

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



Virtual Medical International Inc.

3561 Lindell Road, Suite D 639,
Las Vegas, NV 89103

Telephone: 719-283-6367
Website: <https://investvirtualmedical.com/>
Company Email: lelmore@investvirtualmedical.com
SIC Code: 3990

Quarterly Report For the Three Month Period Ending: March 31, 2021 (the "Reporting Period")

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

479,580,631

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

471,721,541

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

471,721,541

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:

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

Yes: ☐ No: ☒

1) Name and address(es) 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.

QE Brushes, Inc. – July 19, 2007 to August 26, 2010
Virtual Medical International, Inc. – August 26, 2010 to Present

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):

The state of incorporation of the issuer is the State of Nevada which has been the state of incorporation since inception. The issuer is currently active in Nevada.

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

On August 6, 2012 the Company voluntarily filed a Form 15-12g notice of termination of registration of securities with the SEC. There were no orders issued by the SEC in relation to any trading suspension.

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

On November 27, 2020, Larry Eastland resigned as President, CEO, Secretary and Treasurer of the issuer and Lee Larson Elmore was appointed Chairman and a director making him the sole office and director of the issuer, thus effecting a change in control of the issuer. During the year ended December 31, 2020 covered by this report the issuer entered into two acquisition agreements. An agreement to acquire 100% of the membership interests in Farmshare Inc. and its CBD oil inventory and an agreement to acquire GenX water, a Mexican company with specialized beverage formulations. Further, during the period covered by this report the issuer has entered into a number of additional acquisition agreements and appointed directors and officers. This information can be more particularly found in the notes to the financial statements appended to and forming a part of this disclosure statement.

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

3561 Lindell Road, Suite D 639, Las Vegas, NV 89103

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 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

(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.

2) Security Information

Trading symbol: QEBR
Exact title and class of securities outstanding: Common Stock
CUSIP: 92828H109
Par or stated value: 0.00001

Total shares authorized: 1,000,000,000 as of date: August 16, 2021
Total shares outstanding: 560,588,208 as of date: August 16, 2021
Number of shares in the Public Float²: 73,662,096 as of date: August 16, 2021
Total number of shareholders of record: 294 as of date: August 16, 2021

All additional class(es) of publicly traded securities (if any):

N/A

Transfer Agent

Name: Empire Stock Transfer Inc.
Phone: 702-818-5898
Email: info@empirestock.com
Address: 1859 Whitney Mesa Dr. Henderson NV 89014

Is the Transfer Agent registered under the Exchange Act?³ 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: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>December 31, 2018</u> Common: <u>420,617,541</u> Preferred Series B: <u>36,470,893</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
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	Individual/ Entity Shares were issued to (entities must have individual with voting / investment	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

					the time of issuance? (Yes/No)	control disclosed).			
<u>01/23/2019</u>	<u>New issuance</u>	<u>2,040,000</u>	<u>Common</u>	<u>1.99</u>	<u>No</u>	<u>Cassandra Tsz Wai Law</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>01/23/2019</u>	<u>New issuance</u>	<u>1,020,000</u>	<u>Common</u>	<u>1.99</u>	<u>No</u>	<u>Chun Ling Ng</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>01/23/2019</u>	<u>New issuance</u>	<u>1,020,000</u>	<u>Common</u>	<u>1.99</u>	<u>No</u>	<u>Chin Long Pon</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>01/23/2019</u>	<u>New issuance</u>	<u>1,020,000</u>	<u>Common</u>	<u>1.99</u>	<u>No</u>	<u>Bulls Run Limited (control person- Ms Nankalmu and Mr. Ding Shin Chang)</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>01/23/2019</u>	<u>New issuance</u>	<u>4,000</u>	<u>Common</u>	<u>1.99</u>	<u>No</u>	<u>Kon Ki Lo</u>	<u>Legal Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/23/2019</u>	<u>New issuance</u>	<u>3,412,400</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Shenzhen Xiangyun Tianton Technology Co. Ltd. (Beneficial owner – Jon Jun Liang</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New issuance</u>	<u>5,061,200</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Moto Legend (Hong Kong) Limited (Beneficial owner Hong Liang Wang</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New issuance</u>	<u>5,699,200</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Haifeng Zhou</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New issuance</u>	<u>791,700</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Tianxia Cailian (Beijing) Investment Consulting Ltd. (Beneficial owner – Zhan Jun Wang</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New</u>	<u>441,400</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Qi Zhang</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New</u>	<u>3,919,500</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Tibet Zhenshi S&T Development Center (Limited Partnership – Beneficial owner Zhan Jun Wang</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/31/2019</u>	<u>New</u>	<u>1,674,600</u>	<u>Common</u>	<u>0.56</u>	<u>No</u>	<u>Dan Pong</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>4(a)(2)</u>

