

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Masterbeat Corporation

A Delaware Corporation
246 Driftwood Rd
Miramar Beach, FL 32550

(561) 570-7050

info@masterbeatcorp.com

SIC Code: 6719

Quarterly Report
For the Period Ending: June 30, 2021
(the "Reporting Period")

As of June 30, 2021, the number of shares outstanding of our Common Stock was: 633,293,815

As of March 31, 2021, the number of shares outstanding of our Common Stock was: 488,293,815

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 370,293,815

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

Yes: ☐

No: ☒

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

Yes: ☐

No: ☒

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

Yes: ☐

No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

Masterbeat Corporation – 12/18/2009
Green Mountain Recovery, Inc. – 5/17/2007

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

May 2007, State of Delaware, Status: Active

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

N/A

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

N/A

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

246 Driftwood Road, Miramar Beach, FL 32550

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

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

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

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading Symbol: MSTO

Exact title and class of securities outstanding: COMMON

CUSIP: 576363105

Par or Stated Value: .0001

Total shares authorized: 850,000,000 as of: 6/30/2021

Total shares outstanding: 633,293,815 as of: 6/30/2021

Total shares in the public Float: 593,822,775 as of: 6/30/2021

Total number of shareholders: 130 as of: 6/30/2021

Exact title and class of securities outstanding: PREFERRED

CUSIP: N/A

Par or Stated Value: .0001

Total shares authorized: 25,000,000

as of: 6/30/2021

Total shares outstanding: 20,000,000

as of: 6/30/2021

Total number of shareholders: 1

as of: 6/30/2021

Transfer Agent

Name: Signature Stock Transfer, Inc.

Phone: (972) 612-4120 voice

Email: info@signaturestocktransfer.com

Address: 14673 Midway Road, Suite 220, Addison, Texas 75001

Website: www.signaturestocktransfer.com

Is the Transfer Agent registered under the Exchange Act?*

Yes: ☒

No: ☐

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of December 31, 2018	Opening Balance: Common: 44,893,815 Preferred A: 20,000,000	
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Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
6/13/2019	Issuance	4,900,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Unrestricted	4a1 Exemption
7/8/2019	Issuance	5,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
8/8/2019	Issuance	5,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
9/16/2019	Issuance	5,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
12/30/2019	Issuance	6,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
2/11/2020	Issuance	6,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
2/21/2020	Issuance	7,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption

2/28/2020	Issuance	7,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
4/17/2020	Issuance	9,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
4/30/2020	Issuance	10,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
5/8/2020	Issuance	10,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
5/13/2020	Issuance	10,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/4/2020	Issuance	10,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/11/2020	Issuance	15,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/19/2020	Issuance	15,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/25/2020	Issuance	15,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/29/2020	Issuance	20,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
8/21/2020	Issuance	37,500,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
10/1/2020	Issuance	15,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
10/20/2020	Issuance	25,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
11/27/2020	Issuance	28,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
12/8/2020	Issuance	30,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
12/14/2020	Issuance	30,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption

1/14/2021	Issuance	18,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
2/18/2021	Issuance	25,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
2/25/2021	Issuance	25,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
3/8/2021	Issuance	25,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
3/31/2021	Issuance	25,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
5/4/2021	Issuance	45,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
5/26/2021	Issuance	40,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption
6/16/2021	Issuance	60,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption

Number of Shares outstanding as of June 30, 2021	Closing Balance: Common: 633,293,815 Preferred A: 20,000,000	
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Use the space below to provide any additional details, including footnotes to the table above:

