

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

Annual Report

For the Period Ending: December 31, 2020
(the "Reporting Period")

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

As of September 30, 2020 the number of shares outstanding of our Common Stock was: 242,293,815

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: 12/31/2020

Total shares outstanding: 370,293,815 as of: 12/31/2020

Total shares in the public Float: 330,822,775 as of: 12/31/2020

Total number of shareholders: 130 as of: 12/31/2020

Exact title and class of securities outstanding: PREFERRED

CUSIP: N/A

Par or Stated Value: .0001

Total shares authorized: 25,000,000

as of: 12/31/2020

Total shares outstanding: 20,000,000

as of: 12/31/2020

Total number of shareholders: 1

as of: 12/31/2020

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, 2017	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
12/8/2020	Issuance	30,000,000	Common	\$0.001	Yes	Braeden Storm Enterprises (Eric Cousens)	Debt Conversion	Restricted	4a1 Exemption

Number of Shares outstanding as of December 31, 2020	Closing Balance: Common: 370,293,815 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.)
<u>9/18/2015</u>	<u>\$42,648.04</u>	<u>210,000.00</u>	<u>\$42,648.04</u>	<u>On demand</u>	<u>Converts into common shares at a conversion price of \$0.001</u>	<u>Braeden Storm Enterprises (Eric Cousens)</u>	<u>Loan</u>
<u>9/30/2019</u>	<u>\$371,553.78</u>	<u>\$371,553.78</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>\$6,327.12</u>	<u>\$6,000.00</u>	<u>\$327.12</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>\$15,727.40</u>	<u>\$15,000.00</u>	<u>\$727.40</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>\$15,723.29</u>	<u>\$15,000.00</u>	<u>\$723.29</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>\$15,057.53</u>	<u>\$15,000.00</u>	<u>\$57.53</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>

* The Braeden Storm Enterprises Note, with Amendment(s), is attached as Exhibit 1 to this Annual Financial Report.

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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Masterbeat Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Masterbeat Corporation (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of operations, stockholders’ deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgements. We determined that there are no critical audit matters.

/s/ MaloneBailey, LLP

www.malonebailey.com

We have served as the Company's auditor since 2020.

Houston, Texas

August 31, 2021

Masterbeat Corporation
Consolidated Balance Sheets
As of December 31, 2020 & 2019

	As of December 31, 2020	As of December 31, 2019
Current Assets		
Cash and cash equivalents	52,755	-
Rent receivable	4,960	-
Prepays	9,515	-
Total current assets	67,230	-
Real Estate, net of depreciation (\$9,682 and \$0)	1,031,328	-
Total assets	1,098,558	-
Accounts payable	626	450
Due to Related Party	371,554	44,622
Convertible Debt	51,000	184,100
Derivative Liability	51,344	1,472,979
Accrued Liabilities	44,483	92,201
Total current liabilities	519,007	1,794,352
Mortgage Payable	845,853	-
Total liabilities	1,364,860	1,794,352
Shareholders' Deficit		
Preferred Shares, par value \$0.0001 per share, 25,000,000 Authorized; 20,000,000 Issued and outstanding as of December 31, 2020; Par value \$0.0001 per share, 20,000,000 Authorized, and 20,000,000 Issued and outstanding as of December 31, 2019	2,000	2,000
Common Shares, par value \$0.0001 per share, 850,000,000 Authorized; 370,293,815 Issued and outstanding as of December 31, 2020, and Par value \$0.0001 Per Share, 80,000,000 Authorized, 70,793,815 Issued and outstanding as of December 31, 2019	37,029	7,079
Additional Paid-In Capital	1,842,506	1,176,232
Accumulated Deficit	(2,147,579)	(2,979,663)
Total Stockholders' Deficit	(266,044)	(1,794,352)
Non-controlling interest	(258)	-
Total Deficit	(266,302)	(1,794,352)
Total liabilities and shareholders' Deficit	1,098,558	-

The accompanying notes are an integral part of these consolidated financial statements

Masterbeat Corporation
Consolidated Statements of Operations
For the years ended December 31, 2020 & 2019