<u>10/27/2020</u>	<u>Conversion</u>	<u>(25,000,000)</u>	<u>Series B Preferred</u>	<u>N/A</u>	<u>N/A</u>	<u>NYJJ Investments Ltd.</u>	<u>Conversion to Common</u>	<u>N/A</u>	<u>Rule 144</u>
<u>10/27/2020</u>	<u>Conversion</u>	<u>25,000,000</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>NYJJ Investments Ltd.</u>	<u>Conversion from Series B Preferred to Common</u>	<u>Free Trading</u>	<u>Rule 144</u>
<u>02/05/2021</u>	<u>New</u>	<u>25,000,000</u>	<u>Series D Preferred stock</u>	<u>\$0.004</u>	<u>N/A</u>	<u>Mark Cheung</u>	<u>Share Subscription</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/05/2021</u>	<u>New</u>	<u>680,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>George McFarland</u>	<u>Services</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/05/2021</u>	<u>New</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Blair Merriman</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/05/2021</u>	<u>New</u>	<u>500,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Kevin Blanchette</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/17/2021</u>	<u>New</u>	<u>1,020,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>George McFarland</u>	<u>Services</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/19/2021</u>	<u>New</u>	<u>3,500,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Joseph and Patricia G. Abrams in trust</u>	<u>Services</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>02/19/2021</u>	<u>New</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Rodrigo Garcia</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>Reg S</u>
<u>02/25/2021</u>	<u>New</u>	<u>909,090</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Global Career Networks Inc., the control person is Michael Woloshin</u>	<u>Services</u>	<u>Restricted</u>	<u>Rule 144</u>
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date: <u>March 31, 2021</u>									
Common: <u>479,580,631</u>									
Preferred Series B: <u>11,470,893</u>									
Preferred Series D: <u>25,000,000</u>									

Use the space below to provide any additional details, including footnotes to the table above:

- (1) Effective closing date for acquisition of DZD, DZD HK and ICMC was October 31, 2019; shares issued administratively on November 6, 2019.
- (2) Ms. Nankalamu has a single legal name. As such, no first name is provided, and we have indicated as such with the abbreviation "NFN" for No First Name in all instances where Ms. Nankalamu is referenced.

Debt Securities, Including Promissory and Convertible Notes

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.)

Use the space below to provide any additional details, including footnotes to the table above:

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)⁴:

Name: Li Shen, The Accounting Connection
Title: CA
Relationship to Issuer: Third Party Accountant

Unaudited financial statements for the three months ended March 31, 2021 and 2020 appended hereto include:

- C. Balance sheets;
D. Statements of income;
E. Statements of cash flows;
F. Statements of Retained Earnings (Statements of Changes in Stockholders' Equity); and,
G. Financial notes.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

The issuer is operating in the business of medical grade CBD oil production and distribution. As of December 31, 2020, the issuer is finalizing agreements to complete acquisitions in this sector.

B. Please list any subsidiaries, parents, or affiliated companies.

The issuer has no subsidiaries, parents or affiliated companies as at the fiscal year ended December 31, 2020.

C. Describe the issuers' principal products or services.

The issuer is operating in the business of medical grade CBD oil production and distribution. As of March 31, 2021, the issuer is finalizing agreements to complete acquisitions in this sector. These acquisitions will include CBD related products and farming operations related to the harvesting and processing of products that are CBD related.

6) Issuer's Facilities

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer does not currently have any leases for offices. Office space is provided to the issuer free of charge by Larson Elmore, our CEO.

7) Company Insiders (Officers, Directors, and Control Persons)

Information provided as at March 31, 2021

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)		Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Lee Larson Elmore	President, Secretary, Treasurer, Director	Monument, CO	100,000,000	Common	20.1%	These shares are held indirectly by Red creek Real Estate Development, a company controlled by Mr. Elmore
Allied Express Holdings Limited	Over 5% Shareholder	Hong Kong SAR China	206,593,000	Common	43.1%	The controlling person is <u>Pui Lam Cheung</u>
Mark Cheung	Over 5% Preferred Shareholder	Laguna Hills, CA	25,000,000	Series D Preferred	100%	
Salls Family Trust	5% Preferred Shareholder	Las Vegas, NV	2,500,000	Series B Preferred	21.8%	The Company does not have information on the controlling person
Shim Anude, LLC	5% Preferred Shareholder	Malibu, CA	2,500,000	Series B Preferred	21.8%	
Robert J. Tassinari	5% Preferred Shareholder	Las Vegas, NV	2,270,893	Series B Preferred	19.8%	The Company does not have information on the controlling person
Cantonitalia LLC	5% Preferred Shareholder	Malibu, CA	4,000,000	Series B Preferred	34.9%	The Company does not have information on the controlling person