N/A

B. Changes to the Number of Outstanding Shares

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

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
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<u>9/18/2015</u>	<u>16,000</u>	<u>210,000.00</u>	<u>16,000</u>	<u>On demand</u>	<u>Converts into common shares at a conversion price of \$0.0001</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>9/30/2019</u>	<u>\$2,501.01</u>	<u>\$2,501.01</u>	<u>\$0</u>	<u>On demand</u>	<u>No conversion feature</u>	<u>Josh Tannariello (Company CEO)</u>	<u>Loan</u>
<u>6/15/2020</u>	<u>\$6,475.07</u>	<u>\$6,000.00</u>	<u>\$475.07</u>	<u>6/15/2021</u>	<u>Converts into common shares at a conversion price of the lowest bid of the prior 3 trading days</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>7/7/2020</u>	<u>\$16,097.26</u>	<u>\$15,000.00</u>	<u>\$1,097.26</u>	<u>7/7/2021</u>	<u>Converts into common shares at a conversion price of the lowest bid of the prior 3 trading days</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>7/8/2020</u>	<u>\$16,093.15</u>	<u>\$15,000.00</u>	<u>\$1,093.15</u>	<u>7/8/2021</u>	<u>Converts into common shares at a conversion price of the lowest bid of the prior 3 trading days</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>12/17/2020</u>	<u>\$15,427.40</u>	<u>\$15,000.00</u>	<u>\$427.40</u>	<u>3/18/2021</u>	<u>Converts into common shares at a conversion price of the lowest bid of the prior 3 trading days</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>3/18/21</u>	<u>\$7,526.71</u>	<u>\$7,500</u>	<u>\$26.71</u>	<u>3/18/2021</u>	<u>Converts into common shares at a conversion price of the lowest bid of the prior 3 trading days</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>3/24/2021</u>	<u>202,000.00</u>	<u>202,000.00</u>	<u>\$0</u>	<u>On demand</u>	<u>No conversion feature</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>3/30/2021</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>\$0</u>	<u>On demand</u>	<u>No conversion feature</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>4/12/2021</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>\$0</u>	<u>On demand</u>	<u>No conversion feature</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>6/21/2021</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>\$0</u>	<u>On demand</u>	<u>No conversion feature</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>

4) Financial Statements

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

☒ U.S. GAAP

☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)²:

Name: **Sam Messnia CPA**

Title: **N/A**

Relationship to Issuer: **Consultant**

Please see the financial statements below.

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² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Masterbeat Corporation
Consolidated Balance Sheet
As of June 30, 2021 and December 31, 2020

	As of June 30, 2021	As of December 31, 2020
Current Assets		
Cash and cash equivalents	592,932	52,755
Accounts receivable	-	4,960
Investments	45,500	-
Prepays	9,515	9,515
Total current assets	647,947	67,230
Real Estate, net of depreciation (\$0 and \$9,682)	375,475	1,031,328
Total assets	1,023,422	1,098,558
Current Liabilities		
Accounts payable	626	626
Due to Related Party	2,501	371,554
Convertible Debt	58,500	51,000
Derivative Liability	89,856	51,344
Loan Payable	896,100	-
Accrued Liabilities	21,354	44,483
Total current liabilities	1,068,937	519,007
Mortgage Payable	-	845,853
Total liabilities	1,068,937	1,364,860
Shareholders' Deficit		
Preferred Shares, par value \$0.0001 per share, 25,000,000 Authorized; 20,000,000 Issued and outstanding as of June 30, 2021; Par value \$0.0001 per share, 20,000,000 Authorized, and 20,000,000 Issued and outstanding as of December 31, 2020	2,000	2,000
Common Shares, par value \$0.0001 per share, 850,000,000 Authorized; 633,293,815 Issued and outstanding as of June 30, 2021, and Par value \$0.0001 Per Share, 80,000,000 Authorized, 370,293,815 Issued and outstanding as of December 31, 2020	63,329	37,029
Additional Paid In Capital	1,842,506	1,842,506
Accumulated Deficit	(1,953,350)	(2,147,579)
Total Shareholders' Deficit	(45,515)	(266,044)
Non-controlling interest	-	(258)
Total Deficit	(45,515)	(266,302)
Total liabilities and shareholders' Deficit	1,023,422	1,098,558

The accompanying notes are an integral part of these financial statements

Masterbeat Corporation
Consolidated Statements of Operations
For the three months ended June 30, 2021 & 2020

