KLEANGAS ENERGY TECHNOLOGIES, INC.
Notes to Financial Statements
September 30, 2017(unaudited)

NOTE 1 – BUSINESS DESCRIPTION

Business

CaliPharms Inc., trading under the symbol (KGET) which trades under its former name "Kleangas Energy Technologies, Inc." is a medical marijuana-cannabis business. The Company currently is focused within the medical marijuana-cannabis industry. The second tier of development for the company will be to expand into other sectors that support the legalized cannabis industry. The company intends to expand its operations as the laws for each individual State change and allow.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and are presented in U.S. dollars.

The accompanying unaudited quarterly financial statements have been prepared on a basis consistent with generally accepted accounting principles in the United States ("GAAP") for interim financial information and pursuant to the rules of the Securities and Exchange Commission ("SEC"). In the opinion of management, the accompanying unaudited financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. The results of operations for the periods are not necessarily indicative of the results expected for the full year or any future period. These statements should be read in conjunction with the Company's Annual Report.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Earnings Per Share

FASB ASC 260, "Earnings per Share" provides for calculation of "basic" and "diluted" earnings per share. Basic net earnings per common share are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net earnings per common share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

Fair Value Measurements

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

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

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

Level 1 — quoted prices in active markets for identical assets or liabilities
Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable
Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

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

Convertible Instruments

The Company evaluates and account for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities".

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company accounts for the conversion of convertible debt when a conversion option has been bifurcated using the general extinguishment standards. The debt and equity linked derivatives are removed at their carrying amounts and the shares issued are measured at their then-current fair value, with any difference recorded as a gain or loss on extinguishment of the two separate accounting liabilities

Stock-Based Compensation

The Company recognizes compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

NOTE 3 – GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated any revenues since inception, has incurred losses since inception, and its current cash balances will not meet working capital needs. These factors, among others, raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon, among other things, the continued financial support from its shareholders or the attainment of profitable operations. There is no assurance that the Company will be able to generate revenues in the future. These financial statements do not give any effect to any adjustments that would be necessary should the Company be unable to continue as a going concern.

NOTE 4 – ACCRUED EXPENSES – OFFICERS

Accrued expenses – officers consists of the following:

	September 30, 2017
Accrued salary	$482,000
Accrued director fees	$330,000
	$812,000

In October 2014, the company entered into an employment agreements with its officer. The salary for the officer is $180,000 per year. $88,000 has been paid to the officer.

In October 2014, the company entered into agreements with its Board of Directors. The salary for each officer is $60,000 per year. No cash has been paid to any officer.

NOTE 5– STOCKHOLDERS' DEFICIT

Preferred Stock

The Company amended its certificate of designation for common stock number and voting rights of the preferred stock series "A", "B", "C", "D", "E" and "F", number, voting rights, conversion rights, qualifications, limitations, restrictions and other characteristics (the "Amendment to Certificate of Designation"). (i) 10,000,000 shares shall be Series A; (ii) 100 shares shall be Series B; (iii) 5,300 shares shall be Series C; (iv)400 shares shall be Series D; (v) 9,995,000 shares shall be Series E; and (vi) 12,720 shares shall be Series F.

Preferred Series A Stock Par Value $.000001

Each share of Series "A" Convertible Preferred Stock shall be convertible, at the option of the Holder into 10,000 shares of fully paid and non-assessable shares of the Company's Common Stock; provided, however that such conversion would not violate any applicable federal, state, or local law, regulation, or any judgment, writ, decree or order binding upon the Corporation or the Holder; or any provision of the Corporation's or Holder's if applicable, amended Articles of Incorporation or Bylaws, nor conflict with or contravene the provisions of any agreement to which the Corporation and the Holder are parties or which they are bound. The foregoing conversion shall be hereinafter referred to as the "Conversion Ratio" Said Conversion Ratio shall be subject to equitable adjustment a the reasonable discretion of the Board of Directors of the Corporation in the event of the occurrence of capital events which make such adjustments appropriate, such as a dividend payable to shares of common stock, combinations of common stock, a merger or consolidation, or the like. As of September 30, 2017 there are 24 shares issued and outstanding.