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities 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 proceedings that the issuer is aware of as of the date of this filing.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Ken Denos
Firm: Kenneth L Denos PC
Address 1: 11650 South State Street, Suite 240
Address 2: Draper, UT 84020
Phone: (801) 619-1195
Email: info@denoslaw.com

Accountant or Auditor

Name: Li Shen, CA
Firm: The Accounting Connection
Address 1: 145-251 Midpark Blvd. SE
Address 2: Calgary, Alberta T2X 1S3, Canada
Phone: 403-693-8004
Email: support@theaccountingconnection.com

Investor Relations

N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Jacqueline Danforth
Firm: The Ideal Connection
Nature of Services: Compliance Consulting Services
Address 1: 30 North Gould, Suite 5953
Address 2: Sheridan, WY 82801
Phone: 646-831-6244
Email: jd@theidealconnection.com

10) Issuer Certification

Principal Executive Officer

I, Lee Larson Elmore certify that:

1. I have reviewed this annual disclosure statement for the three month period ended March 31, 2021, of Virtual Medical International Inc.;
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.

August 31, 2021

/s/ Lee Larson Elmore

Lee Larson Elmore
Principal Executive Officer

Principal Financial Officer:

I, Chene Gardner certify that:

1. I have reviewed this annual disclosure statement for the three month period ended March 31, 2021, of Virtual Medical International Inc.;
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.

August 31, 2021

/s/ Chene Gardner

Chene Gardner
Principal Financial Officer

FINANCIAL STATEMENTS

VIRUTAL MEDICAL INTERNATIONAL, INC.

Condensed Financial Statements For the Three Months ended March 31, 2021 and 2020 Unaudited – Prepared by Management

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VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
ASSETS		
Current Assets		
Prepaid expenses	\$ 31,775	\$ 46,775
Other current assets	<u>163,750</u>	<u>-</u>
Total Current Assets	195,525	46,775
TOTAL ASSETS	<u><u>\$ 195,525</u></u>	<u><u>\$ 46,775</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,975	\$ -
Due to related party	2,760	2,760
Liability for unissued shares	<u>-</u>	<u>500,000</u>
Total Current Liabilities	<u>7,735</u>	<u>502,760</u>
TOTAL LIABILITIES	<u>7,735</u>	<u>502,760</u>
Stockholders' Equity (Deficit)		
Preferred Stock at \$0.00001 par value, 45,000,000 shares authorized, Series B Preferred at \$0.00001 par value, 15,000,000 shares designated, 11,470,893 shares issued and outstanding at March 31, 2021 and December 31, 2020	115	115
Series D Preferred at \$0.00001 par value, 30,000,000 shares designated as at March 31, 2021 and 25,000,00 and 0 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	250	-
Common Stock at \$0.00001 par value, 1,000,000,000 shares authorized, 479,580,631 and 471,721,541 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	4,796	4,717
Additional paid in capital	116,343,668	115,208,367
Accumulated deficit	<u>(116,161,039)</u>	<u>(115,669,184)</u>
Total Stockholders' Equity (Deficit)	<u>187,790</u>	<u>(455,985)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u><u>\$ 195,525</u></u>	<u><u>\$ 46,775</u></u>

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
Operating expenses		
General and administrative	\$ 490,480	\$ 15
Professional fees	1,375	30,881
Total operating expenses	<u>491,855</u>	<u>30,896</u>
(Loss) from continuing operations	<u>(491,855)</u>	<u>(30,896)</u>
Income (loss) from discontinued operations	-	(184)
Net Loss	<u>\$ (491,855)</u>	<u>\$ (31,080)</u>
Basic and diluted net loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares used in completing basic and diluted net loss per common share	<u>475,583,642</u>	<u>446,721,541</u>
Comprehensive Income (Loss):		
Net loss	\$ (491,855)	\$ (31,080)
Effect of foreign currency translation	-	(478)
Comprehensive Loss	<u>\$ (491,855)</u>	<u>\$ (31,558)</u>

