

AMERICAN GREEN



AMERICAN GREEN, INC

Interim Financial Statements

(Unaudited)

For the nine months ended

March 31, 2020 and 2019

AMERICAN GREEN, INC.

Consolidated Balance Sheet at March 31, 2020
(Unaudited)

ASSETS

CURRENT ASSETS:

Cash	\$	91,707
Receivables		279,285
Inventory		3,019
Total current assets		<u>374,011</u>

OTHER ASSETS:

Equipment smart machines		483,944
Investments		450,000
Leasehold improvements		3,993,392
less accumulated depreciation		(383,483)
Vehicles		25,639
Patents		93,665
Deposits		21,986
Note receivable		48,000
Other assets		250,000
Total assets	\$	<u>5,357,154</u>

LIABILITIES

CURRENT

Accounts payable and accrued expenses	\$	853,978
Loans from shareholders		2,281,621
Debentures payable and accrued interest		11,462,042
Total current liabilities		<u>14,597,641</u>

LONG TERM

Acquisition Debt		550,064
Other liabilities		1,044,500
Total Liabilities		<u>16,192,205</u>
Minority interest		40,000

STOCKHOLDERS' DEFICIT

Common stock		442,667
Additional paid-in capital		32,260,157
Accumulated (deficit)		(43,577,875)
Total stockholders' deficit		<u>(10,875,051)</u>
Total liabilities and stockholders' deficit	\$	<u>5,357,154</u>

See accompanying notes to these unaudited consolidated financial statements.

AMERICAN GREEN, INC.

Consolidated Statements of Operations (Unaudited)

	For the three months ended		For the nine months ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Machine sales	\$ 65,325	\$ 0	\$ 65,325	\$ 79,791
Online store sales	33,646	50,134	99,302	91,184
Management revenue	430,910	308,483	1,203,989	453,730
Paw Puddy sales	0	38,447	19,850	126,686
Total sales revenue	<u>529,881</u>	<u>397,064</u>	<u>1,388,466</u>	<u>751,391</u>
Machine costs	23,574	0	23,574	56,900
Online store costs	21,464	22,981	58,320	49,806
Management costs	138,054	272,454	399,623	439,935
Paw Puddy costs	0	14,874	10,361	80,775
Total cost of sales	<u>183,092</u>	<u>310,309</u>	<u>491,878</u>	<u>627,416</u>
	346,789	86,755	896,588	123,975
General and administrative	15,175	11,294	27,576	45,790
Sales and marketing	14,000	21,557	40,967	103,791
Salaries	105,809	188,125	312,442	264,125
Staff consultants	41,000	60,225	147,574	128,408
Outside consultants	26,000	6,299	74,798	210,386
Legal and accounting	25,180	67,202	96,390	151,910
Officer & Director compensation	48,000	49,613	144,000	145,613
Travel	0	275	553	11,275
Shareholder communication	1,400	0	2,166	589
Rent and utilities	70,115	56,301	287,742	124,644
Interest expense	218,233	224,774	615,888	683,436
Depreciation and amortization	73,531	62,108	220,593	100,782
Total operating expenses	<u>638,443</u>	<u>747,773</u>	<u>1,970,689</u>	<u>1,970,749</u>
(Loss) from operations	(291,654)	(661,018)	(1,074,101)	(1,846,774)
Net (loss) from CannAwake Corp.	0	0	0	(744,535)
Minority interest in CannAwake	0	(97,043)	0	(36,752)
Abandoned projects	0	(51,250)	(2,851,084)	(138,647)
Net (loss)	<u>\$ (291,654)</u>	<u>\$ (809,311)</u>	<u>\$ (3,925,185)</u>	<u>\$ (2,766,708)</u>

See accompanying notes to these unaudited consolidated financial statements.

AMERICAN GREEN, INC.

Consolidated Statements of Changes in Stockholders Deficit (Unaudited)

	Preferred Shares	Amount	Common Shares	Amount	Paid-In Capital	Accumulated (Deficit)	Total
Balance at June 30, 2017	10,900,000	\$109,000	14,551,611,198	\$14,551,611	\$11,390,023	(\$32,924,500)	(\$6,873,866)
Shares issued for debentures, principal & accrued interest			8,042,873,705	7,860,002	(4,322,250)		3,537,752
Preferred C shares issued for cash	3,000,000	30,000			6,000		36,000
Shares issued for debt and services				182,870	123,630		306,500
Net (loss) for the year ended Jun. 30, 2018						(3,691,959)	(3,691,959)
Balance at June 30, 2018	13,900,000	139,000	22,594,484,903	22,594,483	7,197,403	(36,616,459)	(6,685,573)
Shares issued for debentures, principal & accrued interest			7,643,713,672	7,643,715	(6,181,545)		1,462,170
Net (loss) for the year ended Jun. 30, 2019						(\$3,036,231)	(3,036,231)
Preferred class B & C exchanged for class A no par	(11,120,000)	(139,000)			139,000		0
Balance at June 30, 2019	2,780,000	\$0	30,238,198,575	\$30,238,198	\$1,154,858	(\$39,652,690)	(\$8,259,634)
Shares issued for debentures before the reverse			1,889,630,000	\$1,889,630	(\$1,686,467)		203,163
Shares issued for debt to shareholders before reverse			461,598,897	\$461,599	(\$210,599)		251,000
Reverse stock split -September 23, 2019			(32,521,254,232)	(\$32,521,254)	\$32,521,254		0
Shares issued for debentures after the reverse			374,494,545	\$374,494	\$481,111		855,605
Net (loss) for 9 months ended March 31, 2020						(\$3,925,185)	(3,925,185)
Balance at March 31, 2020	2,780,000	0	442,667,785	442,667	32,260,157	(43,577,875)	(10,875,051)

See accompanying notes to these unaudited consolidated financial statements.

AMERICAN GREEN, INC.