	Year Ended December 31, 2020	Year Ended December 31, 2019
Rental Revenue	18,773	-
Selling, General and Administrative	128,653	39,572
LOSS FROM OPERATIONS	(109,880)	(39,572)
OTHER INCOME(EXPENSE):		
Interest Expense	45,355	28,660
(Gain)/Loss on Derivative Liability	(987,061)	2,324,110
TOTAL OTHER INCOME (EXPENSE):	941,706	(2,352,770)
NET INCOME (LOSS)	831,826	(2,392,342)
NET INCOME (LOSS) TO PARENT	831,826	(2,392,342)
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	258	-
NET INCOME (LOSS)	832,084	(2,392,342)
Weighted-average common shares outstanding- basic	188,882,613	52,826,966
Income (Loss) per share – basic	\$0.00	(\$0.05)
Weighted-average common shares outstanding- diluted	216,450,181	52,826,966
Income (Loss) per share – diluted	\$0.00	(\$0.05)

The accompanying notes are an integral part of these consolidated financial statements

Masterbeat Corporation
Consolidated Statements of Cashflows
For the years ended December 31, 2020 & 2019

	Year Ended December 31 2020	Year Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$831,826	(\$2,392,342)
Adjustments to reconcile income/loss to Net cash provided by		
(Gain)/Loss on Derivative Liability	(987,061)	2,324,110
Depreciation	9,682	-
Changes in assets and liabilities:		
Increase/(decrease) in rent receivable	(4,960)	-
Increase/(decrease) in prepaids	(9,515)	-
Increase/(decrease) in accounts payable	176	450
Increase/(decrease) in accrued liabilities	29,832	23,160
Net Cash flows used in operating activities	(130,020)	(44,622)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible notes	51,000	-
Proceeds from related party advances	136,422	44,622
Repayments of mortgage loan	(4,647)	-
Total cash flows from financing activities	182,775	44,622
Increase in cash and equivalents	52,755	-
Cash and cash equivalents at beginning of Period	-	-
Cash and cash equivalents at end of Period	52,755	-
Non-cash Transactions		
Common stock issued for debt and interest conversion	261,650	25,900
Resolution of derivative liability due to conversion	434,574	1,094,518
Acquisition of real estate from related party	1,041,010	-
Assumption of mortgage payable from related party	850,500	-
Assumption of related party advances from real estate acquisition	190,510	-

The accompanying notes are an integral part of these consolidated financial statements

Masterbeat Corporation
Consolidated Statement of Stockholders' Deficit
For the years ended December 31, 2020 and 2019

	Preferred Shares	Preferred	Common Shares	Common	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit	Non- controlling interest	Total Deficit
Balance, December 31, 2018	20,000,000	2,000	44,893,815	4,489	58,404	(587,321)	(522,428)	-	(522,428)
Conversion of Debt			25,900,000	2,590	23,310		25,900		25,900
Resolution of Derivative Liability					1,094,518		1,094,518		1,094,518
Net Income (Loss)						(2,392,342)	(2,392,342)		(2,392,342)
Balance December 31, 2019	20,000,000	2,000	70,793,815	7,079	1,176,232	(2,979,663)	(1,794,352)	-	(1,794,352)
Conversion of Debt and accrued interest			299,500,000	29,950	231,700		261,650		261,650
Resolution of Derivative Liability					434,574		434,574		434,574
Net Income (Loss)						831,826	831,826	258	832,048
Balance, December 31, 2020	20,000,000	2,000	370,293,815	37,029	1,842,506	(2,147,579)	(266,044)	258	(266,302)

The accompanying notes are an integral part of these consolidated financial statements

Masterbeat Corporation
Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019

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 \$52,755 of cash on hand, a stockholders’ deficit of \$266,302 with an accumulated Deficit of \$2,147,579 and current period revenues of \$18,773 from property management 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.

REVENUE RECOGNITION

The Company recognizes revenue from contracts with customers in accordance with ASC Topic 606, *Revenue from Contracts with Customers* (the “revenue standard”). The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer

- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligation in the contract
- Step 5: Recognize revenue when the company satisfies a performance condition

The Company's revenue is primarily generated from rental income derived from its real estate properties. The revenue is recognized as it is earned.

CONSOLIDATIONS

Masterbeat Corporation owns 70% of its subsidiary SBQ, LLC. The remaining 30% is owned by its current Chief Executive Officer.