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Series B Preferred Stock		Series D Preferred Stock		Common Stock		Additional	Accumulated	Stockholders'
	Shares	Amount (\$)	Shares	Amount (\$)	Shares	Amount (\$)	Paid-in Capital (\$)	(Deficit) (\$)	Equity (Deficit) (\$)
Balance, December 31, 2020	11,470,893	115	-	-	471,721,541	4,717	115,208,367	(115,669,184)	(455,985)
Share subscription for Series D Preferred stock	-	-	25,000,000	250	-	-	9,750	-	10,000
Shares issued under Data delivery and service agreement	-	-	-	-	909,090	9	499,991	-	500,000
Shares issued under unclosed purchase agreements	-	-	-	-	1,750,000	18	163,732	-	163,750
Shares issued for advisory agreement	-	-	-	-	3,500,000	35	255,465	-	255,500
Shares issued under service agreements	-	-	-	-	1,700,000	17	206,363	-	206,380
Net Loss	-	-	-	-	-	-	-	(491,855)	(491,855)
Balance March 31, 2021	11,470,893	115	25,000,000	250	479,580,631	4,796	116,343,668	(116,161,039)	187,790

	Series B Preferred Stock		Common Stock		Additional	Accumulated	Accumulated other	Non-	Stockholders'
	Shares	Amount (\$)	Shares	Amount (\$)	Paid-in Capital (\$)	(Deficit) (\$)	comprehensive Income (\$)	controlling Interest (\$)	Equity (Deficit) (\$)
Balance, December 31, 2019	36,470,893	365	446,721,541	4,467	110,708,367	(100,012,469)	(659)	(5,034,248)	5,665,823
Foreign currency translation adjustment	-	-	-	-	-	-	(478)	-	(478)
Net Loss	-	-	-	-	-	(29,700)	-	(1,380)	(31,080)
Balance, March 31, 2020	36,470,893	365	446,721,541	4,467	110,708,367	(100,042,169)	(1,137)	(5,035,628)	5,634,265

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	March 31,	
	2021	2020
Cash Flows from Operating Activities		
Net Loss	\$ (491,855)	\$ (31,080)
Net loss from discontinued operations	-	184
Adjustments to reconcile net profit to net cash used in operating activities:		
Expenses paid by related party	-	2,000
Stock based compensation	486,880	-
Changes in operating assets and liabilities:		
Prepaid expenses	(10,000)	9,215
Accounts payable and accrued liabilities	4,975	19,681
Net cash (used) in operating activities	<u>(10,000)</u>	<u>-</u>
Cash Flows Used in Financing Activities		
Proceeds from the sale of Series D preferred stock	<u>10,000</u>	<u>-</u>
Net cash provided in financing activities	<u>10,000</u>	<u>-</u>
Net cash Provided in discontinued operating activities	<u>-</u>	<u>97,384</u>
Net change in cash and cash equivalents	-	55,702
Effects of exchange rates on cash	-	(21)
Cash and cash equivalents - beginning of period	<u>-</u>	<u>-</u>
Cash and cash equivalents - end of period	<u><u>\$ -</u></u>	<u><u>\$ 153,065</u></u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-Cash Investing and Financing Activity:		
Shares issued for liability of unissued stock for services	<u>\$ 50,000</u>	<u>\$ -</u>
Shares issued for liability of unissued stock for purchased assets	<u>\$ 450,000</u>	<u>\$ -</u>

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 1 - ORGANIZATION AND OPERATIONS

Virtual Medical International, Inc. (the “Company”) was originally incorporated in the State of Nevada on July 19, 2007 as QE Brushes, Inc. On August 26, 2010, the Company changed its name to Virtual Medical International, Inc. The Company initially was in the business of internet-based medical education, offering web-based programs to educate patients on the risks and benefits of medical treatments.

On May 16, 2018, the Company acquired 100% of the equity interest of Environmental Robotics Limited (“ER”), a company incorporated in the Marshall Islands. ER holds 100% of the equity interest of Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd (“Jinbaixing”), a company incorporated in the People’s Republic of China (“PRC”). The Company issued 5,000,000 shares to the original shareholders of ER as consideration. Both ER and Jinbaixing are investment holding companies and do not currently hold assets.

On May 24, 2018, the Company, through Jinbaixing, acquired 40% of the equity interest of Xiaojin County Ruibo Big Data Technology Co., Ltd. (“Big Data”), a company incorporated in the PRC. Big Data is engaged in the business of mining cryptocurrencies. The Company issued 10,000,000 shares to the original shareholders of Big Data as consideration.