Consolidated Statements of Cash Flows (Unaudited)

	For the three months ended March 31,		For the nine months ended March 31,	
	2020	2019	2020	2019
OPERATING ACTIVITIES				
Net (loss) for the period	\$ (291,654)	\$ (809,311)	\$ (3,925,185)	\$ (2,766,708)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Minority interest	0	97,043	(549,009)	36,752
CannAwake net loss	0	0	0	744,535
Abandoned land & improvements-Nipton	0	51,250	5,743,879	138,647
Abandoned mortgage payable-Nipton	0	0	(2,458,100)	0
Shares issued - debt & services	0	0	251,000	0
Shares issued - debentures & interest	0	62,018	0	100,782
Depreciation & amortization	73,531	0	220,593	0
Changes in assets and liabilities				
(Incr)/decr -accounts receivable	13,500	(33,448)	(20,000)	(21,356)
(Incr)/decr - Inventory	(1,519)	6,000	8,481	19,111
(Incr)/decr - note receivable	0	(48,000)	0	(48,000)
(Incr)/decr - other assets	0	(250,000)	0	(250,000)
Incr/(decr) in accounts payable	(135,714)	196,771	(210,795)	495,222
Incr/(decr) in debentures payable	0	0	0	137,190
Incr/(decr) in accrued interest	218,233	216,717	615,888	489,025
Incr/(decr) - loans from shareholders	57,000	73,000	(81,000)	237,203
Incr/(decr) - other liabilities	0	0		287,299
Net cash (used in) provided by operating activities	<u>(66,623)</u>	<u>(437,960)</u>	<u>(404,248)</u>	<u>(400,298)</u>
INVESTING ACTIVITIES				
Purchase leasehold improvements	0	0	(71,881)	(325,330)
Project costs	(29,285)	138,849	72,129	164,542
Minority interest in net assets	0	0	40,000	0
Net cash (used in) provided by investing activities	<u>(29,285)</u>	<u>138,849</u>	<u>40,248</u>	<u>(160,788)</u>
FINANCING ACTIVITIES				
Machine costs	0	0	0	40,000
Issuance of debentures for cash	143,750	193,800	450,100	558,300
Acquisition liabilities	0	0	(7,034)	(8,686)
Mortgage secured by land-Nipton	0	0	0	(274,316)
Net cash (used in) provided by financing activities	<u>143,750</u>	<u>193,800</u>	<u>443,066</u>	<u>315,298</u>
INCREASE (DECREASE) IN CASH	47,842	(105,311)	79,066	(245,788)
CASH, BEGINNING OF PERIOD	43,865	147,611	12,641	288,088
CASH, END OF PERIOD	<u>\$ 91,707</u>	<u>\$ 42,300</u>	<u>\$ 91,707</u>	<u>\$ 42,300</u>

NON-CASH TRANSACTIONS IN COMMON SHARES

Shares issued for debentures & interest	\$ 437,107	\$ 508,213	\$ 1,058,768	\$ 1,333,070
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See accompanying notes to these unaudited consolidated financial statements.

AMERICAN GREEN, INC.

Notes to Unaudited Consolidated Financial Statements For the Years Ended March 31, 2020 and 2019 (Unaudited)

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company

The Company was formed on December 10, 1998 as the result of a Plan and Agreement of Reorganization in Nevada between Ti-Mail, Inc. and Whitney Corporation and became known as Desert Winds Entertainment, Inc. During 2000 the Company changed its name to SunnComm, Inc., during 2002 to SunnComm Technologies, Inc., and during 2004 to SunnComm International Inc. On June 14, 2007 the Company changed its name from SunnComm Technologies Inc. to The Amergence Group, Inc. On March 8, 2011 the Company changed its name to Altitude Organic Corporation. On January 6, 2012, the Company changed its name to Tranzbyte Corporation and on May 9, 2014 changed its name to American Green Inc. On May 10, 2016 the Company re-domesticated to Wyoming as American Green Inc.

The Company is managing a cultivation facility in Phoenix Arizona for medical marijuana, owns proprietary dispensing machines and all of the rights to line of health supplements under the label OneBode.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the periods presented. Significant adjustments may be required upon the financial statements being audited to be in conformity with Generally Accepted Accounting Principles.

Going Concern

The Company operates in an industry that is subject to rapid change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, regulatory and other risks, including the potential risk of business failure.

The ability of the Company to continue as a going concern is dependent on the successful execution of Management's plans, which include sales of its products, further implementation of its business plan and continuing to raise funds through debt or equity financings. The Company will likely need to rely upon debt or equity financing in order to ensure the continuing existence of the business.

The accompanying unaudited financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Principles of Consolidation

The Company's consolidated financial statements include the assets, liabilities and operating results of the Company and its majority owned subsidiary named CannAwake Corporation. Minority interest is recorded for other shareholder interests in CannAwake Corporation.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position.

Cash & Cash Equivalents

The company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and state income tax liability as it is incurred. The company has accumulated net operating losses and does not have any outstanding income tax liabilities.

NOTE 2. INVESTMENTS

At May 24, 2010, the company entered into a Joint Venture Production Agreement with PanPacific International Limited, "PanPacific", whereby it would receive 50% of the profits in three scheduled concerts with internationally known artists to be performed in Hong Kong, and other agreed-upon joint enterprises, for 60 million restricted common shares valued at \$2,400,000. On August 9, 2010, PanPacific and the company formed a Nevada corporation and named it PanPacific International, Inc., "Pan International". PanPacific contributed its business operation allowing Tranzbyte to establish a presence and capabilities in Hong Kong, Macao, and China mainland enabling the company to consider future joint ventures to be identified and its advertising network for 75% ownership and the company received 25% for its prior capital investment of 60 million common shares. During December 2010, the company issued a restricted stock dividend to its shareholders comprised of 80% of its holdings, which was 20% of Pan International's total outstanding common shares. The company reduced its investment in Pan International by 80% to 480,000 shares for the dividend. The company owns 10 million shares of Pan International representing 5% of Pan International's total outstanding common shares with a cost basis of \$480,000 and valued at \$400,000 after impairment.

On December 8, 2016, the Company invested \$50,000 in MediaTechnics Corporation in a class of preferred shares.

During September 2017 the Company formed a wholly owned subsidiary named Nipton Inc. and during March 2018 transferred all of the Nipton Assets and attached liabilities to Nipton Inc. On April 4, 2018 the Company sold all of Nipton Inc. to CannAwake Corporation for 160,000 shares of the CannAwake's Series A Convertible Preferred Stock resulting in the Company having approximately 84% voting control of CannAwake. On November 19, 2019, the Nipton township property, held by CannAwake's wholly-owned subsidiary, Nipton, Inc. ("Nipton"), was foreclosed upon in a trustee's sale due to defaults in the payments provided for in the property's purchase agreement payment schedule for the balance of the purchase price for the property. Accordingly, Nipton no longer has title to the Nipton township property. American Green has consolidated the assets and liabilities of CannAwake less the minority interest in the financial statements.