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, 30 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.

NET INCOME (LOSS)	832,084	(2,392,342)
Weighted-average common shares outstanding- basic	188,882,613	52,826,966
Income (Loss) per share – basic	\$0.00	(\$0.05)
Weighted-average common shares outstanding- diluted	216,450,181	52,826,966
Income (Loss) per share – diluted	\$0.00	(\$0.05)

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share for the twelve months ended December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Convertible debt	27,567,568	184,100,000
Total	27,567,568	184,100,000

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:

	December 31, 2020	December 31, 2019
Deferred tax asset attributable to:		
Net operating loss	\$52,000	\$14,329
Valuation allowance	(52,000)	(14,329)
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 \$244,000, 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 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 payment for the property and assumed a 30 year 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. The company assumed the mortgage balance of \$850,499 on September 20, 2020.

Real Estate at December 31, 2020 and December 31, 2019 consists of:

	December 31, 2020	December 31, 2019
Real Estate	1,041,010	-
Less accumulated depreciation	(9,682)	-
Property, Plant and Equipment, net	<u>\$ 1,031,328</u>	<u>\$ -</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 and December 17, 2020, the Company and Braeden entered into unsecured convertible notes payable for \$6,000, \$15,000, \$15,000 and \$15,000, respectively with a conversion price of the lowest bid of the prior 3 trading days.

The total principal due at December 31, 2020 was \$51,000 with an unamortized discount of \$0 resulting in a balance of \$51,000 at December 31, 2020. The Company had conversions of \$184,100 in principal and \$77,550 in accrued interest into 299,500,000 shares of its common stock during the twelve months ended December 31, 2020. The Company had conversions of \$25,900 in principal and \$0 in accrued interest into 25,900,000 shares of its common stock during the twelve months ended December 31, 2019. Total principal due at December 31, 2019 is \$184,100 with an unamortized discount of \$0 with a resulting balance of \$184,100.

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 December 31, 2020 and 2019, the fair values of the conversion options on the convertible notes were determined to be \$51,344 and \$1,472,979, respectively using a Black-Scholes option-pricing model. During the twelve months ended December 31, 2020 and 2019, there was a loss on mark-to-market of the conversion options of \$434,574 and \$1,094,518, respectively. During the twelve months ended December 31, 2020, the gain on derivative liability was \$987,061 and during the twelve months ended December 31, 2019, the loss on derivative liability was \$2,324,110.

The following table summarizes the derivative liabilities included in the consolidated balance sheet at December 31, 2020 and 2019, respectively:

	December 31 2020	December 31, 2019
Beginning Balance	\$ 1,472,979	243,387
Gain on change in fair value	(987,061)	2,324,110
Write off due to Conversion	(434,574)	(1,094,518)
Ending Balance	\$ 51,344	\$1,472,979

Pursuant to ASC 815, “Derivatives and Hedging,” the Company recognized the fair value of the embedded conversion feature of all the notes. At December 31, 2020 and 2019, respectively, the initial fair value of the derivative liability was determined using the Black Scholes option pricing model with a quoted market price of \$0.0012 to \$0.011 and \$0.0018 and \$0.23, a conversion price of \$0.001 and between \$0.00065 and \$0.001, expected volatility of 120% to 585% and 392% to 1,178%, no expected dividends, an expected term of one year and a risk-free interest rate of 0.0003% to 0.125% .

During the twelve months ended December 31, 2020 and 2019, 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 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

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, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets	\$ —	\$ —	\$ —	\$ —
Liabilities				
Derivative Financial Instruments	\$ —	\$ —	\$ 1,472,979	\$ 1,472,979

NOTE 7- RELATED PARTIES

As of December 31, 2020, the company owes its current Chief Executive Officer - \$371,554 (\$44,622 – December 31, 2019) 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 principle 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 principle and interest on the convertible debt bringing the total outstanding shares to 370,293,815.

NOTE 9- SUBSEQUENT EVENTS

On May 3, 2021, the Company sold the property at 246 Driftwood Road, Miramar Beach, FL 32550 for \$1,400,000.

