

GOLD RIVER PRODUCTIONS, INC.

(formerly XYZ Hemp, Inc.)

**For the Years Ended
December 31, 2020 & 2019**

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GOLD RIVER PRODUCTIONS, INC.
BALANCE SHEETS
For the Years Ended December 31, 2020 & 2019

| ASSETS | 2020 | 2019 |
|--|-------------------|-------------------|
| | Unaudited | Unaudited |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 14,932 | \$ 11,344 |
| Prepaid expenses | 12,976 | - |
| TOTAL CURRENT ASSETS | 27,908 | 11,344 |
| PROPERTY AND EQUIPMENT | 7,675 | - |
| OTHER ASSETS | | |
| Stockholder notes receivable | 25,312 | 25,312 |
| Other - Investments and Joint Ventures | 516,250 | 70,750 |
| TOTAL ASSETS | \$ 578,945 | \$ 107,406 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 59,327 | \$ 49,315 |
| Accrued expenses | 4,109 | 4,109 |
| Income taxes payable | 400 | 400 |
| TOTAL CURRENT LIABILITIES | 63,836 | 53,824 |
| OFFICER NOTE PAYABLE | 164,819 | 87,121 |
| STOCKHOLDERS' EQUITY | | |
| Common stock, \$.000001 par value, 1,300,000,000 shares authorized, 988,589,842 shares issued and outstanding | 112,554 | 112,549 |
| Preferred stock, \$.000001 par value, 20,000,000 shares authorized, 7,782,000 shares issued and outstanding | 7,782 | 7,782 |
| Capital in excess of par value - common stock | 685,790 | 680,795 |
| Capital in excess of par value - preferred stock | 53,568 | 53,568 |
| Stock subscription receivable | 72,500 | 72,500 |
| Retained deficit | (581,904) | (960,733) |
| TOTAL STOCKHOLDERS EQUITY | 350,290 | (33,539) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 578,945 | \$ 107,406 |

These financial statements have not been subject to audit, review or compilation engagement and no assurance is provided on them.

GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF OPERATIONS
For The Years Ending December 31, 2020 & 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|---------------------|
| | Unaudited | Unaudited |
| INCOME | | |
| Revenues earned | \$ 3,569,899 | \$ - |
| Cost of revenues earned | <u>3,546,691</u> | <u>-</u> |
| GROSS PROFIT | 23,208 | - |
| EXPENSES | | |
| General and administrative | 86,080 | 188,354 |
| Depreciation & amortization and amortization | <u>-</u> | <u>-</u> |
| | 86,080 | 188,354 |
| OPERATING LOSS | (62,872) | (188,354) |
| OTHER INCOME (EXPENSE) | | |
| Gain on sale of marketable securities | <u>445,500</u> | <u>-</u> |
| | 441,701 | (1,898) |
| Income (loss) before income taxes | 378,829 | (190,252) |
| Income tax expense | <u>-</u> | <u>-</u> |
| Income (loss) before minority interests | 378,829 | (190,252) |
| Minority interests | <u>-</u> | <u>-</u> |
| NET INCOME (LOSS) | <u>\$ 378,829</u> | <u>\$ (190,252)</u> |

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GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For The Years Ending December 31, 2020 & 2019

| | Common Stock | | Preferred Stock | | Capital in Excess of Par Value Common | Capital in Excess of Par Value Preferred | Retained Earnings | Common Stock Subscribed | Total Stockholders' Equity |
|---------------------------|---------------------|-------------------|------------------------|-----------------|--|---|------------------------------|--|---|
| | Shares | Amount | Shares | Amount | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Balance January 1, 2019 | 941,809,396 | \$ 112,502 | 7,782,000 | \$ 7,782 | \$ 592,642 | \$ 53,568 | \$ (770,481) | \$ 50,000 | \$ 46,013 |
| Sale of common stock | 41,780,446 | 47 | | | 88,153 | | - | (14,500) | 73,700 |
| Common stock subscribed | - | - | | | - | | - | 37,000 | 37,000 |
| Net income | - | - | - | - | - | - | (190,252) | - | (190,252) |
| Balance January 1, 2020 | 983,589,842 | \$ 112,549 | 7,782,000 | \$ 7,782 | \$ 680,795 | \$ 53,568 | \$ (960,733) | \$ 72,500 | \$ (33,539) |
| Sale of common stock | 5,000,000 | 5 | - | - | 4,995 | - | - | - | 5,000 |
| Net income | - | - | - | - | - | - | 378,829 | - | 378,829 |
| Balance December 31, 2020 | <u>988,589,842</u> | <u>\$ 112,554</u> | <u>7,782,000</u> | <u>\$ 7,782</u> | <u>\$ 685,790</u> | <u>\$ 53,568</u> | <u>\$ (581,904)</u> | <u>\$ 72,500</u> | <u>\$ 350,290</u> |

