

# AMERICAN GREEN



## **AMERICAN GREEN, INC**

Consolidated Annual Financial Statements  
(Unaudited)

For the six months ended  
December 31, 2020 and 2019

# AMERICAN GREEN, INC.

## Consolidated Balance Sheet at December 31, 2020 (Unaudited)

### ASSETS

#### CURRENT ASSETS:

Cash	\$	86,830
Receivables		57,054
Inventory		14,685
Total current assets		<u>158,569</u>

#### OTHER ASSETS:

Equipment smart machines		483,944
less accumulated depreciation		(69,186)
Investments		450,000
Leasehold improvements		3,993,392
less accumulated depreciation		(534,890)
Furniture and fixtures		25,639
Patents		93,665
Deposits		21,986
Note receivable		48,000
Other assets		250,000
Total assets	\$	<u>4,921,119</u>

### LIABILITIES

#### CURRENT

Accounts payable and accrued expenses	\$	757,449
Loans from shareholders		2,289,621
Debentures payable and accrued interest		11,283,606
Total current liabilities		<u>14,330,676</u>

#### LONG TERM

Acquisition Debt		530,064
Total Liabilities		<u>14,860,740</u>

Minority interest		40,000
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### STOCKHOLDERS' DEFICIT

Common stock		2,220,977
Additional paid-in capital		31,805,139
Accumulated (deficit)		(44,005,737)
Total stockholders' deficit		<u>(9,979,621)</u>
Total liabilities and stockholders' deficit	\$	<u>4,921,119</u>

See accompanying notes to these unaudited consolidated financial statements.

# AMERICAN GREEN, INC.

## Consolidated Statements of Operations (Unaudited)

	For the three months ended December 31,		For the six months ended December 31,	
	2020	2019	2020	2019
<b>SALES REVENUE</b>				
Machine sales	\$ 0	\$ 0	\$ 297,850	\$ 0
Online store sales	27,364	35,542	72,546	65,656
Management revenue	422,999	378,892	892,265	773,079
Joint venture revenues	0	4,100	0	19,850
Total sales revenue	<u>450,363</u>	<u>418,534</u>	<u>1,262,661</u>	<u>858,585</u>
<b>COST OF SALES</b>				
Machine costs	0	0	297,688	0
Online store costs	16,227	18,427	31,727	36,856
Management costs	119,764	157,188	255,417	261,569
Joint venture costs	0	2,800	0	10,361
Total cost of sales	<u>135,991</u>	<u>178,415</u>	<u>584,832</u>	<u>308,786</u>
<b>GROSS PROFIT</b>	<b>314,372</b>	<b>240,119</b>	<b>677,829</b>	<b>549,799</b>
<b>OPERATING EXPENSES</b>				
General and administrative	33,930	7,926	110,465	12,401
Sales and marketing	0	2,939	0	26,967
Salaries	106,275	94,091	198,204	206,633
Staff consultants	85,218	66,074	164,931	106,574
Outside consultants	28,025	48,798	35,025	48,798
Legal and accounting	33,620	21,300	61,786	71,210
Officer & Director compensation	54,000	48,000	99,000	96,000
Travel	0	0	0	553
Shareholder communication	3,900	0	5,150	766
Rent and utilities	82,105	75,429	187,750	217,627
Depreciation and amortization	73,531	73,531	147,062	147,062
Total operating expenses	<u>500,604</u>	<u>438,088</u>	<u>1,009,373</u>	<u>934,591</u>
(Loss) from operations	(186,232)	(197,969)	(331,544)	(384,792)
Interest expense	(254,484)	(196,645)	(399,796)	(397,655)
Net (loss) from Cannawke Corp.	0	0	0	0
Minority interest in joint ventures	0	0	0	0
Minority interest in Cannawake	0	0	0	0
Abandoned projects	<u>1,044,500</u>	<u>(2,851,084)</u>	<u>1,044,500</u>	<u>(2,851,084)</u>
Net (loss)	<u>\$ 603,784</u>	<u>\$ (3,245,698)</u>	<u>\$ 313,160</u>	<u>\$ (3,633,531)</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, 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)
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			912,428,489	\$912,428	\$354,210		1,266,638
Shares issued on debt for services			15,995,680	\$15,996	\$104,004		120,000
Net (loss) for the year ended Jun. 30, 2020						(\$4,666,207)	(4,666,207)
Balance at June 30, 2020	2,780,000	\$0	996,597,409	\$996,597	\$32,237,260	(\$44,318,897)	(\$11,085,040)
Balance at June 30, 2020	2,780,000	\$0	996,597,409	\$996,597	\$32,237,260	(\$44,318,897)	(\$11,085,040)
Shares issued for debentures, principal & accrued interest	0	0	1,224,381,102	1,224,380	(432,121)	0	792,259
Net (loss) for the six months ended Dec. 31, 2020						313,160	313,160
Balance at December 31, 2020	2,780,000	\$0	2,220,978,511	\$2,220,977	\$31,805,139	(\$44,005,737)	(\$9,979,621)