During the subsequent period from January 1, 2021 to August 31, 2021, the company has issued 313,000,000 new shares for the conversion of \$31,300 in accrued interest on the convertible debt.

----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 principal 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.

8/31/2021

[Date]

/s/ Josh Tannariello

[CEO's Signature]

Exhibit 1

Convertible Note, with Amendment

Convertible Loan Agreement

PURSUANT TO THIS AGREEMENT, on this 18th day of September, 2015, for funds received, Masterbeat, Inc., a Delaware Corporation (the "Company"), hereby promises to pay **Braeden Storm Ent. Inc.**, a Corporation, or its assignees (the "Note Holder") the principal amount of (\$210,000 USD), on demand of the Note Holder (the "Maturity Date"). This note represents a payment made directly to the Company by the Note Holder. The principal balance of this Note shall be payable as per Paragraph 1.

1. Principal and Interest.
 - a) General Payment Provisions. This Note shall be made in lawful money of the United States of America to such account as the Note Holder may designate in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a Business Day, the same shall instead be due on the next succeeding day that is a Business Day. For purposes of this Note, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the State of the Note Holder are closed.
 - b) Payment of Principal. The principal balance of this Note shall be paid to the Note Holder hereof on the Demand. The Company shall not prematurely pay or prepay any outstanding principal balance to the Note Holder. The Note Holder in its sole discretion may assign this note to any third party or designee. The unpaid principal of this Note shall bear no interest rate.
2. Conversion. Notwithstanding anything contained herein to the contrary, at any time prior to the Maturity Date, this Note shall, at the option of the Note Holder, be convertible into: shares of the Company's common stock on the terms and conditions set forth in this Paragraph 2.
 - a) Certain Defined Terms. For purposes of this Note, the following terms shall have the following meanings:
 - 1) "Conversion Amount" means the sum of (i) the principal amount of this Note to be converted With respect to which this determination is being made, and (ii) Default Interest, if any, on unpaid interest and principal, if so included at the Note Holder's sole discretion.
 - 2) "Conversion Price" means Note Holder may convert any portion of the principal amount plus the accrued and unpaid interest hereon, into fully paid and non-assessable shares of Company's Common Stock based on a conversion price of \$0.00001. Whereas, the Company and Note Holder Intend to limit the Note Holder upon any conversion to holding in excess 9.99% of the total issued and outstanding shares of common stock of the Company;
 3. "Other Note" means the convertible notes, other than this Note, issued by the Company to the Note Holder whether prior, simultaneously with or hereinafter executed.
 4. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.
 - b) Note Holder's Conversion Right. At any time or times on or after the Issuance Date, the Note Holder, or its assignees, shall be entitled to convert any or all or a portion of the outstanding and unpaid principal amount of this Note into fully paid and non assessable shares of Common Stock (or Public Company Stock) in accordance with Paragraph 2(d), at the Conversion Rate (as defined below). The Company shall not issue any fraction of a share of