On October 29, 2018, the Company filed a Second Amended and Restated Articles of Incorporation (the “Restated Articles”) with the Secretary of State of Nevada. The Restated Articles set forth the following changes to the Company’s Articles of Incorporation: (i) discontinued the practice of issuing “blank check” preferred stock, in which the board of directors of the Company may designate new series of preferred stock by filing Articles of Designation with the Secretary of State of Nevada; (ii) increased the authorized Common Stock to 1,000,000,000 shares; (iii) maintained the designated Series B Preferred Stock at 45,000,000 shares; and (iv) eliminated the Series C Preferred Stock. The Company effected the Restated Articles for the purposes of providing sufficient capital stock to use as consideration for our possible business acquisition in the future and for other reasons.

On January 23, 2019, the Company closed an acquisition of 100% of the equity interest of Sheen Boom Investments Limited (“Sheen Boom”), a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the equity interest of Jihye Technology Limited (“Jihye”), a company incorporated in Hong Kong. The Company issued 5,100,000 shares to the original shareholders of Sheen Boom as consideration. Sheen Boom is an investment holding company that owns no operating assets. Jihye plans to open and operate a number of Filecoin farms globally, including an initial farm in Hong Kong, which is currently under construction, and subsequent farms in Japan, Korea, Singapore and Toronto.

On September 28, 2019, as amended September 30, 2019, the Company entered into a Share Exchange Agreement with the shareholders of Idaho Country Mining Co. LLC (“ICMC”), Shenzhen DZD Digital Technology Ltd (“DZD”) and DZD Digital Technology Ltd. (“DZD HK”) in order to acquire 100% of each of the aforementioned entities for a total of 21,000,000 restricted shares of common stock. The transaction closed with an effective date of October 31, 2019, and the consideration shares in respect of the transaction were subsequently issued on November 6, 2019. As a result of these acquisitions, Mr. Jianxing (Oliver) Li and Mr. Jon Jun Liang were appointed to the Company’s Board of Directors. Mr. Li was concurrently appointed Chief Financial Officer (“CFO”) and Mr. Liang as Chief Technology Officer (“CTO”).

On June 28, 2020, the Company, Sheen Boom and Jihye entered into a Termination and Divestiture Agreement (the “Termination Agreement”). During the quarter, the Company determined it is no longer in the best interests of the Company to continue to hold these corporate entities as controlled subsidiaries due to the delayed timeline for operations and revenue to commence as a result of COVID-19. The divestiture is retroactively effective to March 31, 2020 (ref: Note 4). Concurrently DZD assumed the planned operations with respect to our proposed Filecoin mining operation. As a result of the substantive progress on the engineering of the Filecoin hardware completed by DZD technicians during the three months ended June 30, 2020, all research & development programs, and proposed plans to own and operate Filecoin farms globally shifted to DZD from Jihye (ref: Note 5).

On November 13, 2020, effective October 1, 2020, the Company determined to divest itself of all of its then current subsidiaries. The Company has divested itself of ICMC with services in data acquisition, data mining, encrypted data bookkeeping, and encrypted data acquisition; and, DZD, an engineering partner with ICMC in Shenzhen, China which specializes in providing services for data processing, data mining, encrypted data bookkeeping, and researching of data technology. The divestiture is retroactively effective to October 1, 2020 (ref: Note 5).

On January 29, 2021, the Company amended the authorized preferred shares to authorize and designated 30,000,000 Series D Preferred shares and amended the designation to reduce the designated Series B Preferred stock to 15,000,000 shares of Series B Preferred stock.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 1 - ORGANIZATION AND OPERATIONS (continued)

The Series D Preferred stock has voting rights equal to the common stock, is convertible into common stock based on a conversion of 1 to 1. The Series D Preferred stock has equal dividend rights to the common stock.

On February 5, 2021, the Company executed a subscription agreement to sell a total of 25,000,000 Series D Preferred shares at \$0.0004 per share for consideration of \$10,000.

On February 18, 2021, the Company entered into an advisory agreement with Joseph Abrams. The agreement is for a period ending on December 31, 2021. The agreement called for the issuance of 3,500,000 shares of common stock which are earned on signing. The shares were issued on February 19, 2021.