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GOLD RIVER PRODUCTIONS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 & 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------------|-------------------------|
| | Unaudited | Unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 378,829 | \$ (190,252) |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Gain on sale of marketable securities | (445,500) | - |
| (Increase) decrease in assets: | | |
| Accounts receivable | - | - |
| Prepaid expenses | (12,976) | - |
| Other assets | (445,500) | - |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 10,012 | 48,166 |
| Net cash flows from (used by) operating activities | <u>(516,935)</u> | <u>(142,086)</u> |
| CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES | | |
| Cash from sale of investments | 445,500 | - |
| Cash paid for purchase of investments | <u>-</u> | <u>(10,250)</u> |
| Net cash flows from investing activities | 437,825 | (10,250) |
| CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES | | |
| Cash received from stockholder loans | 77,698 | 49,398 |
| Cash received from issuance of common stock | 5,000 | 88,200 |
| Cash received from common stock subscription | <u>-</u> | <u>22,500</u> |
| Net cash flows from financing activities | <u>82,698</u> | <u>160,098</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 3,588 | 7,762 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>11,344</u> | <u>3,581</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 14,932</u></u> | <u><u>\$ 11,343</u></u> |

These financial statements have not been subject to audit, review or compilation engagement and no assurance is provided on them.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

Business Organization

Gold River Productions, Inc. (formerly XYZ Hemp, Inc.) was incorporated in the State of Delaware before converting to the State of Colorado in July of 2018. The Company's management is reorganizing to operate in the medical marijuana industry. The Company is currently headquartered in Denver, Colorado, and currently trades under the GRPS.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly-liquid investments with original maturities of less than three months.

Restricted Cash

As part of a strategic alliance, the Company maintains a business account in which the funds are restricted in accordance with an agreement with LeGanjaFairy LLC and Able Academics, LLC (See Note 11 for additional details). In accordance with those agreements, there is no cash in the restricted account as of December 31, 2020.

Accounts Receivable

Accounts receivable are stated at the amount that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based upon its assessment of the current status of individual accounts. Receivable balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the accounts receivable.

Financial Instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value, held-for-trading; held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The Company has established procedures to determine the fair value of financial instruments. When measuring the fair value, the Company assesses both observable and unobservable data. Fair value are categorized as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of April 11, 2021, the Company needs to file federal and state tax returns for the years ended 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012 and 2011. Upon filing, those returns would subject to review by federal and state tax authorities for three years from the filing date.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred \$28,122 and \$4,373 in advertising expenses for the years ended December 31, 2020 and 2019, respectively.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to credit risk consist primarily of temporary cash investments and accounts receivable.

The Company maintains its cash balances at large financial institutions. At time such balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and had no balances in excess of the \$250,000 FDIC limit for the years ended December 31, 2020 and 2019.

Concentrations of credit risk with respect to accounts receivable result from 100% of the current receivable balance being with one customer. Revenue from that customer represented 100% of the total revenue recognized by the Company. There were no concentrations with respect to trade accounts payable.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales and Use Taxes

The Company is domiciled in the State of Delaware with its headquarters in Colorado and is required to collect sales tax on all in-state transactions. During the nine months ended December 31, 2020 and 2019, the Company collected and remitted no sales and use tax.

Management Review Date

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 11, 2021 the date the financial statements were issued.

NOTE 2 - STOCKHOLDER NOTE RECEIVABLE

During 2011 the Company loaned the then controlling shareholder \$31,418. For the years ended December 31, 2020 & 2019 the principal balance on the note was \$25,312. The balance remains the same at December 31, 2020 and 2019.

NOTE 3 - INVESTMENTS AND JOINT VENTURES

The Company uses the term inputs for the valuation of joint ventures and investments. The Company intends to hold investments for a term longer than one year. The Company's investments are not traded regularly on open markets and the valuation can be very subjective. For the years ended December 31, 2020 and 2019, the Company viewed all investments as Level 3 investments with an ending value of \$516,250 and \$70,750, respectively.

NOTE 4 - COMMON STOCK ACTIVITY

The number of issued and outstanding shares was 988,589,842 of .000001 par value for the year ended December 31, 2020. Additionally, the company has stock subscriptions for 48,915,169 shares that are expected to be issued in the coming quarter.

NOTE 5 - PREFERRED STOCK

As of June 30, 2019, the Company has authorized the issue of up to 20,000,000 of .000001 par value preferred stock. The preferred stock carries a voting right of 100 votes per share and each share is convertible to 100 shares of common stock. As of December 31, 2020, 7,782,000 shares of preferred stock were issued. As of December 31, 2020, the Company continues to research the possible issue of 30,000 additional shares dating from 2015.

NOTE 6 - INCOME TAXES

The Company has an estimated net operating loss carry forward totaling \$581,904 as of December 31, 2020 that may be offset against future income. If not used, the carryforwards will begin to expire in 2026. Currently, the value of the NOL would be \$122,200, but has been reduced to \$0 until such time as the Company has sufficient revenue to reverse the allowance.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 6 - INCOME TAXES - CONTINUED

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of September 30, 2020, there remains insufficient positive evidence to conclude that it is more likely than not that any deferred taxes are realizable. At such time as there is positive evidence, the valuation allowance will be adjusted accordingly.