- Common Stock (or Public Company Stock) upon any conversion; if such issuance would result in the issuance of a fraction of a share of Common Stock (or Public Company Stock), the Company shall round such fraction of a share of Common Stock (or Public Company Stock) up to the nearest whole share.
- c) Conversion Rate. The number of shares of Common Stock (or Public Company Stock) issuable upon conversion of a Conversion Amount of this Note pursuant to Paragraph 2(b) shall be determined according to the following formula (the "Conversion Rate"): Note Holder may convert any portion of the principal amount plus any accrued and unpaid interest hereon, into fully paid and non-assessable shares of Company's Common Stock based on the Conversion Price outlined in Section 1(2) provided that the Note Holder never holds in excess of 9.99% of the total outstanding shares of the Company.
 - d) Conversion Amount. Loan shall be converted pursuant to Securities Act of 1933, as amended (the "Act"), Any exemption to the Act, and applicable state law into un-Legended shares at the Conversion Price. The Company shall use its best efforts to qualify and issue the shares as unrestricted pursuant to a conversion as unrestricted and freely transferable shares.
 - e) Conversion of this Note. The conversion of this Note shall be conducted in the following manner:
 - 1) To convert this Note into shares of Common Stock on any date set forth in the Conversion Notice by the Note Holder (the "Conversion Date"), the Note Holder hereof shall transmit by facsimile (or otherwise deliver), for receipt on or prior to 11:59 p.m., Eastern Time on such date, a written notice requesting conversion with appropriate information needed to execute the conversion (the "Conversion Notice") to the Company;
 - 2) Upon receipt by the Company of a copy of a Conversion Notice, the Company shall as soon as practicable, but in no event later than three (3) Business Days after receipt of such Conversion Notice, send, via facsimile and overnight courier, a confirmation of receipt of such Conversion Notice (the "Conversion Confirmation") to such Note Holder indicating that the Company will process such Conversion Notice in accordance with the terms herein. Within five (5) Business Days after the date of the Conversion Confirmation, the Company shall issue and surrender to a common carrier for delivery to the address as specified in the Conversion Notice, a certificate, registered in the name of the Note Holder, for the number of shares of Common Stock (or Public Company Stock) to which the Note Holder shall be entitled. If less than the full principal amount of this Note is submitted for conversion, then the Company shall within five (5) Business Days after receipt of the Note and at its own expense, issue and deliver to the Note Holder a new Note for the outstanding principal amount not so converted; provided that such new Note shall be substantially in the same form as this Note.
 - 3) Record Note Holder. The person or persons entitled to receive the shares of Common Stock (or Public Company Stock) issuable upon a conversion of this Note shall be treated for all purposes as the record Note Holder or Note Holders of such shares of Common Stock (or Public Company Stock) on the Conversion Date.
 - f) Taxes. The Company shall pay any and all taxes that may be payable with respect to the issuance and delivery of Common Stock (or Public Company Stock) upon the conversion of Notes.
5. Other Rights of Note Holders.
- g) Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person or other transaction which is effected in such a way that Note Holders of Common Stock (or Public Company Stock) are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock (or Public Company Stock) is referred to herein as "Natural

Change." Prior to the consummation of any (i) Natural Change or (ii) other Natural Change following which the Company is not a surviving entity, the Company will secure from the Person purchasing such assets or the successor resulting from such Natural Change (in each case, the "Acquiring Entity") a written agreement (in form and substance reasonably satisfactory to the Note Holder) to deliver to Note Holder in exchange for this Note, a security of the Acquiring Entity evidenced by a written instrument substantially similar in form and substance to this Note, and reasonably satisfactory to the Note Holder.

- h) Security Interest. To the extent the principal amount of the Note is greater than \$100,000, Company hereby grants Note Holder a continuing security interest in all presently existing and later acquired Collateral to secure all obligations and performance of Company's duties hereunder (collectively, the "Obligations"). The term "Collateral" shall include the following categories of assets as defined in Article 9 of the Uniform Commercial Code of the State of Delaware as amended (the "UCC"): goods (including inventory, equipment and any accessions thereto, instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations and any and all proceeds of any thereof, wherever located, whether now owned or hereafter acquired. Notwithstanding anything contained herein to the contrary, any rights granted to Note Holder pursuant to the security interest granted hereunder may only be enforced following prior written notice of a default of the Obligations to Company with a five (5) day opportunity for each party to cure such default. If, pursuant to the UCC, prior notice must be given to the Company upon the occurrence of an event, a five (5) day notice period shall be sufficient. Company irrevocably authorizes the Note Holder at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that: (i) indicate the Collateral as all assets of Company or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or as being of an equal or lesser scope or with greater detail; and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (y) whether Company is an organization, the type of organization, and any organization identification number issued to Company, and, (z) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates; and contain a notification that Company has granted a negative pledge to the Note Holder, and that any subsequent lien or may be tortuously interfering with the Note Holder's rights. Company agrees to furnish any of the foregoing information to the Note Holder promptly upon request. Company ratifies its authorization for the Note Holder to have filed any like initial financing statements or amendments thereto if filed prior to the date hereof. The Note Holder may add any supplemental language to any such financing statement as the Note Holder may determine to be necessary or helpful in acquiring or preserving rights against third parties.
6. Reservation of Shares. The Company shall at all times, so long as any principal amount of the Notes is outstanding, reserve and keep available out of its authorized and unissued Common Stock (or Public Company Stock), solely for the purpose of effecting the conversion of the Notes, such number of shares of Common Stock (or Public Company Stock) as shall at all times be sufficient to effect the conversion of all of the principal amount of the Notes then outstanding; provided that the number of shares of Common Stock (or Public Company Stock) so reserved shall at no time be less than one hundred ten percent (110%) of the number of shares of Common Stock (or Public Company Stock) for which the principal amount of the Notes are at any time convertible. The initial number of shares of Common Stock (or Public Company Stock) reserved for conversions of the Notes and each increase in the number of shares so reserved shall be allocated pro rata among the Note Holders of the Notes based on the principal amount of the