See accompanying notes to these unaudited consolidated financial statements.

# AMERICAN GREEN, INC.

## Consolidated Statements of Cash Flows (Unaudited)

	For the three months ended December 31,		For the six months ended December 31,	
	2020	2019	2020	2019
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	\$ 603,784	\$ (3,245,698)	\$ 313,160	\$ (3,633,531)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Abandoned land & Improvements-Nipton	(1,044,500)	5,743,879	(1,044,500)	6,103,879
Shares issued - debt & services	0	418,498	0	0
Shares issued - debentures & interest	97,399	(229,862)	292,823	(492,491)
Depreciation & amortization	73,531	102,387	147,062	147,062
Changes in assets and liabilities				
(Incr)/decr -accounts receivable	(10,644)	(263,500)	(37,851)	(243,500)
(Incr)/decr - Inventory	(2,200)	10,000	(5,700)	10,000
Incr/(decr) in accounts payable	66,363	(184,733)	(96,530)	(75,081)
Incr/(decr) in accrued interest	116,359	76,488	278,973	268,235
Incr/(decr) - loans from shareholders	(46,000)	55,000	(86,000)	(138,000)
Incr/(decr) - other liabilities	0	0	0	0
Net cash (used in) provided by operating activities	(145,908)	2,482,459	(238,563)	1,946,573
<b>INVESTING ACTIVITIES</b>				
Capitalized project costs	0	351,414	0	351,414
Purchase leasehold improvements	0	(71,881)	0	(71,881)
Minority interest in net assets	0	(545,007)	0	(7,242)
Net cash (used in) provided by investing activities	0	(265,474)	0	272,291
<b>FINANCING ACTIVITIES</b>				
Machine costs	0	(28,856)	0	(28,856)
Issuance of debentures for cash	175,000	306,350	263,475	306,350
Mortgage secured by land-Nipton	0	(2,458,100)	0	(2,458,100)
Acquisition liabilities	0	0	(20,000)	(7,034)
Net cash (used in) provided by financing activities	175,000	(2,180,606)	243,475	(2,187,640)
<b>INCREASE (DECREASE) IN CASH</b>	29,092	36,379	4,912	31,224
CASH, BEGINNING OF PERIOD	57,738	7,486	81,918	12,641
CASH, END OF PERIOD	\$ 86,830	\$ 43,865	\$ 86,830	\$ 43,865

### NON-CASH TRANSACTIONS IN COMMON SHARES NONE

See accompanying notes to these unaudited consolidated financial statements.

# AMERICAN GREEN, INC.

## Notes to Unaudited Consolidated Financial Statements For the Fiscal Years Ended December 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 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.

On June 5, 2020 the Company retired an outstanding debenture for 60,000,000 common shares valued at \$54,000 comprised of all principal. The debenture was originally issued on January 31, 2016 for \$90,000.