Management expects to close additional acquisitions in fiscal 2021 and to continue to enhance its Board of Directors and executive officers to support the growth of the Company as it transitions back to the CBD sector.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries as set out below. All significant inter-company accounts and transactions have been eliminated. The consolidated financial statements include 100% of assets, liabilities, and net income or loss of its wholly-owned subsidiaries, and 51% percent of the assets, liabilities, and net income or loss of Jihye Technology Limited through divestiture. The Company's previous subsidiaries are listed as follows:

Name of Company	Place of incorporation	Attributable equity interest % as of		Principal business activities
		December 31, 2020	December 31, 2019	
Environmental Robotics Limited ("ER")**	Marshall Islands	Nil	100	Investment holding
Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd ("Jinbaixing")**	PRC	Nil	100	Investment holding
Sheen Boom Investment Limited ("Sheen Boom")*	British Virgin Islands	Nil	100	Investment holding
Idaho Country Mining Co. LLC**	USA	Nil	Nil	Data acquisition
Shenzhen DZD Digital Technology Ltd.**	PRC	Nil	Nil	Data processing
DZD Digital Technology Ltd.**	Hong Kong	Nil	Nil	Data processing
Jihye Technology Limited ("Jihye")*	Hong Kong	Nil	51%	Computer consultancy

*Divested by way of agreement dated June 28, 2020, with effective date of March 31, 2020.

** Divested by way of agreement dated November 13, 2020 with an effective date of October 1, 2020.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

Equity investments for which we are able to exercise significant influence over but do not control the investee and are not the primary beneficiary of the investee's activities are accounted for using the equity method. Accordingly, Big Data has been accounted for using the equity method.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

The Company's significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, including the values assigned to an estimated useful lives of computer equipment; and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value. Management bases its estimates on historical experience and on

various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Foreign currency translation and re-measurement

The Company translates its foreign operations to the U.S. dollar in accordance with ASC 830, "Foreign Currency Matters".

The reporting and functional currency for the Company, ER, Sheen Boom and ICMC is the US dollar, while that for Jinbaixing, Big Data, and DZD is the Chinese Renminbi ("RMB") and that for Jihye and DZD HK is the Hong Kong Dollar ("HKD"). Jinbaixing, Big Data, DZD, DZD HK and Jihye, whose records are not maintained in those entities' respective functional currencies, re-measure their records into their functional currency as follows:

- Monetary assets and liabilities at exchange rates in effect at the end of each period
- Nonmonetary assets and liabilities at historical rates
- Revenue and expense items at the average rate of exchange prevailing during the period

Adjustments arising from such translations are included in accumulated other comprehensive income in shareholders' equity.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

The Company follows ASC 850-10 for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include a) affiliates of the Company; b) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur.

The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Revenue recognition

Effective January 1, 2018, the Company adopted ASC 606, "Revenue from Contracts with Customers." The Company has evaluated the new guidance and its adoption did not have a significant impact on the Company's financial statements and a cumulative effect adjustment under the modified retrospective method of adoption will not be necessary. The Company derives its revenues from the rendering of computer consultancy services, the allocation of data resources in our data center, commission fees relative to customer introductions to our business partners and the sale of services and equipment. The Company considers revenue realized or realizable and earned when all of the following criteria are met:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable and Allowance for Doubtful Accounts

The Company determines the allowance for doubtful accounts by considering a number of factors, including the length of time the accounts receivable are beyond the contractual payment terms, previous loss history, and the customer's current ability to pay its obligation. When the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company, the Company records a charge to the allowance to reduce the customer's related accounts. During the period ended March 31, 2021, the allowance for doubtful accounts totaled \$0.

Stock Based Compensation

We have share-based compensation plans under which employees, consultants, suppliers and directors may be granted restricted stock, as well as options to purchase shares of our common stock at the fair market value at the time of grant. Stock-based compensation cost is measured by us at the grant date, based on the fair value of the award, over the requisite service period using an estimated forfeiture rate. Grants of stock options and stock to non-employees and other parties are accounted for in accordance with the ASC 718.

Financial Instruments

The Company's financial instruments consist primarily of Cash and cash equivalents, Prepaid expenses, Accounts payable and accrued liabilities and Due to related party. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

ASC 820, Fair Value Measurements, defines fair value as the price at which an asset could be exchanged or a liability transferred in an orderly transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or derived from such prices. Where observable prices or inputs are not available, valuation models are applied which may involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity.

Income Tax Provisions

The Company has adopted ASC Topic 740 – "Income Taxes" ASC Topic 740 which requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of ASC Topic 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement 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.

Net income (loss) per common share

The Company computes earnings per share ("EPS") in accordance with ASC 260, "Earnings per share". Basic EPS is measured as the income or loss available to common shareholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options, and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. The Company's diluted loss per share is the same as the basic loss per share for the years ended December 31, 2020 and 2019, as there are no potential shares outstanding that would have a dilutive effect.