NOTE 3: LEASEHOLD IMPROVEMENTS

Leasehold improvements will be amortized over the remaining life of the lease and its extension periods for the cultivation facility when it is put into productive use.

NOTE 4: PATENTS

On August 6, 2014, the Company acquired the patent rights to technology supporting the Zazz Vending Machine. The patents will start being amortized when the Zazz machines are placed in service.

NOTE 5: DEPOSITS

Security Deposits

The Company has security deposits outstanding on lease space rentals.

NOTE 6. DEBENTURES PAYABLE

Retired Debentures

On October 31, 2016 the Company issued a debenture for \$10,000 for a cash advance during October of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2016 the debenture accrued \$167 of interest resulting in the debenture having \$10,000 in principal and \$167 of accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$10,000 in principal and \$667 of accrued interest outstanding. During the quarter ended September 30, 2017, the debenture holder sold its debt to a non-affiliate that converted the entire debenture into 36,110,000 common shares that paid off \$10,000 of principal and \$833 of accrued interest.

On December 19, 2014 the Company issued a debenture for \$275,000 for five cash advances during the December 2014. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion.

During the quarter ended March 31, 2016 the debenture accrued \$6,875 of interest. During each quarter of 2016 the debenture accrued \$6,875 resulting in the debenture having \$275,000 in principal and \$55,000 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$275,000 in principal and \$68,750 in accrued interest. At September 30, 2017, the debenture had \$275,000 in principal and \$75,625 in accrued interest. During the quarter ended December 31, 2017 the debenture accrued \$4,583 in accrued interest and the company paid off the entire debenture by issuing 645,832,727 shares of common stock for \$275,000 of principal and \$80,208 of accrued interest.

On March 31, 2016 the Company issued a debenture for \$40,500 for cash advances during March 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued no interest. During the quarter ended June 30, 2016 the debenture accrued \$1,012 in interest resulting in the debenture having \$40,500 in principal and \$1,012 accrued interest outstanding at June 30, 2016. During each subsequent quarter in 2016 the debenture accrued \$1,012 in interest resulting in the debenture having \$40,500 in principal and \$3,037 accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$40,500 in principal and \$5,062 accrued interest outstanding. At September 30, 2017, the debenture had \$40,500 in principal and \$6,074 accrued interest outstanding. During the quarter ended December 31, 2016 the debenture accrued \$675 of interest and the company paid off the debenture by issuing 85,907,273 common shares for \$40,500 of principal and \$6,749 of accrued interest.

On April 30, 2016 the Company issued a debenture for \$56,000 for cash advances during April 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended June 30, 2016 the debenture accrued \$933 in interest resulting in the debenture having \$56,000 in principal and \$933 in accrued interest outstanding at June 30, 2016. During each subsequent quarter in 2016 the debenture accrued \$1,400 in interest resulting in the debenture having At March 31, 2017, the Company had outstanding at December 31, 2016. At June 30, 2017, the Company had \$56,000 in principal and \$6,533 in accrued interest outstanding. At September 30, 2017, the debenture had \$56,000 in principal and \$7,933 in accrued interest outstanding. During the quarter ended December 31, 2017 the debenture accrued \$933 of accrue interest and the company paid off the debenture by issuing 117,938,182 common shares for \$56,000 of principal and \$8,866 of accrued interest.

On August 31, 2016 the Company issued a debenture for \$110,000 for cash advances during August of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. The debenture accrued \$917 in interest during the quarter ended September 30, 2016 and \$2,750 in interest for the quarter ending at December 31, 2016 resulting in the debenture having \$110,000 in principal and \$3,667 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$110,000 in principal and \$9,167 in accrued interest outstanding. At September 30, 2017, the debenture had \$110,000 in principal and \$11,917 in accrued interest outstanding. During the quarter ended December 31, 2017 the debenture accrued \$2,630 of accrued interest and the company paid off the debenture by issuing 226,449,091 common shares for \$110,000 of principal and \$14,547 of accrued interest.

On January 30, 2015 the Company issued a debenture for \$175,000 for three cash advances during the January 2015. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued \$4,375 of interest. During each quarter in 2016 the debenture accrued \$4,375 of interest resulting in the debenture having \$175,000 in principal and \$33,541 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$175,000 in principal and \$42,291 in accrued interest outstanding. At September 30, 2017, the debenture had \$175,000 in principal and \$46,666 in accrued interest outstanding. At December 31, 2017 the debenture had \$175,000 in principal outstanding and \$51,041 in accrued interest. During the quarter ended March 31, 2018, the Company retired the debenture by issuing 410,983,636 common shares to payoff \$175,000 of principal and \$51,041 of accrued interest.

On June 3, 2015 the Company issued a debenture for \$180,000 for three cash advances. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued \$4,500 of interest. During the quarter ended June 30, 2016 the debenture accrued \$4,500 in interest resulting in the debenture having \$180,000 in principal and \$18,000 in accrued interest outstanding at June 30, 2016. During each quarter in 2016 the debenture accrued \$4,500 in interest resulting in the debenture having \$180,000 in principal and \$27,000 in accrued interest outstanding at December 31, 2016. At June 30, 2017 the Company had \$180,000 in principal and \$36,000 in accrued interest outstanding. At September 30, 2017, the debenture had \$180,000 in principal and \$40,500 in accrued interest outstanding. At December 31, 2017 the debenture had \$180,000 in principal outstanding and \$45,000 in accrued interest. During the quarter ended March 31, 2018, the Company retired the debenture by issuing 415,909,091 common shares to payoff \$180,000 of principal and \$48,750 of accrued interest.