During the quarter ended June 30, 2020 the Company retired a debenture by issuing 53,501,111 common shares valued at \$48,151 comprised of \$47,648 of principal and \$503 of accrued interest. The debenture was originally issued on August 31, 2017 for \$310,000.

During the quarter ended June 30, 2020 the Company paid off a debenture with \$57,667 in cash comprised of \$50,000 of principal and \$7,667 of accrued interest. The debenture was originally issued on December 31, 2018 for \$50,000.

During the quarter ended September 30, 2020 the Company paid off a debenture with \$13,287 in cash comprised of \$2,762 of principal and \$10,525 of accrued interest. The debenture was originally issued on June 30, 2017 for \$215,000.

During the quarter ended December 31, 2020 the Company paid off three debentures with remaining outstanding principal balances of \$223,208 and \$27,076 of accrued interest totaling \$250,284 by issuing 390,331,667 common shares.

## Outstanding Debentures

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$)	Interest Accrued (\$)	Principal and interest outstanding	Maturity Date	Noteholder	Reason for Issuance	Conversion Terms
09/30/14	127,177	61,177	29,347	90,524	10/01/15	Note 3A	Working Capital	See Note 1
06/30/15	226,966	226,966	124,909	351,875	06/30/16	Note 3A	Working Capital	See Note 1
06/30/15	120,000	120,000	66,041	186,041	06/30/16	Albert Golusin	Working Capital	See Note 1
05/31/16	107,500	107,500	49,265	156,765	06/01/17	Note 3B	Working Capital	See Note 1
06/30/16	17,500	17,500	7,877	25,377	07/01/17	Note 3A	Working Capital	See Note 1
08/31/16	48,000	48,000	20,788	68,788	09/01/17	Note 3B	Working Capital	See Note 1
09/30/16	89,600	89,600	38,068	127,668	10/01/17	Note 3B	Working Capital	See Note 1
10/31/16	36,000	36,000	14,989	50,989	11/01/17	Note 3B	Working Capital	See Note 1
11/30/16	50,000	50,000	20,408	70,408	12/01/17	Note 3B	Working Capital	See Note 1
12/31/16	50,000	50,000	19,983	69,983	01/01/18	Note 3B	Working Capital	See Note 1
01/31/17	32,000	32,000	12,517	44,517	02/01/18	Note 3B	Working Capital	See Note 1
02/28/17	350,000	350,000	134,223	484,223	03/01/18	Note 3A	Working Capital	See Note 1
02/28/17	25,000	25,000	9,587	34,587	03/01/18	Note 3B	Working Capital	See Note 1
04/30/17	90,000	90,000	33,010	123,010	05/01/18	Note 3B	Working Capital	See Note 1
05/31/17	50,000	50,000	17,914	67,914	06/01/18	Note 3B	Working Capital	See Note 1
07/30/17	100,000	100,000	34,185	134,185	07/31/18	Note 3B	Working Capital	See Note 1
08/31/17	285,000	285,000	94,928	379,928	09/01/18	Note 3B	Working Capital	See Note 1
09/13/17	2,200,000	1,330,750	-	1,330,750	09/14/18	Note 3C	Acquisition	See Note 2
09/30/17	200,000	200,000	64,973	264,973	10/01/18	Note 3B	Working Capital	See Note 1
10/20/17	160,000	54,409	-	54,409	10/21/18	Note 3B	Working Capital	See Note 1
10/30/17	165,000	110,000	22,000	132,000	10/31/18	Note 3D	Working Capital	See Note 1
10/31/17	165,000	165,000	52,201	217,201	11/01/18	Note 3B	Working Capital	See Note 1
11/15/17	140,000	140,000	43,716	183,716	11/16/18	Note 3D	Working Capital	See Note 1
11/15/17	140,000	140,000	43,716	183,716	11/16/18	Note 3B	Working Capital	See Note 1
11/30/17	80,000	80,000	24,652	104,652	12/01/18	Note 3D	Working Capital	See Note 1
11/30/17	80,000	80,000	24,652	104,652	12/01/18	Note 3B	Working Capital	See Note 1
12/15/17	125,000	125,000	38,005	163,005	12/16/18	Note 3D	Working Capital	See Note 1
12/15/17	125,000	125,000	38,005	163,005	12/16/18	Note 3B	Working Capital	See Note 1
12/31/17	250,000	250,000	74,914	324,914	01/01/19	Note 3D	Working Capital	See Note 1
01/02/18	250,000	250,000	74,914	324,914	01/01/19	Note 3B	Working Capital	See Note 1
01/12/18	450,000	450,000	133,366	583,366	01/13/19	Note 3D	Working Capital	See Note 1
01/16/18	110,000	110,000	32,480	142,480	01/17/19	Note 3B	Working Capital	See Note 1
01/31/18	175,000	175,000	50,954	225,954	02/01/19	Note 3D	Working Capital	See Note 1
01/31/18	175,000	175,000	50,954	225,954	02/01/19	Note 3B	Working Capital	See Note 1
02/15/18	125,000	125,000	35,882	160,882	02/16/19	Note 3D	Working Capital	See Note 1
02/16/18	125,000	125,000	35,848	160,848	02/17/19	Note 3B	Working Capital	See Note 1
02/28/18	150,000	150,000	42,524	192,524	03/01/19	Note 3B	Working Capital	See Note 1
03/01/18	100,000	100,000	28,322	128,322	03/02/19	Note 3D	Working Capital	See Note 1
03/15/18	120,000	120,000	33,526	153,526	03/16/19	Note 3B	Working Capital	See Note 1