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
REVENUES	9,046	-
Selling, General and Administrative	91,497	20,011
GAIN/(LOSS) FROM OPERATIONS	(82,451)	(20,011)
OTHER INCOME(EXPENSE):		
Interest Expense	69,951	4,711
(Gain)/Loss on Derivative Liability	(3,047)	86,000
(Gain)/Loss on Sale of Real Estate	(409,916)	
TOTAL OTHER INCOME (EXPENSE):	(343,012)	(90,711)
NET INCOME (LOSS) BEFORE PROVISION FOR	260,561	(110,722)
NET (LOSS) INCOME ATTRIBUTABLE TO PARENT	260,561	(110,722)
NET (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(4,941)	-
NET (LOSS) INCOME	255,620	(110,722)
Weighted-average common shares outstanding- diluted	541,096,013	124,760,848
Income (Loss) per share – basic and diluted	\$0.00	(63\$0.00)

The accompanying notes are an integral part of these financial statements

Masterbeat Corporation

Consolidated Statements of Operations For the six months ended June 30, 2021 & 2020

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
REVENUES	52,924	-
Selling, General and Administrative	128,722	29,652
GAIN/(LOSS) FROM OPERATIONS	(75,798)	(29,652)
OTHER INCOME(EXPENSE):		
Interest Expense	71,663	9,434
(Gain)/Loss on Derivative Liability	38,512	(1,044,985)
(Gain)/Loss on Sale of Real Estate	(409,916)	
TOTAL OTHER INCOME (EXPENSE):	(299,741)	1,035,551
NET INCOME (LOSS) BEFORE PROVISION FOR	223,943	1,005,899
NET (LOSS) INCOME ATTRIBUTABLE TO PARENT	223,943	1,005,899
NET (LOSS) INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(29,715)	-
NET (LOSS) INCOME	194,228	1,005,899
Weighted-average common shares outstanding- diluted	477,260,666	102,123,485
Income (Loss) per share – basic and diluted	\$0.00	\$0.01

The accompanying notes are an integral part of these financial statements

Masterbeat Corporation
Consolidated Statements of Cashflows
For the six months ended June 30, 2021 & 2020

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$233,943	\$1,035,551
Adjustments to reconcile income/loss to Net cash provided by		
(Gain)/Loss on Derivative Liability	38,512	(1,044,985)
(Gain)/Loss of Sale of Real Estate	(409,916)	-
Depreciation	11,788	-
Changes in assets and liabilities:		
Increase/(decrease) in accounts receivable	(4,960)	-
Increase/(decrease) in prepaids	-	-
Increase/(decrease) in accounts payable	-	176
Increase/(decrease) in accrued liabilities	303,675	(30,032)
Net Cash flows from operating activities	173,042	(39,290)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in real estate	(375,475)	-
Sale of real estate	1,400,000	-
Total cash flows from investing activities	1,024,525	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of related party advances	(369,053)	39,290
Proceeds from loans payable	896,100	-
Proceeds from convertible debt	7,500	6,000
Repayments of mortgage loan	(845,853)	-
Total cash flows from financing activities	(311,306)	45,290
Increase in cash and equivalents	540,177	6,000
Cash and cash equivalents at beginning of Period	52,755	-
Cash and cash equivalents at end of Period	592,932	6,000
Non-cash Transactions		
Common stock issued for debt conversion	28,800	115,250
Resolution of derivative liability due to conversion	-	355,598

The accompanying notes are an integral part of these financial statements

Masterbeat Corporation
Consolidated Statement of Stockholders' Equity
For the six months ended June 30, 2021

	Preferred Shares	Preferred	Common Shares	Common	Non-controlling interest	Additional Paid In Capital	Accumulated Deficit	Total
Balance, December 31, 2018	20,000,000	2,000	44,893,815	4,489	0	58,404	(587,321)	(522,428)
Conversion of Debt			25,900,000	2,590		23,310		25,900
Resolution of Derivative Liability						1,094,518		1,094,518
Net Income (Loss)							(2,392,342)	(2,392,342)
Balance December 31, 2019	20,000,000	2,000	70,793,815	7,079	0	1,176,232	(2,979,663)	(1,794,352)
Conversion of Debt			299,500,000	29,950		231,700		261,650
Resolution of Derivative Liability						434,574		434,574
Net Income (Loss)					258		831,826	832,048
Balance, December 31, 2020	20,000,000	2,000	370,293,815	37,029	(258)	1,842,506	(2,147,579)	(266,302)
Sales of NCI					29,457			29,457
Resolution of Derivative Liability			263,000,000	26,300				26,300
Net Income (Loss)					(29,715)		223,943	194,228
Balance, June 30, 2021	20,000,000	2,000	633,293,815	63,329	0	1,842,506	(1,953,350)	(45,515)