On June 30, 2015 the Company issued a debenture for \$200,000 for three cash advances. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued \$5,000 of interest. During the quarter ended June 30, 2016 the debenture accrued \$5,000 in interest resulting in the debenture having \$200,000 in principal and \$20,000 in accrued interest outstanding at June 30, 2016. During each quarter during 2016 the debenture accrued \$5,000 in interest resulting in the debenture having \$200,000 in principal and \$30,000 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$200,000 in principal and \$40,000 in accrued interest outstanding. At September 30, 2017, the debenture had \$200,000 in principal and \$45,000 in accrued interest outstanding. At December 31, 2017 the debenture had \$200,000 in principal outstanding and \$50,000 in accrued interest. During the quarter ended March 31, 2018, the Company retired the debenture by issuing 457,576,364 common shares to payoff \$200,000 of principal and \$51,667 of accrued interest.

On August 31, 2015 the Company issued a debenture for \$90,000 for cash advances during August 2015. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. Since its inception the debenture will accrue \$2,250 of interest during each quarter. During the quarter ended March 31, 2016 the debenture accrued \$2,250 of interest. During the quarter ended June 30, 2016 the debenture accrued \$2,250 in interest resulting in the debenture having \$90,000 in principal and \$6,750 in accrued interest outstanding at June 30, 2016. During each quarter in 2016 the debenture accrued \$2,250 in interest resulting in the debenture having \$90,000 in principal and \$11,250 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$90,000 in principal and \$15,750 in accrued interest outstanding. At September 30, 2017, the debenture had \$90,000 in principal and \$18,000 in accrued interest outstanding. At December 31, 2017 the debenture had \$90,000 in principal outstanding and \$20,250 in accrued interest. During the quarter ended March 31, 2018, the Company retired the debenture by issuing 203,863,636 common shares to payoff \$90,000 of principal and \$22,125 of accrued interest.

On July 31, 2016 the Company issued a debenture for \$30,000 for cash advances during July of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. The debenture accrued \$500 in interest during the quarter ended September 30, 2016 and \$750 of interest during the quarter ended December 31, 2016 resulting in the debenture having \$30,000 in principal and \$1,250 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$30,000 in principal and \$2,750 in accrued interest outstanding. At September 30, 2017, the debenture had \$30,000 in principal and \$3,500 in accrued interest outstanding. At December 31, 2017 the debenture had \$30,000 in principal outstanding and \$4,250 in accrued interest. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 62,272,727 common shares for \$30,000 of principal and \$4,250 of accrued interest.

On September 30, 2016 the Company issued a debenture for \$59,100 for cash advances during September of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2016 the debenture accrued \$1,478 of interest resulting in the debenture having \$59,100 in principal and \$1,478 of accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$59,100 in principal and \$4,433 of accrued interest outstanding. At September 30, 2017, the debenture had \$59,100 in principal and \$5,911 of accrued interest outstanding. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 120,889,091 common shares for \$59,100 of principal and \$7,389 of accrued interest.

On October 31, 2016 the Company issued a debenture for \$36,000 for cash advances during October of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2016 the debenture accrued \$600 of interest resulting in the debenture having \$36,000 in principal and \$600 of accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$36,000 in principal and \$2,400 of accrued interest. At September 30, 2017, the debenture had \$36,000 in principal and \$3,300 of accrued interest. At December 31, 2017 the debenture had \$36,000 in principal outstanding and \$4,200 in accrued interest. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 73,363,636 common shares for \$36,000 of principal and \$4,350 of accrued interest.

On November 17, 2016 the Company issued a debenture for \$220,000 for \$200,000 of cash with a \$20,000 discount. The debenture will convert into the company's common stock after November 10, 2017 at 50% of the lowest closing stock price 90 days before the conversion notice through the conversion date. The Holder is

restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2017 the Company retired \$110,000 of principal by issuing 220,000,000 common shares resulting in \$110,000 being outstanding at December 31, 2017. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 200,000,000 common shares.

On November 30, 2016 the Company issued a debenture for \$65,000 for cash advances during November of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2016 the debenture accrued \$541 of interest resulting in the debenture having \$65,000 in principal and \$541 of accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$65,000 in principal and \$3,791 of accrued interest outstanding. At September 30, 2017, the debenture had \$65,000 in principal and \$5,416 of accrued interest outstanding. At December 31, 2017 the debenture had \$65,000 in principal outstanding and \$7,041 in accrued interest. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 131,476,364 common shares to retire \$65,000 of principal and 47,312 of accrued interest.

On December 31, 2016 the Company issued a debenture for \$50,000 for cash advances during December of 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended December 31, 2016 the debenture accrued no interest resulting in the debenture having \$50,000 in principal and no accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$50,000 in principal and \$2,500 of accrued interest outstanding. At September 30, 2017, the debenture had \$50,000 in principal and \$3,750 of accrued interest outstanding. At December 31, 2017 the debenture had \$50,000 in principal outstanding and \$5,000 in accrued interest. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 100,758,182 common shares to retire \$50,000 of principal and \$5,417 of accrued interest.

On January 31, 2017 the Company issued a debenture for \$30,000 for cash advances during January of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$30,000 in principal and \$1,250 of accrued interest outstanding. At September 30, 2017, the debenture had \$30,000 in principal and \$2,000 of accrued interest outstanding. At December 31, 2017 the debenture had \$30,000 in principal outstanding and \$2,750 in accrued interest. During the quarter ended March 31, 2018 the Company paid off the debenture by issuing 60,000,000 common shares for \$30,000 of principal and \$3,000 accrued interest.

On February 15, 2017 the Company issued a debenture for \$280,000 for cash advances during February of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$280,000 in principal and \$9,333 of accrued interest outstanding. At September 30, 2017, the debenture had \$280,000 in principal and \$16,333 of accrued interest outstanding. At December 31, 2017 the debenture had \$280,000 in principal outstanding and \$23,333 in accrued interest. During the quarter ended March 31, 2018 the Company retired the debenture by issuing 557,878,182 common shares for \$280,000 of principal and \$26,833 of accrued interest.