Recent Accounting Pronouncements

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, management has not determined whether implementation of such proposed standards would be material to the Company's consolidated financial statements.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit at March 31, 2021 of \$116,161,039 and we are not yet generating sufficient revenues to meet our ongoing operational costs. These factors among others raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to increase revenue generating operations, the Company's cash position is currently not sufficient to support the Company's daily operations. The Company divested certain underperforming subsidiaries during fiscal 2020 in order to reduce overhead. Management intends to raise additional funds by way of a public or private offering, debt financing or contributions from existing shareholders. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues. The recent COVID-19 pandemic could have an adverse impact on the Company going forward. COVID-19 has caused significant disruptions to the global financial markets, which may severely impact the Company's ability to raise additional capital and to pursue its ongoing business operations. The Company may be required to continue to substantially reduce operations or cease operations if it is unable to finance shortfalls in our operating costs. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report and is highly uncertain and subject to change. Management is actively monitoring the situation but given the daily evolution of the COVID-19 outbreak, the Company is not able to estimate the effects of the COVID-19 outbreak on its operations or financial condition in the next 12 months. There are no assurances that the Company will be able to meet its obligations, raise funds or implement its business plans as anticipated. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – DIVESTITURES

On June 28, 2020, the Company, Sheen Boom and Jihye entered into a Termination and Divestiture Agreement (the "Termination Agreement"). During the quarter, the Company determined it is no longer in the best interests of the Company to continue to hold these corporate entities as controlled subsidiaries due to the delayed timeline for operations and revenue to commence as a result of COVID-19. The divestiture is retroactively effective to March 31, 2020 (ref: Note 4). Concurrently DZD assumed the planned operations with respect to our proposed Filecoin mining operation. As a result of the substantive progress on the engineering of the Filecoin hardware completed by DZD technicians during the three months ended June 30, 2020, all research & development programs, and proposed plans to own and operate Filecoin farms globally shifted to DZD from Jihye.

On November 13, 2020, effective October 1, 2020, the Company determined to divest itself of all of its then current subsidiaries. The Company has divested itself of ICMC with services in data acquisition, data mining, encrypted data bookkeeping, and encrypted data acquisition; and, DZD, an engineering partner with ICMC in Shenzhen, China which specializes in providing services for data processing, data mining, encrypted data bookkeeping, and researching of data technology. The divestiture is retroactively effective to October 1, 2020

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 4 – DIVESTITURES (continued)

Assets and liabilities included in divestiture:	<u>Divestment</u>
Assets	
Cash and cash equivalent	36,810
Prepaid expenses	47,534
Investment in equity method investee	<u>5,837,330</u>
	<u>5,921,674</u>
Liabilities	
Accounts payable and accrued liabilities	(1,290)
Due to related party	(19,144)
Customer deposits	<u>(122,267)</u>
Net asset value divested	\$ <u>(142,701)</u>
Loss on divestment of business combinations:	
Loss on net assets divested	\$ 5,778,973
Gain on debt transfer to related party	(102,552)
Loss on realized foreign exchange	882
Loss on non-controlling interest	<u>5,034,248</u>
Total:	\$ <u>10,711,551</u>

The Results of the Discounted Operations which are not separated in the Company's condensed consolidated statements of operations are as follows:

	Three Months Ended	
	March 31,	
	2021	2020
Net revenues	\$ -	\$ 60,245
Share of income from investment in equity method	<u>-</u>	<u>9,742</u>
Operating expenses		
Cost of revenue	-	69,915
General and administrative	<u>-</u>	<u>256</u>
Total operating expenses		<u>(184)</u>
Income (Loss) from operations	\$ <u><u>-</u></u>	\$ <u><u>(184)</u></u>

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 5 – PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses at March 31, 2021 and December 31, 2020 consist of the following:

	March 31, 2021	December 31, 2020
Data service fees (ref Note – 9)	\$ 21,775	\$ 46,775
Others	10,000	-
	<u>\$ 31,775</u>	<u>\$ 46,775</u>

Other assets at March 31, 2021 and December 31, 2020 consist of the following:

	March 31, 2021	December 31, 2020
Shared issued under Membership agreement – ref Note 7	\$ 145,500	\$ -
Shares issued under acquisition agreement with GenX – ref Note 8	18,250	-
	<u>\$ 163,750</u>	<u>\$ -</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Company received advances of \$16,912 from related parties to pay ongoing operating expenses of the Company.