The accompanying notes are an integral part of these financial statements

Masterbeat Corporation
Notes to the Financial Statements
For the three months ended March 31, 2021

NOTE 1 - NATURE OF BUSINESS

ORGANIZATION

Masterbeat Corporation (“Masterbeat or the “Company”) was incorporated in the state of Delaware on May 17, 2007 as Green Mountain Recovery, Inc. On December 18, 2009, Masterbeat entered into a Share Exchange Agreement with Masterbeat, LLC, formerly a California Limited Liability company, to become Masterbeat Corporation.

On March 6, 2014, the company filed a 15-15D to terminate the Company’s reporting responsibilities with the Securities Exchange Commission. During this time, the majority of the Company’s assets, including subsidiaries, were liquidated and the majority of outstanding liabilities were settled. Starting in March 2014, the Company operated as a business-consulting firm until June 2019. After several changes in management (2014 – 2019), the Company appointed Josh Tannariello as its CEO and sole executive officer, in June 2019.

The Company specializes in hard, tangible asset acquisitions with an intense focus on real estate, precious metals and other tangible assets. The Company started SBQ Holdings, LLC, a Florida limited liability company, to handle its assets operations. The Company believes its progressive approach to an old school model, especially in this market based on fragile earnings multiples and uncertainty, to acquire hard, tangible assets will not only offer long term capital appreciation but also deliver revenues, profits and self-sustainability.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company currently has \$592,932 of cash on hand, a stockholders Deficit of \$45,515 with an accumulated Deficit of \$1,953,350 and current period revenues of \$52,924 from operations. The Company cannot be certain that it will be successful in its various growth strategies.

These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CONSOLIDATIONS

Masterbeat Corporation owns 70% of its subsidiary SBQ, LLC.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents include demand deposits, money market funds, and all highly liquid debt instruments with original maturities of six months or less.

FINANCIAL INSTRUMENTS

The Company's balance sheet includes certain financial instruments, primarily, cash, accounts receivable, inventory, accounts payable, and debt to related parties. The carrying amounts of current assets and current liabilities approximate their fair value due to the relatively short period of time between the origination of these instruments and their expected realization.

CONCENTRATIONS AND CREDIT RISKS

The Company's financial instruments that are exposed to concentrations and credit risk primarily consist of its cash, sales and accounts receivable.

Cash - The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

PROPERTY, EQUIPMENT AND LONG-LIVED ASSETS

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, five years, utilizing the straight method. Maintenance and repairs are expensed as incurred. Expenditures, which significantly increase value or extend useful asset lives are capitalized. When property or equipment is sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation period or the undepreciated balance is warranted. Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset.

SHARE-BASED COMPENSATION

ASC 718, *Compensation – Stock Compensation*, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized in the period of grant.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASU No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, *Revenue from Contracts with Customers*.

INCOME TAXES

The Company accounts for income taxes under ASC 740, *Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary

differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Deferred tax assets or liabilities were off-set by a 100% valuation allowance, therefore there has been no recognized benefit as of the release of these financial statements.

COMMITMENTS AND CONTINGENCIES

The Company follows ASC 450-20, “Loss Contingencies,” to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

(LOSS) EARNINGS PER SHARE

Basic EPS is calculated by dividing net income (loss) available to common stockholders by the weighted average number of shares of the Company’s common stock outstanding during the period. Diluted EPS is calculated based on the net income (loss) available to common stockholders and the weighted average number of shares of common stock outstanding during the period, adjusted for the effects of all potential dilutive common stock issuances related to options, warrants, restricted stock units and convertible preferred stock. The dilutive effect of our share-based awards and warrants is computed using the treasury stock method, which assumes all share-based awards and warrants are exercised and the hypothetical proceeds from exercise are used to purchase common stock at the average market price during the period. The incremental shares (i.e., the difference between shares assumed to be issued versus purchased), to the extent they would have been dilutive, are included in the denominator of the diluted EPS calculation. The dilutive effect of our convertible preferred stock is computed using the if-converted method, which assumes conversion at the beginning of the year. However, when a net loss exists, no potential common stock equivalents are included in the computation of the diluted per-share amount because the computation would result in an anti-dilutive per-share amount.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share for the three months ended June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021	December 31, 2020
Total		
Convertible debt	37,741,935	27,567,568
Total	37,741,935	27,567,568