Notes held by each Note Holder at the time of issuance of the Notes or increase in the number of reserved shares, as the case may be. In the event a Note Holder shall sell or otherwise transfer any of such Note Holder's Notes, each transferee shall be allocated a pro rata portion of the number of reserved shares of Common Stock (or Public Company Stock) reserved for such transferor. Any shares of Common Stock (or Public Company Stock) reserved and allocated to any Person which ceases to hold any Notes shall be allocated to the remaining Note Holders, pro rata based on the principal amount of the Notes then held by such Note Holders.


7. Voting Rights. Note Holders shall have no voting rights, except as required by law.
8. Reissuance of Note. In the event of a conversion or redemption pursuant to this Note of less than all of the Conversion Amount represented by this Note, the Company shall promptly cause to be issued and delivered to the Note Holder, upon tender by the Note Holder of the Note converted or redeemed, a new note of like tenor representing the remaining principal amount of this Note which has not been so converted or redeemed and which is in substantially the same form as this Note.
9. Defaults and Remedies.
 - a) Events of Default. An "Event of Default" is: (i) default for thirty (30) days in payment of interest or Default Interest on this Note; (ii) default in payment of the principal amount of this Note when due; (iii) failure by the Company for thirty (30) days after notice to it to comply with any other material provision of this Note; (iv) if the Company pursuant to or within the meaning of any Bankruptcy Law; (A) commences a voluntary case; (B) consents to the entry of an order for relief against it in an involuntary case; (C) consents to the appointment of a Custodian of it or for all or substantially all of its property; (D) makes a general assignment for the benefit of its creditors; or (E) admits in writing that it is generally unable to pay its debts as the same become due; or (vi) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (1) is for relief against the Company in an involuntary case; (2) appoints a Custodian of the Company or for all or substantially all of its property; or (3) orders the liquidation of the Company or any subsidiary, and the order or decree remains unstayed and in effect for thirty (30) days. The Term "Bankruptcy Law" means Title 11, U.S. Code, or any similar Federal or State Law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.
 - b) Remedies. If an Event of Default occurs and is continuing, the Note Holder of this Note may declare this entire Note, including any interest and Default Interest and other amounts due, to be due and payable immediately.
10. Vote to Change the Terms of this Note. This Note and any provision hereof may only be amended by an instrument in writing signed by the Company and Note Holders of a majority of the aggregate Conversion Amount of the Notes then outstanding.
11. Lost or Stolen Note. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of an indemnification undertaking by the Note Holder to the Company in a form reasonably acceptable to the Company and, in the case of mutilation, upon surrender and cancellation of the Notes, the Company shall execute and deliver a new Note of like tenor and date and in substantially the same form as this Note; provided, however, the Company shall not be obligated to re-issue a Note if the Note Holder contemporaneously requests the Company to convert such remaining principal amount into Common Stock (or Public Company Stock).
12. Payment of Collection, Enforcement and Other Costs. If: (i) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding; or (ii) an attorney is retained to represent the Note Holder of this Note in any bankruptcy,

reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under this Note, then the Company shall pay to the Note Holder all reasonable attorneys' fees, costs and expenses incurred in connection therewith, in addition to all other amounts due hereunder.