03/15/18	120,000	120,000	33,526	153,526	03/16/19	Note 3D	Working Capital	See Note 1
03/28/18	120,000	120,000	33,099	153,099	03/29/19	Note 3B	Working Capital	See Note 1
03/29/18	120,000	120,000	33,066	153,066	03/30/19	Note 3D	Working Capital	See Note 1
04/30/18	310,000	310,000	82,702	392,702	05/01/19	Note 3B	Working Capital	See Note 1
04/30/18	150,000	150,000	40,017	190,017	05/01/19	Note 3D	Working Capital	See Note 1
05/31/18	170,000	170,000	43,909	213,909	06/01/19	Note 3B	Working Capital	See Note 1
06/30/18	350,000	350,000	87,524	437,524	07/01/19	Note 3B	Working Capital	See Note 1
06/30/18	50,000	50,000	12,503	62,503	07/01/19	Note 3D	Working Capital	See Note 1
07/15/18	150,000	150,000	36,894	186,894	07/16/19	Note 3B	Working Capital	See Note 1
11/23/18	35,000	35,000	7,352	42,352	11/24/19	Note 3D	Working Capital	See Note 1
12/11/18	40,000	40,000	8,205	48,205	12/12/19	Sean Prophet	Working Capital	See Note 1
12/18/18	8,500	8,500	1,730	10,230	12/19/19	Note 3A	Working Capital	See Note 1
12/31/18	55,000	55,000	10,981	65,981	01/01/20	Note 3D	Working Capital	See Note 1
03/04/19	108,000	108,000	19,699	127,699	03/04/20	Note 3A	Working Capital	See Note 1
02/27/19	69,300	69,300	12,738	82,038	02/28/20	Note 3E	Working Capital	See Note 1
01/15/19	16,500	16,500	3,226	19,726	01/16/20	Note 3B	Working Capital	See Note 1
11/30/19	37,000	37,000	4,008	41,008	11/29/20	Albert Golusin	Working Capital	See Note 1
12/31/19	20,000	20,000	2,000	22,000	12/30/20	Albert Golusin	Working Capital	See Note 1
11/30/19	77,550	77,550	8,402	85,952	11/29/20	Note 3A	Working Capital	See Note 1
12/31/19	139,500	139,500	13,952	153,452	12/30/20	Note 3A	Working Capital	See Note 1
12/31/19	32,300	32,300	3,232	35,532	12/30/20	Note 3B	Working Capital	See Note 1
03/31/20	84,750	84,750	6,357	91,107	03/30/21	Note 3B	Working Capital	See Note 1
03/31/20	59,000	59,000	4,425	63,425	03/30/21	Albert Golusin	Working Capital	See Note 1
06/30/20	91,500	91,500	4,576	96,076	06/29/21	Albert Golusin	Working Capital	See Note 1
06/30/20	38,000	38,000	1,900	39,900	06/29/21	Note 3A	Working Capital	See Note 1
06/30/20	54,715	54,715	2,736	57,451	06/29/21	Note 3B	Working Capital	See Note 1
09/30/20	40,000	40,000	1,000	41,000	09/29/21	Note 3D	Working Capital	See Note 1
09/30/20	48,475	48,475	1,212	49,687	09/29/21	Note 3B	Working Capital	See Note 1
12/31/20	88,500	88,500	-	88,500	12/30/21	Albert Golusin	Working Capital	See Note 1
12/31/20	86,500	86,500	-	86,500	12/30/21	Note 3A	Working Capital	See Note 1
			<u>\$9,088,992</u>	<u>\$2,194,614</u>	<u>11,283,606</u>			