On March 31, 2016 the Company issued a debenture for \$122,398 for cash advances during March 2016. The debenture had been disclosed in prior statements as \$157,398 and was subsequently adjusted due to a disclosure error. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted

from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued no interest. The debenture accrued \$3,935 of interest in each of the three quarters starting with June 30, 2016 resulting in the debenture having \$157,398 in principal and \$11,805 accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$157,398 in principal and \$19,675 accrued interest outstanding. At September 30, 2017, the debenture had \$157,398 in principal and \$23,610 accrued interest outstanding. At December 31, 2017 the debenture had \$157,398 in principal outstanding and \$27,545 in accrued interest. During the quarter ended March 31, 2018, the Debenture was adjusted to \$122,398 with accrued interest of \$14,464. On April 30, 2018, the Company issued 273,724,000 common shares to the Holder and paid off the balance of debenture comprised of \$122,398 of principal and accrued interest of \$14,464.

On February 28, 2017 the Company issued a debenture for \$30,000 for cash advances during February of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$30,000 in principal and \$500 of accrued interest outstanding. At September 30, 2017, the debenture had \$30,000 in principal and \$1,750 of accrued interest outstanding. At March 31, 2018 the debenture had \$30,000 in principal outstanding and \$3,250 in accrued interest. On April 25, 2018 the Company issued 66,750,000 shares to pay off the debenture comprised of \$30,000 in principal and \$3,375 in accrued interest.

On March 31, 2017 the Company issued a debenture for \$70,000 for cash advances during March of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$70,000 in principal and \$1,750 accrued interest outstanding. At September 30, 2017, the debenture had \$70,000 in principal and \$3,500 accrued interest outstanding. At March 31, 2018 the debenture had \$70,000 in principal outstanding and \$7,000 in accrued interest.

On April 25, 2018 the Company issued 154,600,000 shares to pay off the debenture comprised of \$122,398 in principal and \$14,464 in accrued interest. On November 30, 2015 the Company issued a debenture for \$60,000 for two cash advances during November 2015. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. Since its inception the debenture will accrue \$1,500 of interest during each quarter. During the quarter ended March 31, 2016. During the quarter ended June 30, 2016 the debenture accrued \$500 in interest resulting in the debenture having \$60,000 in principal and \$1,500 in accrued interest outstanding at June 30, 2016. During each quarter ended in 2016 the debenture accrued \$1,500 in interest resulting in the debenture having \$60,000 in principal and \$6,500 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$60,000 in principal and \$9,500 in accrued interest outstanding. At September 30, 2017 the debenture had \$60,000 of principal and \$11,000 accrued interest. At June 30, 2018 the debenture had \$60,000 in principal outstanding and \$15,468 in accrued interest. On July 2, 2018 the Company paid off the \$60,000 of principal and \$15,468 of accrued interest by issuing 150,936,986 common shares.

On December 31, 2015 the Company issued a debenture for \$115,000 for four cash advances during December 2015. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. Since its inception the debenture will accrue \$2,875 of interest during each quarter. During the quarter ended March 31, 2016 the debenture accrued \$2,875 of interest. During the quarter ended June 30, 2016 the debenture accrued \$2,875 in interest resulting in the debenture having \$115,000 in principal and \$5,750 in accrued interest outstanding at June 30, 2016. During each quarter in December 31, 2016 the debenture accrued \$2,875 in interest resulting in the debenture having \$115,000 in

principal and \$11,500 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$115,000 in principal and \$17,250 in accrued interest outstanding. At September 30, 2017, the debenture had \$115,000 in principal and \$20,125 in accrued interest outstanding. At June 30, 2018 the debenture had \$115,000 in principal outstanding and \$28,671 in accrued interest. On July 2, 2018 the Company paid off the \$115,000 principal and \$28,671 of accrued interest by issuing 287,342,466 common shares.

On May 31, 2017 the Company issued a debenture for \$130,000 for cash advances during May of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$130,000 in principal and \$1,083 accrued interest outstanding. At September 30, 2017, the debenture had \$130,000 in principal and \$2,166 accrued interest outstanding. At June 30, 2018 the debenture had \$130,000 in principal outstanding and \$13,784 in accrued interest. On June 8, 2018 the Company paid off the \$130,000 of principal and \$13,784 of accrued interest by issuing 287,567,123 common shares to the Holder.

On April 30, 2017 the Company issued a debenture for \$50,000 for cash advances during April of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$50,000 in principal and \$833 accrued interest outstanding. At September 30, 2017, the debenture had \$50,000 in principal and \$1,666 accrued interest outstanding. At June 30, 2018 the debenture had \$50,000 in principal outstanding and \$5,726 in accrued interest. On June 8, 2018 the Company retired the \$50,000 of principal and \$5,726 in accrued interest by issuing 111,452,055 common shares to the Holder.

On June 30, 2017 the Company issued a debenture for \$100,000 for cash advances during June of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. On September 26, 2018 the Company retired the \$100,000 of principal and \$12,500 in accrued interest by issuing 320,237,143 common shares to the Holder.

On September 30, 2015 the Company issued a debenture for \$85,000 for cash advances during September 2015. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. Since its inception the debenture will accrue \$2,125 of interest during each quarter. During the quarter ended June 30, 2016 the debenture accrued \$2,125 in interest resulting in the debenture having \$85,000 in principal and \$8,500 in accrued interest outstanding at June 30, 2016. During each quarter in 2016 the debenture accrued \$2,125 in interest resulting in the debenture having \$85,000 in principal and \$12,750 in accrued interest outstanding at December 31, 2016. At June 30, 2017 the Company had \$85,000 in principal and \$17,000 in accrued interest outstanding. At September 30, 2017 the debenture had \$85,000 in principal and \$19,125 in accrued interest outstanding. On November 14, 2018 the Company issued 370,273,333 common shares to retire the Debenture consisting of \$85,000 of principal and \$26,082 of accrued interest.

On October 31, 2015 the Company issued two debentures for \$83,000 totaling 166,000 for five cash advances during October 2015. Each debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holders are restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. Since their inception the debentures will accrue a total of \$4,150 of interest during each quarter. During the quarter ended March 31, 2016 the debentures accrued \$4,150 of interest. During the quarter ended June 30, 2016 each debenture accrued \$2,767 in interest resulting in the

debentures having \$166,000 in principal and \$11,066 in accrued interest outstanding at June 30, 2016. During each quarter in 2016 each debenture accrued \$2,075 in interest resulting in the debentures totaling \$166,000 in principal and \$19,366 in accrued interest outstanding at December 31, 2016. During the quarter ended June 30, 2017, one of the debentures was paid in full by issuing 313,556,667 common shares resulting in one debenture remaining outstanding with \$83,000 of principal and \$13,833 of accrued interest outstanding. At September 30, 2017 the debenture had \$83,000 of principal and \$15,908 accrued interest. At December 31, 2018 the debenture had \$83,000 in principal outstanding and \$26,283 in accrued interest. On January 8, 2019 the Company issued 728,553,333 common shares to retire the Debenture consisting of \$83,000 of principal and \$26,283 of accrued interest.