Preferred Series B Stock Par Value $.000001

Each share of Series "B" Convertible Preferred Stock shall be convertible, at the option of the Holder into 10,000,000 shares of fully paid and non-assessable shares of the Company's Common Stock; provided, however that such conversion would not violate any applicable federal, state, or local law, regulation, or any judgment, writ, decree or order binding upon the Corporation or the Holder; or any provision of the Corporation's or Holder's if applicable, amended Articles of Incorporation or Bylaws, nor conflict with or contravene the provisions of any agreement to which the Corporation and the Holder are parties or which they are bound. The foregoing conversion shall be hereinafter referred to as the "Conversion Ratio" Said Conversion Ratio shall be subject to equitable adjustment a the reasonable discretion of the Board of Directors of the Corporation in the event of the occurrence of capital events which make such adjustments appropriate, such as a dividend payable to shares of common stock, combinations of common stock, a merger or consolidation, or the like. As of September 30, 2017 there are 10,271 shares issued and outstanding.

Preferred Series C Stock Par Value $0.000001

Each share of Series "C" Convertible Preferred Stock shall be convertible, at the option of the Holder into Ten Thousand ($10,000) worth shares of fully paid and non-assessable shares of the Company's Common Stock based upon the most recent 10 day average closing price effective the date of receipt of the conversion request; provided, however that such conversion would not violate any applicable federal, state, or local law, regulation, or any judgment, writ, decree or order binding upon the Corporation or the Holder; or any provision of the Corporation's or Holder's if applicable, amended Articles of Incorporation or Bylaws, nor conflict with or contravene the provisions of any agreement to which the Corporation and the Holder are parties or which they are bound. The foregoing

conversion shall be hereinafter referred to as the "Conversion Ratio" Said Conversion Ratio shall be subject to equitable adjustment a the reasonable discretion of the Board of Directors of the Corporation in the event of the occurrence of capital events which make such adjustments appropriate, such as a dividend payable to shares of common stock, combinations of common stock, a merger or consolidation, or the like. As of September 30, 2017 there are 3 shares issued and outstanding.

Limitations on Conversion

No Conversion of any issued shares of Preferred Series "A, B &C" into common stock shall exceed 4.9% of the then issued and outstanding shares of common stock as reported by the Company's transfer agent, unless such conversion is submitted to and approved by the board of directors of the Company. The Company may request information from the holder of any preferred shares submitted for conversion as to that shareholders current ownership of common stock or other security of the Company.

Preferred Series D Stock Par Value $.000001

Each share of Series "D" Preferred Stock is not convertible into Common stock. Preferred Stock "D" has voting rights as follows. One share of Series of "D" will be equivalent to voting 1,000,000 shares of common stock. As of September 30, 2017 there are no shares issued and outstanding.

Preferred Series E Stock Par Value $.000001

These shares are the former Series A shares of Kleangas Technologies Inc. Each share of Series "E" Preferred Stock is not convertible into Common stock. Preferred Stock "E" has voting rights as follows. One share of Series of "E" will be equivalent to voting 10,000,000 shares of common stock. As of September 30, 2017 there are 8,000,000 shares issued and outstanding.

Preferred Series F Stock Par Value $.000001

These 12,720 shares are the 2,000,000 of the former shares designated as "Series E", which were returned to treasury and cancelled on July 22, 2014. Series "F" shall have no voting rights. As of September 30, 2017 there are 666 shares issued and outstanding.

Reissue of Preferred Stock

Shares of Preferred Stock acquired by the corporation by reason of redemption, purchase, conversion or otherwise can be reissued, as determined by the corporation and approved by the Board of Directress.

Mandatory Redemption

There shall be no mandatory redemption.

Common Stock

The Company has 20,000,000,000 par value $0.0001 shares authorized. 10,781,611,620 shares are issued and outstanding as of September 30, 2017.

NOTE 6 – SUBSEQUENT EVENTS

In September, 2017 Eric Watson was named the CEO of CaliPharms. Watson has been involved in the Cannabis sector for over 25 years. In 2009 he co-founded Green Door Hydro & Solar Electric in Los Angeles, which quickly grew to become one of the top three indoor gardening supply depots in California, serving as a hub for the market at large in Los Angeles. Watson is also the co-founder of entertainment company Protozoa Pictures, which has produced several major motion pictures since 1997, including BLACK SWAN and THE WRESTLER. Blending his intimate understanding of the Cannabis sector with his business acumen, CaliPharms CEO Watson plans to guide the company into a strong, leading industry position.

In August, 2017 CaliPharms subsidiary, Pacific Cannabis Grower's (PCG) has elected to unwind the acquisition agreement between PCG and CaliPharms. Under the agreement provisions there is a clause that PCG may unwind the transaction for any reason provided PCG has not sold any of the stock issued to PCG as consideration for the transaction. PCG did not sell or converted KGET stock, or received any cash consideration for the contracted acquisition, so the unwind provision is considered valid by CaliPharms.

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that no other material subsequent events exist.