**Note 1:** These Debentures convert at 50% of lowest price in the 52 weeks preceding any demand for conversion. Holder is prohibited from demanding any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion.

**Note 2:** This Debenture converts at 50% of lowest price in 90 days preceding any demand for conversion. Holder is prohibited from demanding any conversions that would result in the Holder owning over 9.9% of the outstanding common shares of the Company after the conversion.

**Note 3A:** Sunrise Communications LLC is the Holder and controlled through voting and investment control by Jillian Sanburg-Jacobs.

**Note 3B:** 10th Planet Partners LP is the Holder and controlled through voting and investment control by Morgan Sanburg-Jacobs.

**Note 3C:** Mammoth Corporation is the Holder and controlled through voting and investment control by Brad Hare.

**Note 3D:** X Finance LP is the Holder and controlled through voting and investment control by Albert Golusin.

**Note 3E:** Libra AGI is the Holder and controlled through voting and investment control by Sean Daly.

## NOTE 7. LOANS FROM SHAREHOLDERS

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

## NOTE 8. 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.

	<b>Class Exchanged</b>	<b>Shares Exchanged</b>	<b>Class A Shares Issued</b>
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
<b>Total</b>		<b>13,900,000</b>	<b>2,780,000</b>

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 September 30, 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**

At June 30, 2018 the Company had 25,000,000,000 authorized common shares and 22,594,484,803 common shares outstanding.

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.

At June 30, 2019 the Company had 60,000,000,000 authorized common shares and 30,238,198,575 common shares outstanding.

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.

On May 20, 2020 the Company increased its authorized common shares to 1,470,000,000.

On August 20, 2020 the Company increased its authorized common shares to 1,965,000,000.

On December 8, 2020 the Company increased its authorized common shares to 2,850,000,000.

During the quarter ended September 30, 2017 the Company issued 2,617,360,000 common shares to retire \$698,392 pf 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.

During the quarter ended June 30, 2020 the Company issued 553,929,624 common shares. A total of 537,933,944 common shares reduced debentures and accrued interest by \$411,033 and 15,995,680 common shares were issued to reduce shareholder debt by \$120,000 for accrued officer and director compensation.

During the quarter ended September 30, 2020 the Company issued 229,049,435 common shares to four holders to reduce their debenture and accrued interest by \$177,725.

During the quarter ended December 31, 2020 the Company paid off three debentures with remaining outstanding principal balances of \$223,208 and \$27,076 of accrued interest totaling \$250,284 by issuing 390,331,667 common shares.

At December, 2020, the Company had 2,850,000,000 common shares authorized and 2,220,978,511 common shares issued and outstanding.

#### **NOTE 9: SUBSEQUENT EVENTS**

On February 8, 2021 the Company increased its authorized common shares to 4,850,000,000.