing bank rates at the time of the preparation of the applicable report, for relevance to the reader at the time of preparation.

d) Use of Estimates and Assumptions

The preparation of the accompanying combined consolidated financial statements requires management to make estimates and assumptions that affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Notes to Combined Consolidated Financial Statements

as of Sep 30, 2022

e) Going Concern

These combined consolidated financial statements have been prepared assuming that the company will continue as a going concern. This contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Additional financing is needed for the successful completion of the company's contemplated plan of operations. The company's ability to raise additional equity or debt financing is unknown. An inability to resolve these factors would undermine the company's ability to continue as a going concern. These financial statements do not include any adjustments to address such an eventuality.

f) Inventories

Inventories consist of finished product for resale as well as raw materials and packaging components held at the company's premises and contract warehousing facilities. Finished product is valued at cost including materials, labour and overhead.

g) Property, Plant & Equipment

Property, plant & equipment assets are stated at cost and are amortized at the annual rates noted below, stopping at minimum resale value. Additions are amortized at one half the annual rates.

<u>Category</u>	<u>Rate</u>	<u>Method</u>
Equipment & dies	4%	Declining balance
Computers	30 to 100%	Declining balance
Vehicles	30%	Declining balance
Leaseholds	5 Yr.	Straight line
Furniture & fixtures	20%	Declining balance
Signs	20%	Declining balance

h) Revenue Recognition

Revenue is recognized as invoices for goods and services are generated and consulting is earned through work against milestones. Revenue includes the sale of consultative services which may become owing for transactions that are in-process. The inclusion of such revenue in the financial statements as Accounts Receivable or sales reflects the present value of the company's operations during the reporting period if the pertinent transactions are enforceable contractually; this is the standard applied.

Notes to Combined Consolidated Financial Statements
as of Sep 30, 2022

i) Financial Instruments & Risk Management

Foreign Currency Risk

The company is exposed to currency risk as some of its accounts receivable and accounts payable are denominated in U.S. dollars, Canadian dollars and other foreign currencies. The company also earns revenue & makes expenditures in these currencies. Unfavourable changes in the applicable exchange rate may result in a decrease in any foreign exchange gain or an increase in any foreign exchange loss.

Credit risk

Credit risk arises from the possibility that entities to which the company sells products or services may experience financial difficulty and be unable to fulfil their contractual obligations. This risk is mitigated by proactive credit management policies that include monitoring of the debtors' payment history to the company.

Fair value

The fair value of the company's financial instruments is estimated based on the amount at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. The fair value of accounts receivable, inventory, prepaid expenses, accounts payable and accrued expenses are assumed to approximate their historical cost amount due to their short term nature.

The fair value of the company's long-term financial assets is estimated to approximate the recorded amounts, other than the fair market value of internally generated Trade Secret Formulations & Trademarks as referred – these are not given any financial value, for the sake of a conservative presentation.

The fair value of the company's long-term financial liabilities is estimated to approximate the recorded amounts.

1. Prepaids

Payment in advance toward acquisition of rights and entitlements of various kinds, including but not limited to, corporate acquisition activity.

Notes to Combined Consolidated Financial Statements
as of Sep 30, 2022

2. Settlements Pending - 3(a)(10) process

It became possible in 2013 to commence settlement of early foundational debt by the means of the 3(a)(10) process. Some such settlements occurred. Any applicable loan or payable amounts still reflected in the 3(a)(10) category of the Disclosure Report Debt Table of OTC filings up to and including Sep 30, 2022, are for conservative presentation only. Please read the Footnote description pertaining to same. These are included in the Loans Payable category on the Balance Sheet. Reduction of this category of debt, when not through cash repayment, takes the form of forgiveness, and/or or substitution of a financial obligation with non-financial consideration, and/or other basis of statutory write-off. Reduction of this debt may be treated as additional paid-in capital or debt reduction that absorbs other assets written-off.

3. Subscriptions / Loans Receivable - Restricted Shares

In earlier years, Subscriptions Receivable were funds owed by members of the founding management group for shares issued to them at the time of the reverse merger between Niagara Mist Marketing Limited and Global E-Tutor, to become Winning Brands Corporation. These shares did not become free-trading thereby negating their eligibility for trading. This receivable is being released and will be written-off. The category will be retained in anticipation of possible future issuance of stock on a receivable basis, should such a requirement emerge.

4. Advances Receivable

In consideration of forbearance by the CEO of market compensation for services rendered, no security or recovery is required henceforth in respect of the advances receivable recorded in prior years. This note to the Financial Statements is being retained for historical continuity only and will eventually be retired.

Notes to Combined Consolidated Financial Statements
as of Sep 30, 2022

5. Trade Secret Formulations & Trademarks

The company's wholly owned subsidiary, Niagara Mist Marketing Limited, has developed a portfolio of intellectual properties including proprietary chemical formulations, know-how and trademarks which provide the basis for commercially distinct mass market consumer products with unique selling propositions. These products, principally 1000+ Stain Remover, have gained listings by retailers.

No market value is reflected in these financial statements of these intellectual properties (whose substance is growing through ongoing exposure to market). Investment in their research and development and registration, where applicable, has been expensed rather than capitalized. It is the opinion of management that a fair market valuation of intellectual property assets may be appropriate in the future to better reflect the company's intrinsic value.

6. Loans Payable

Please see disclosure chart, including pre-amble and footnotes.

7. Comparative figures

Certain comparative figures have been reconciled in presentation adjustment of financial statements of prior years with the current year. This includes amongst other things the treatment of expense recoveries and their allocation and classification. Expense recoveries occur occasionally and arise from the negation of an earlier recorded expense accrual by changed circumstances in which the service provider delivered products and services in variance to the originally recorded invoice pertaining thereto. Other adjustments may arise from new expense and income categories, and new capitalization categories associated with corporate merger and acquisition activity for combination and consolidation purposes.