On February 28, 2016 the Company issued a debenture for \$122,000 for cash advances during February 2016. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. During the quarter ended March 31, 2016 the debenture accrued \$1,016 of interest. During the quarter ended June 30, 2016 the debenture accrued \$3,050 in interest resulting in the debenture having \$122,000 in principal and \$4,066 in accrued interest outstanding at June 30, 2016. During each subsequent quarter in 2016 the debenture accrued \$3,050 in interest resulting in the debenture having \$122,000 in principal and \$10,166 in accrued interest outstanding at December 31, 2016. At June 30, 2017, the Company had \$122,000 in principal and \$14,933 in accrued interest outstanding. At September 30, 2017, the debenture had \$122,000 in principal and \$19,316 in accrued interest outstanding. At December 31, 2018 the debenture had \$122,000 in principal outstanding and \$34,566 in accrued interest. On March 4, 2019 the Company issued the last of 4 partial conversions totaling 1,427,680,000 common shares during the quarter ended March 31, 2019 that resulted in the payoff of the Debenture comprised of \$122,000 of principal and \$50,768 of accrued interest.

On June 30, 2016 the Company issued a debenture for \$12,000 for cash advances during June 2016. The debenture had not been previously been disclosed because it had been included with a different disclosure but has now been adjusted for the disclosure error. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At September 30, 2018 the debenture had \$12,000 in principal outstanding and \$2,700 in accrued interest. On March 3, 2019 the Company issued 152,087,671 common shares and paid off the Debenture that consisted of \$12,000 of principal and \$3,209 of accrued interest.

On January 31, 2017 the Company issued a debenture for \$13,000 for cash advances during January of 2017. The debenture had not been previously disclosed as a result of a disclosure error. On March 3, 2019 the Company paid off the Debenture by issuing 157,104,110 common shares for retiring \$13,000 of principal and \$2,710 of accrued interest.

On June 30, 2017 the Company issued a debenture for \$35,000 for cash advances during June of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion. At June 30, 2017, the Company had \$35,000 in principal and no accrued interest outstanding. At September 30, 2017, the debenture had \$35,000 in principal and \$875 accrued interest outstanding. On March 3, 2019 the Company paid off the Debenture by issuing 408,589,041 common shares to retire \$35,000 of principal and \$5,859 of accrued interest.

On July 30, 2017 the Company issued a debenture for \$100,000 for cash advances during July of 2017. The debenture accrues interest at 10% per annum and will convert into the company's common stock at 50% of the lowest closing bid price 12 months before the conversion date. The Holder is restricted from any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the

conversion. At September 30, 2017, the debenture had \$100,000 in principal and \$1,667 accrued interest outstanding. At December 31, 2018 the debenture had \$100,000 in principal outstanding and \$14,167 in accrued interest. On January 8, 2019 the Company paid off the Debenture by issuing 762,557,078 common shares to retire \$100,000 of principal and \$14,384 of accrued interest.

On July 13, 2019 the Company issued 886,630,000 common shares before the reverse split to pay off a Debenture originally issued on May 31, 2018 in the amount of \$88,663 comprised of \$80,000 of principal and \$8,663 of accrued interest.

On October 25, 2019, the Company retired an outstanding debenture for 1,368,421 common shares that was originally issued on October 12, 2018 comprised of \$26,000 of principal and \$2,600 in accrued interest.

On February 20, 2020, the Company retired an outstanding debenture for 31,297,745 common shares that was originally issued on April 30, 2016 comprised of \$56,000 of principal and \$21,020 in accrued interest.

Outstanding Debentures

Date	Name	Principal Outstanding	Accrued Interest Outstanding	Total Outstanding
09/30/14	Sunrise Communications LLC	61,177	24,760	85,937
06/30/15	Sunrise Communications LLC	226,966	107,887	334,853
06/30/15	Albert Golusin	120,000	57,041	177,041
01/31/16	Sunrise Communications LLC	90,000	18,004	108,004
03/31/16	Sunrise Communications LLC	75,000	30,000	105,000
05/31/16	10th Planet Partners LP	107,500	41,205	148,705
06/30/16	Mammoth Corporation	17,500	6,563	24,063
08/31/16	10th Planet Partners LP	48,000	17,188	65,188
09/30/16	10th Planet Partners LP	89,600	31,348	120,948
10/31/16	10th Planet Partners LP	36,000	12,289	48,289
11/30/16	10th Planet Partners LP	50,000	16,658	66,658
12/31/16	10th Planet Partners LP	50,000	16,233	66,233
01/31/17	10th Planet Partners LP	32,000	10,117	42,117
02/28/17	10th Planet Partners LP	25,000	7,712	32,712
02/28/17	Sunrise Communications LLC	350,000	107,973	457,973
04/30/17	10th Planet Partners LP	90,000	26,260	116,260
05/31/17	10th Planet Partners LP	50,000	14,164	64,164
06/30/17	GPL Ventures LLC	18,494	0	18,494
07/31/17	10th Planet Partners LP	100,000	26,685	126,685
08/31/17	10th Planet Partners LP	285,000	73,553	358,553
09/30/17	10th Planet Partners LP	200,000	49,973	249,973
08/31/17	X Finance LP	47,648	0	47,648
09/30/17	X Finance LP	125,000	31,233	156,233
09/13/17	Mammoth Corporation	1,731,500	0	1,731,500
10/30/17	Information Investments LLC	110,000	13,750	123,750
10/15/17	X Finance LP	127,333	17,102	144,435
11/15/17	X Finance LP	140,000	33,216	173,216
11/30/17	X Finance LP	80,000	18,652	98,652
12/15/17	X Finance LP	125,000	28,630	153,630