13. Cancellation. After all principal and accrued interest at any time owed on this Note has been paid in full; this Note shall automatically be deemed cancelled, shall be surrendered to the Company for cancellation and shall not be reissued.
14. Waiver of Notice. To the extent permitted by law, the Company hereby waives demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.
15. Governing Law. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the laws of the State of Delaware, without giving effect to provisions thereof regarding conflict of laws. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in Delaware, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by sending by certified mail or overnight courier a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.
16. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Note Holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company covenants to each Note Holder of Notes that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth Of provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Note Holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof).
17. Specific Shall Not Limit General Construction. No specific provision contained in this Note shall limit or modify any more general provision contained herein. This Note shall be deemed to be jointly drafted by the Company and all Note Holders and shall not be construed against any person as the drafter hereof.
18. Failure or Indulgence Not Waiver. No failure or delay on the part of this Note in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

IN WITNESS WHEREOF, the parties involved have caused this document to be signed on and as of the Issuance Date indicated above.

For The Company


Stanley Wilson
Chief Executive Officer

**AMENDMENT No. 1
OF
CONVERTIBLE NOTE**

This Amendment No. 1 to the Convertible Note is dated effective as of the 30th day of May, 2019 by and between Masterbeat Corp. (the "Company") and Braeden Storm Enterprises, Inc. (the "Note Holder").

RECITALS:

WHEREAS, Azure Associates, Inc. loaned an aggregate amount of \$210,000.00 to Company, a Delaware corporation, which loan is evidenced by that certain note dated September 18, 2015 in the principal amount of \$210,000.00 issued by the Company to Azure Associates, Inc. (the "Original Note");

WHEREAS the Board of Directors of the Company, by unanimous written consent of the Board of Directors, dated September 18, 2015, acknowledged, ratified and approved the Original Note;

WHEREAS, the Note Holder acquired the Original Note in the principal amount of \$210,000.00 from Azure Associates, Inc., which is evidenced by a certain Note Purchase Agreement, dated May 28, 2019, with acknowledgement by and approval of the Company (the "Note");

AND WHEREAS, the Board of Directors of the Company, by unanimous written consent of the Board of Directors, dated May 30, 2019, acknowledged, ratified and approved this Amendment No. 1 to the Note.

NOW THEREFORE, the Company and Note Holder desire to amend the Note and further agree as follows:

1. Section 1(b) of the Note shall be deleted and the following shall be substituted therefore:

Payment of Principal. The principal balance of this Note shall be paid to the Note Holder hereof on Demand. The Note Holder, in its sole discretion, may assign, transfer or sell the Note, or any portion thereof, to any third party or designee. The unpaid principal balance of this Note shall bear a ten percent (10%) annual interest rate, commencing on the Maturity Date, September 18, 2015, and until the principal plus the accrued and unpaid interest of the Note is paid in full.

2. Section 2(a)(1) of the Note shall be deleted and the following shall be substituted therefore:

"Conversion Price" shall mean Note Holder may convert any portion of the principal plus the accrued and unpaid interest hereon, into fully paid and non-assessable shares of the Company's common stock based on a conversion price of 50% of the lowest per share market value of the ten (10) trading days immediately preceding a Conversion date or \$0.001 per share, whichever is lowest. The Company and the Note Holder intend to limit the Note Holder, upon any conversion(s), to never holding in excess of 9.99% of the total issued and outstanding shares of common stock of the Company.

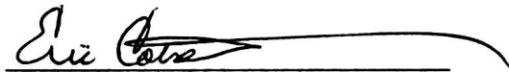
3. Except as specifically set forth by this Amendment No. 1, the rest and remainder of the terms and conditions of the Note shall remain in full force and effect without change or modification with the same force and effect as if more fully set forth hereat.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date set forth above.

Note Holder

Braeden Storm Enterprises, Inc..

Date: May 30, 2019

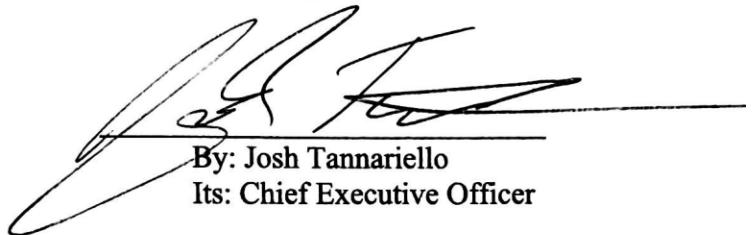


By: Eric Cousens
Its: President

Company

Masterbeat Corp.

Date: May 30, 2019



By: Josh Tannariello
Its: Chief Executive Officer