NOTE 3 - INCOME TAXES

Income taxes are provided based upon the liability method. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by accounting standards to allow recognition. The Company expected no net deferred tax assets to be recognized, resulting from net operating loss carry forwards. Deferred tax assets were offset by a corresponding allowance of 100%. The Company experienced a change in control subsequent to the balance sheet date and therefor no more than an insignificant portion of this net operating allowance will ever be used against future taxable income.

The cumulative tax effect at the expected rate of 21% of significant items comprising the Company’s net deferred tax amount is as follows:

	June 30, 2021	December 31, 2020
Deferred tax asset attributable to:		
Net operating loss	-	\$32,599
Valuation allowance	(-)	(32,599)
Net	\$ 0	\$0

The amount taken into income as deferred tax assets must reflect that portion of the income tax loss carry forwards that is more likely-than-not to be realized from future operations. The Company has chosen to provide an allowance of 100% against all available income tax loss carry forwards, regardless of their time of expiry.

No provision for income taxes has been provided in these financial statements due to the net loss. At December 31, 2020, the Company has net operating loss carry forwards, which expire commencing in 2035, totaling approximately \$70,000, the benefit of which has not been recorded in the financial statements.

NOTE 4 – REAL ESTATE

On September 28, 2020, the Company purchased a real estate property at 246 Driftwood Road, Miramar Beach, FL 32550 for from its Chief Executive Officer. The Company agreed to a promissory note of \$220,000 which was loaned by its Chief Executive Officer for the down payments of the property and assumed a 30 mortgage in the amount of \$880,000 with a 7 year ARM at 5.125%. The Company currently has the property as a vacation rental and collects rental income. On May 3, 2021, the Company sold the property at 246 Driftwood Road, Miramar Beach, FL 32550 for \$1,400,000.

Real Estate at June 30, 2021 and December 31, 2020 consists of:

	June 30, 2021	December 31, 2020
Real Estate	375,475	1,039,983
Less accumulated depreciation	(0)	(8,732)
Property, Plant and Equipment, net	<u>\$ 375,475</u>	<u>\$ 1,031,251</u>

NOTE 5 – CONVERTIBLE NOTE PAYABLE AND DERIVATIVE LIABILITIES

On September 18, 2015, the Company and Braeden Storm Enterprises, Inc. (“Braeden”) entered into an unsecured convertible notes payable for \$210,000 with a conversion price of \$0.00001. On May 29, 2019, the Company and Braeden amended the convertible note to include interest accruing at 10% commencing September 18, 2015 and a conversion price of the lower of \$0.001 or 50% of the lowest per share market value of the ten (10) trading days immediately preceding the conversion date.

On June 15, 2020, July 7, 2020, July 8, 2020, December 17, 2020 and March 18, 2021 the Company and Braeden entered into unsecured convertible notes payable for \$6,000, \$15,000, \$15,000, \$15,000 and \$7,500, respectively with a conversion price of the lowest bid of the prior 3 trading days.

The total principal due at June 30, 2021 was \$58,500 with an unamortized discount of \$0 resulting in a balance of \$58,500 at March 31, 2021. The Company had conversions of \$0 in principal and \$11,800 in accrued interest during the three months ended March 31, 2021. Total principal due at December 31, 2020 is \$51,000 with an unamortized discount of \$0 with a resulting balance of \$51,000.

Due to their being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options embedded in the Convertible Promissory Notes, the options are classified as derivative liabilities and recorded at fair value.

Derivative Liability:

As of June 30, 2021 and December 31, 2020, the fair values of the conversion options on the convertible notes were determined to be \$89,856 and \$51,344, respectively using a Black-Scholes option-pricing model. During the six months ended June 30, 2021 and 2020, there was a loss on mark-to-market of the conversion options of \$13,782 and \$253,748, respectively. During the six months ended June 30, 2021, the gain on derivative liability was \$24,730 and during the six months ended June 30, 2020, the loss on derivative liability was \$1,044,985.