12/31/17	X Finance LP	250,000	56,164	306,164
10/20/17	10th Planet Partners LP	160,000	39,101	199,101
10/31/17	10th Planet Partners LP	165,000	39,826	204,826
11/15/17	10th Planet Partners LP	140,000	33,216	173,216
11/30/17	10th Planet Partners LP	80,000	18,652	98,652
12/15/17	10th Planet Partners LP	125,000	28,630	153,630
01/02/18	10th Planet Partners LP	250,000	56,164	306,164
01/12/18	X Finance LP	450,000	99,616	549,616
01/31/18	X Finance LP	175,000	37,829	212,829
02/15/18	X Finance LP	125,000	26,507	151,507
03/01/18	X Finance LP	100,000	20,822	120,822
03/15/18	X Finance LP	120,000	24,526	144,526
03/28/18	X Finance LP	120,000	24,099	144,099
01/16/18	10th Planet Partners LP	110,000	24,230	134,230
01/31/18	10th Planet Partners LP	175,000	37,829	212,829
02/16/18	10th Planet Partners LP	125,000	26,473	151,473
02/28/18	10th Planet Partners LP	150,000	31,274	181,274
03/15/18	10th Planet Partners LP	120,000	24,526	144,526
03/29/18	10th Planet Partners LP	120,000	24,066	144,066
04/30/18	10th Planet Partners LP	310,000	59,452	369,452
05/31/18	10th Planet Partners LP	170,000	31,159	201,159
06/30/18	10th Planet Partners LP	350,000	61,274	411,274
04/30/18	X Finance LP	150,000	28,767	178,767
06/30/18	X Finance LP	50,000	8,753	58,753
07/15/18	10th Planet Partners LP	150,000	25,644	175,644
11/23/18	X Finance LP	35,000	4,727	39,727
12/31/18	X Finance LP	55,000	6,856	61,856
12/18/18	Sunrise Communications LLC	8,500	1,091	9,591
12/11/18	Sean Prophet	40,000	5,205	45,205
12/11/18	Scott Stoegbauer	50,000	6,507	56,507
01/31/19	Sunrise Communications LLC	108,000	11,599	119,599
02/27/19	Libra AGI	69,300	7,539	76,839
01/15/19	10th Planet Partners LP	16,500	1,991	18,491
11/30/19	Albert Golusin	37,000	1,233	38,233
12/31/19	Albert Golusin	20,000	500	20,500
11/30/19	Sunrise Communications LLC	77,550	2,585	80,135
12/31/19	Sunrise Communications LLC	139,500	3,488	142,988
12/31/19	10th Planet Partners LP	32,300	808	33,108
03/31/20	10th Planet Partners LP	84,750	0	84,750
03/31/20	Albert Golusin	59,000	0	59,000
Balance at March 31, 2020		9,681,118	1,780,924	11,462,042

NOTE 9: LOANS FROM SHAREHOLDERS

Amounts owed to directors, officers or other consultants for services that are also shareholders are accrued as loans from shareholders.

NOTE 10. STOCKHOLDERS EQUITY

Preferred Stock

On January 20, 2012, David Gwyther obtained 6,500,000 Preferred Series B shares from the prior owner. The Preferred Series B shares held by the Company's Chairman; David Gwyther had voting control of the Company with 1,000 votes for each preferred share held. Each Preferred B share can convert into 20 shares of common stock.

On September 13, 2016 the Company issued 1,400,000 Preferred Series B shares to two non-affiliates for \$16,800.

On June 1, 2017 the Company amended its articles and designated 6,000,000 Preferred Series C class of shares that it sold. A total of 3 million shares were sold to both directors of the Company for \$36,000 and 3 million shares were sold to two non-affiliates for \$36,000. Each Preferred C share has 1,000 votes and can convert into 20 shares of common stock.

At March 31, 2018 the Company had authorized 30,000,000 preferred shares with 13,900,000 preferred shares outstanding at \$.001 par and can issue shares of preferred stock in such classes and with such preferences as may be determined by the board of directors or the bylaws of the Company.

On May 30, 2019 the Company amended its Class A Convertible Preferred Stock ("Class A Stock") Certificate of Designation, increasing the number of authorized shares of Class A Stock to 10,000,000 and granting each share 22,500 votes at any shareholder meeting where matters might be put to a vote of the Common Stock shareholders.

On May 31, 2019 the Company agreed to exchange all of its outstanding Class B & Class C Preferred Stock for Class A Stock to the persons listed below, and in the amounts listed.

	Class Exchanged	Shares Exchanged	Class A Shares Issued
David Gwyther	B	6,500,000	1,300,000
Albert Golusin	B	700,000	140,000
10th Planet Partners LP	B	700,000	140,000
David Gwyther	C	2,000,000	400,000
Libra Fund, LLC	C	1,000,000	200,000
Colleen Manley	C	1,000,000	200,000
Morgan Sanburg-Jacobs	C	2,000,000	400,000
Total		13,900,000	2,780,000

On March 27, 2020, the Company amended its Class A Convertible Preferred Stock ("Class A Stock") Certificate of Designation, decreasing the number of votes each share of Class A Stock votes can vote at any shareholder meeting where matters might be put to a vote of the Common Stock shareholders from 22,500 to 2,250.

At March 31, 2020 the total outstanding Preferred Shares are 2,780,000 class A Preferred. The Company is authorized to issue a total of 30,000,000 preferred shares.

Common Stock

On June 14, 2007 the Company consolidated its authorized and outstanding common shares at a 1 for 1,000 ratio. After the stock consolidation the Company had authorized 870,000 common shares at a par value of \$.001.

On May 29, 2012, the Company increased its authorized common shares to 1,350,000,000.

On December 14, 2012, the Company increased its authorized common shares to 1,995,000,000.

On January 17, 2013, the Company increased its authorized common shares to 2,750,000,000.

On August 30, 2013, the Company increased its authorized common shares to 3,750,000,000.

On January 9, 2014 the Company increased its authorized common shares to 4,750,000,000.

On July 7, 2015 the Company increased its authorized common shares to 7,750,000,000.

On July 15, 2016 the Company increased its authorized common shares to 9,750,000,000.

On October 25, 2016 the Company increased its authorized common shares to 14,750,000,000.

On August 2, 2017 the Company increased its authorized common shares to 25,000,000,000.

On December 19, 2018 the Company increased its authorized common shares to 30,000,000,000.