As of December 31, 2020 and 2019, the Company has an accrued income tax liability of \$400 due primarily to the State of Utah.

NOTE 7 - OFFICER NOTE PAYABLE

During the years ended December 31, 2020 and 2019 Richard Goulding, the Chairman of the Board, loaned the Company \$73,899 and \$47,500 to the company, respectively. The loan is set to compound annually based upon the Applicable Federal Rate for short-term loans effective for September 2018 as published by the Internal Revenue Service. As of September 30, 2018 when the loan was originally made, that rate was 3.02%. For the years ended December 31, 2020 and 2019, the ending balance was \$164,819 and \$87,121 respectively, including interest.

NOTE 8 - JOINT VENTURE

Previously, the Company reported the following as of December 31, 2018: On August 1, 2018, the Company entered into a material contract. Pursuant to this agreement, the Company acquired a 12½% interest in a 15-acre cannabis farming, harvesting, processing, extraction and product infusion operation in Colorado. The acquisition also included a 12 ½% interest in water rights, situated in the vicinity of this full-service cannabidiol (CBD) operation. Those water rights have been independently appraised at \$40,500,000. The purchase price of the profit-sharing interest in the cannabis operation and in the water rights, combined, was a cash component of \$6,250,000 and 1,100,000 common shares in the Company, to be issued to the shareholders of two different public companies which were parties to this contract. However, these shares cannot yet be issued, awaiting a Form 1A to be filed with the SEC for the distribution. The Company anticipates making the payment of the \$6,250,000 cash component soon after the Form 1A is filed and declared effective. That is anticipated to occur in February or March 2019. Under generally accepted accounting principles, given the deferred nature of the \$6,250,000 amount due pursuant to the agreement, using the 2.41% applicable federal rate as an annualized discount factor, the \$6,250,000 was reduced by an imputed interest amount of \$99,346.32, to \$6,150,653.68. In addition, the value of the 1,100,000 share issuance, based on the closing share price as quoted by OTC markets on the August 1, 2018 date of the contract, resulted in additional cost of the 12 ½% interest in the water rights and the cannabis operation of \$7,150, for a combined cost of the contract rights assets of \$6,257,150. Subsequent to December 31, 2018, the Company cancelled that agreement and removed the related accounting from the prior year.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 9 - NAME CHANGE

During the year ending December 31, 2019, the Company changed its name from XYZ Hemp, Inc. back to Gold River Productions, Inc.

NOTE 10 - ACQUISITION

Effective February 21, 2020, the Company entered into an agreement with Stevia Nutra Corp wherein the Company exchanged its shares of New Earth for 2,250,000 shares to be issued by Stevia. On the date the agreement closed, Stevia share were thinly traded with a value of \$13.99 per share. Given the large number of shares the Company acquired compared to how few shares of Stevia actually trade on the open market, management decided to classify the shares as a Level 3 asset. The Company also chose value the shares at \$.20 cents based upon a reasonable offer received for those shares.

NOTE 11 - STRATEGIC ALLIANCES

During 2019, the Company entered into a strategic alliance with LeGanjaFairy LLC (LeGanja) and RushNet Inc. (Rush). As part of this alliance, LeGanja will be provided \$5,000,000 in funding in exchange for their gross revenues from operations being assigned to an escrow account. Those gross revenues, less a variable percentage, will belong to the Company and paid out according to the agreement with LaGanja and RushNet Inc. During the year ended December 31, 2020 LaGanja failed to provide financial statements in accordance with the strategic agreement for the 3rd and 4th quarters. At this time, the Company is evaluating whether or not to continue with the agreement.

During 2020, the Company entered into a strategic alliance with Able Academics LLC (Able). As part of this alliance, Able will be provided \$7,500,000 in funding in exchange for their gross revenues from operations being assigned to an escrow account. Those gross revenues, less a variable percentage, will belong to the Company and paid out according to the agreement with Able. During the year ended December 31, 2020 those revenues totaled \$3,309,869.

NOTE 12 - GOING CONCERN

As reflected in the accompanying unaudited financial statements, the Company is in the development stage has a working capital deficiency and a retained deficit of (\$581,904). The Company's ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the business plans provide the opportunity for the Company to continue as a going concern.

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

During the year ended December 31, 2020, the Company corrected a discrepancy in the Additional Paid in Capital - Preferred Stock and Retained Earning that dated from 2011. This error left APIC – Preferred Stock underreported \$7,000 and retained earnings overstated by \$7,000 leaving total equity unchanged.

GOLD RIVER PRODUCTIONS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 & 2019

NOTE 14 - STOCK CHANGES

Effective October 8, 2020 the Company increased the number of common shares from 1,000,000,000 to 1,300,000,000 with the par value remaining 0.000001. Additionally, the Company designated "Series A Preferred Stock" with the number of authorized shares at 10,000,000 shares. Additionally, the Company designated 5,000 of "Series B Preferred Stock." The remaining balance of 9,995,000 preferred shares will remain undesignated.