The following table summarizes the derivative liabilities included in the consolidated balance sheet at June 30, 2021:

		June 30, 2021
Beginning Balance	\$	51,344
Day one loss on fair value		13,782
Gain on change in fair value		24,730
Ending Balance	\$	89,856

Pursuant to ASC 815, "Derivatives and Hedging," the Company recognized the fair value of the embedded conversion feature of all the notes. At June 30, 2021, respectively, the initial fair value of the derivative liability was determined using the Black Scholes option pricing model with a quoted market price of \$0.0027 to \$0.0275, a conversion price between \$0.0001, expected volatility of 263% to 297%, no expected dividends, an expected term of one year and a risk-free interest rate of 0.0003% to 0.125% .

During the six months ended June 30, 2021 and 2020, the Company recorded amortization of debt discount of \$0.

NOTE 6– FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, "Fair Value Measurements", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities, and due to related party. Pursuant to ASC 820, the fair value of the Company's cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on June 30, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets	\$ —	\$ —	\$ —	\$ —
Liabilities				
Derivative Financial Instruments	\$ —	\$ —	\$ 89,856	\$ 89,856

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets	\$ —	\$ —	\$ —	\$ —
Liabilities				
Derivative Financial Instruments	\$ —	\$ —	\$ 51,344	\$ 51,344

NOTE 7- RELATED PARTIES

As of June 30, 2021, the company owes its current Chief Executive Officer - \$2,501 (\$371,554 – December 31, 2020) for advances made to the Company.

NOTE 8- EQUITY

At the end of the period represented by this disclosure document, the Company is authorized to issue 25,000,000 shares of \$0.001 par value Preferred Stock, of which, 20,000,000 shares of \$0.0001 par value convertible Preferred Series A stock are designated and issued. Each share of convertible Preferred Series A Stock is convertible into 10 shares of common stock, has 100 votes, has no dividend rights except as may be declared by the Board of Directors, and has a liquidation preference of \$1.00 per share.

The company was authorized to issue 850,000,000 shares of \$0.0001 par value common stock.

During the twelve months ended December 31, 2019, the company has issued 25,900,000 new shares for the conversion of \$25,900 in principal and interest on convertible debt bringing the total outstanding shares to 70,793,815.

During the twelve months ended December 31, 2020, the company has issued 299,500,000 new shares for the conversion of \$261,650 in principal and interest on the convertible debt bringing the total outstanding shares to 370,293,815.

During the six months ended June 30, 2021, the company has issued 263,000,000 new shares for the conversion of \$26,300 in principal and interest on the convertible debt bringing the total outstanding shares to 633,293,815.

----End of Notes to the Financial Statements----

5) Describe the Issuer's Business, Products and Services

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

Masterbeat Corporation is an asset acquisitions company focused on real estate and precious metals.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The Company was incorporated under the laws of the State of Delaware on May 17, 2007.

Masterbeat Corporation
246 Driftwood Rd
Miramar Beach, FL 32550
(561) 570-7050
info@masterbeatcorp.com

- C. Describe the issuers' principal products or services, and their markets

The company's principle products or services are acquisitions and asset management services.

6) Describe the Issuer's Facilities

The Company currently operates out of space provided free of charge to the company by the company's CEO, and will do so until such time that the company needs its own facilities.

7) Officers, Directors, and Control Persons

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Josh Tannariello</u>	<u>CEO</u>	<u>246 Driftwood Rd, Miramar, FL 32550</u>	<u>20,000,000</u>	<u>Preferred A Shares</u>	<u>100%</u>	<u>Holders of Preferred Series A Stock are granted 100 common shares votes for each share of Preferred Series A Stock held.</u>

8) Legal/Disciplinary History

- A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

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

There are no pending legal actions.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

a. Legal Counsel: None

b. Accountant :

Sam Messina CPA
2507 Desplaines Ave.
North Riverside, IL 60546
713- 587-6201
sammessina2015@att.net

c. Investor Relations Consultant: None

d. Other Advisor: None

10) Issuer Certification

I, Josh Tannariello certify that:

1. I have reviewed this Disclosure Statement of Masterbeat Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

8/14/2021

[Date]

/s/ Josh Tannariello

[CEO's Signature]