On June 10, 2019 the Company increased its authorized common shares to 60,000,000,000.

On September 23, 2019, the Company announced that it had executed a reverse stock split with a ratio of 1 common share for 500 common shares. These financial statements have not adjusted the share amounts for the stock reverse. Subsequent financial statements will reflect the reverse stock split.

During the quarter ended June 30, 2017 the Company issued 577,916,667 common shares to two non-affiliate debenture holders to retire \$146,261 of principal and \$27,114 of accrued interest comprised of; (1) 300,000,000 common shares to a partnership for retiring \$73,761 of principal and \$16,239 of accrued interest and; (2) 277,916,667 common shares to an accredited individual investor for retiring \$72,500 of principal and \$10,875 of accrued interest. It also issued 63,337,471 common shares valued at \$108,000 to pay accrued compensation to two directors.

During the quarter ended September 30, 2017 the Company issued 2,617,360,000 common shares to retire \$698,392 of principal and \$86,816 of accrued interest to three non-affiliate lenders comprised of; (1) 1,385,593,334 common shares to an accredited individual investor for retiring \$292,000 of principal and \$40,511 of accrued interest and; (2) 1,323,640,000 common shares to a partnership for retiring \$396,392 of principal and \$45,472 of accrued interest and; (3) 36,110,000 common shares to an accredited individual investor for retiring \$10,000 of principal and \$833 of accrued interest.

During the quarter ended December 31, 2017 the Company issued 1,952,597,879 common shares to three non-affiliate debenture holders to retire six debentures comprised of; (1) 810,917,879 common shares to an accredited individual investor for retiring \$308,000 of principal and \$42,849 of accrued interest and; (2) 921,680,000 common shares to a partnership for retiring \$424,423 of principal and \$82,501 of accrued interest and; (3) 220,000,000 common shares to an accredited individual investor for retiring \$110,000 of principal.

During the quarter ended March 31, 2018 the Company issued 32,052,521 common shares valued at \$74,000 to consultants for legal and consulting services, 35,882,673 common shares to a company officer valued at \$52,500 for services and 114,935,673 common shares valued at \$180,000 to directors for past services. It also issued 2,794,970,909 common shares to retire 12 debentures owned by 4 non-affiliates comprised of; (1) 200,000,000 common shares to a corporation for retiring \$110,000 of principal and; (2) 1,441,740,000 common shares to a partnership for retiring \$645,000 of principal and \$173,583 of accrued interest and; (3) 548,760,000 common shares to an accredited individual investor for retiring \$270,100 of principal and \$31,718 of accrued interest and; (4) 557,878,182 common shares to a partnership for retiring \$280,000 of principal and \$26,833 of accrued interest.

During the quarter ended June 30, 2018 the Company issued 495,074,000 common shares to retire three debentures to two non-affiliates comprised of; (1) 221,350,000 common shares to an accredited individual investor for retiring \$100,000 of principal and \$10,675 of accrued interest and; (2) 273,724,000 common shares to a partnership for retiring \$122,398 of principal and \$14,464 of accrued interest.

During the quarter ended September 30, 2018 the Company issued 837,298,630 common shares to retire four debentures to two non-affiliates comprised of; (1) 438,279,452 common shares to a partnership for retiring \$175,000 of principal and \$44,139 of accrued interest and; (2) 399,019,178 common shares to an accredited individual investor for retiring \$180,000 of principal and \$19,510 of accrued interest.

During the quarter ended December 31, 2018 the Company issued 1,478,843,509 common shares. Two debentures held by two separate unaffiliated Holders were retired that collectively had \$185,000 of principal and \$39,708 of accrued interest by issuing 690,510,476 common shares to the Holders. Partial payments on

three debentures held by three separate unaffiliated Holders were made by issuing 788,333,333 common shares to pay \$147,667 of principal and \$33,833 in accrued interest.

During the quarter ended March 31, 2019 the Company issued 4,036,571,233 common shares. Six debentures held by three separate unaffiliated Holders were retired that collectively had \$365,000 of principal and \$176,754 of accrued interest by issuing 3,636,571,233 common shares to the Holders. A partial payment on one debenture held by an unaffiliated Holder was made by issuing 400,000,000 common shares to pay \$40,000 of principal.

During the quarter ended June 30, 2019 the Company issued 1,291,000,000 common shares valued at \$129,100. The shares were issued for partial payments on two debentures held by two separate unaffiliated Holders.

During the quarter ended September 30, 2018 the Company issued 1,889,630,000 common shares. One debenture was retired that had \$80,000 of principal and \$8,663 of accrued interest by issuing 888,663,000 common shares to its Holder. A partial payment on a debenture held by a separate unaffiliated Holder was made by issuing 1,003,000,000 common shares to pay \$114,500 of principal. Also, during the quarter, the Company issued 48,553,534 common shares to an officer for past services valued at 35,000 and 413,047,363 common shares to directors for past services valued at \$216,000. All shares issued during the quarter were prior to the reverse stock split on September 23, 2019.

On September 23, 2019, the Company announced that it had executed a reverse stock split with a ratio of 1 common share for 500 common shares. Disclosures of common share issuance amounts after September 23, 2019 will be after the reverse stock split. All disclosures of share issuances are on a post split basis after September 23, 2019.

During the quarter ended December 31, 2019 the Company issued 66,571,370 common shares. One debenture was retired that had \$26,000 of principal and \$2,600 of accrued interest by issuing 1,368,421 common shares to its Holder. Partial payments were made to three unaffiliated debenture holders totaling 65,189,170 common shares to pay \$321,868 of principal and \$68,030 of interest. Also, during the quarter, the Company issued 13,779 common shares to certain shareholders so that after the reverse split so they could still own one common share.

During the quarter ended March 31, 2020 the Company issued 307,923,175 common shares. One debenture was retired that had \$56,000 of principal and \$21,020 of accrued interest by issuing 31,297,745 common shares to its Holder. Partial payments were made to three unaffiliated debenture holders totaling 276,625,430 common shares to pay \$363,617 of principal and \$28,970 of interest.

On March 27, 2020 the Company reduced its authorized common shares to 970,000,000 by a majority shareholder consent.

At March 31, 2020, the Company had 970,000,000 authorized common shares and 442,667,785 common shares issued and outstanding.