On November 13, 2020, upon divestiture of its remaining subsidiaries, debt totaling \$102,552 on the books of the Company related to prior operations was assumed by the acquiree, of which a total of \$74,809 was related party debt.

As of March 31, 2021 and December 31, 2020, the Company owed \$2,760 to related parties. These amounts are interest free, unsecured and have no fixed terms of repayment.

NOTE 7 – MEMBERSHIP PURCHASE AGREEMENT

On November 27, 2020, the Company entered into a membership purchase agreement with Blair Merriam to acquire 100% of the membership shares held by Mr. Merriam in Farmshare LLC, a Wyoming LLC (“Farmshare”) in the business of growing hemp and CBD oil manufacture for the issuance of 1,500,000 shares of common stock of the Company.. Under the agreement, the Company will also purchase the inventory of produced CBD oil from Farmshare valued at \$866,750 in exchange a promissory note in the amount of \$866,750. In February 2021, the Company issued 1,500,000 shares for the acquisition and had not yet received the membership shares from Mr. Merriam. The closing of the transaction requires Farmshare to deliver the shares of Farmshare and the Company to deliver the promissory note and the shares of the Company. The Company delivered the promissory note which carries an interest rate at 5% at issuance with the interest rate increasing to 8% if unpaid at maturity. The note matured on March 31, 2021. The Company has not reflected the obligations under the promissory note as of the date of this filing as the acquisition has not yet closed. The Company valued 1,500,000 shares issued for the acquisition at the closing price of the Company’s common stock as traded on the OTCMarket on the date of issuance and recorded the amount of \$145,000 in other assets.

NOTE 8 – BUSINESS ACQUISITION

On December 1, 2020, the Company entered into an agreement to acquire all of the issued and outstanding shares of GenX Fitness Water (“GenX”), a company incorporated pursuant to the laws of Mexico. Under the terms of the purchase agreement the Company will receive the shares of Gen X as well as all formulas, IP, advertising materials, inventory, branding and know-how. The purchase price for the acquisition is \$25,000 cash and 250,000 shares of the Company plus a 5% residual commion based on Net operating income to be paid to the seller. As of the date of this filing the Company had issued 25,000 shares for the acquisition but not paid the funds as required until the agreement. The Company valued 250,000 shares at the closing price of the Company’s stock as traded on the OTCMarket on the issuance date and recorded the amount \$18,250 in other assets.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 9 – DATA PURCHASE AND SERVICE AGREEMENT

On December 12, 2020, the Company entered into a Data Delivery Agreement with Global Career Networks whereby Global would purchase sector specific data records for lead generation and marketing purposes. Global delivered a total of 2,250,000 data records at a deemed price for \$0.20 per record valued at \$450,000 payable by way of the issue of 818,181 shares of common stock of the Company.

In addition, on December 12, 2020, the Company entered into a six-month services agreement with Global Career Networks (“Global”) whereby Global agreed to provide advisory services to the Company for its marketing and branding, including reviews and assessments of the Company’s existing websites, online presence and marketing. Global is also to advise the Company on social media management, setting up websites SEO and Google analytics. Under the terms of the agreement, the Company was required to issue a total of 90,909 shares of common stock valued at \$0.55 per share at the date of the issuance for total consideration of \$50,000.

The Company valued 818,181 and 90,909 shares at the closing price of the Company’s stock as traded on the OTCMarket on the date of agreement and recorded in other assets of \$450,000 and prepaid expenses of \$50,000. We fully impaired the assets in year 2020. The Company expensed the \$25,000 as stock based compensation during the three months ended March 31, 2021 and \$3,255 during the year ended December 31, 2020. As of March 31, 2021, the balance in prepaid expense is \$21,775 (December 31, 2020 - \$46,775).

Further, the Company agreed to a “true-up” whereby if the value of the stock issued at six months from the date of execution of the agreements had declined, then Global would have the right to request and receive such number of shares at that date based on the lowest trading price for the 5 days preceding the effective date (June 12, 2021) and receive such number of shares to ensure the total cash value of the agreements was received.

NOTE 10 – ADVISORY AGREEMENTS

On February 18, 2021, the Company entered into an advisory agreement with Joseph Abrams. The agreement is for a period ending on December 31, 2021. The agreement called for the issuance of 3,500,000 shares of common stock which are earned on signing. The shares were issued on February 19, 2021 and were valued at \$255,500.

NOTE 11 – STOCKHOLDERS’ EQUITY

Preferred Stock

As of March 31, 2021, the Company had authorized 45,000,000 shares of Preferred Stock at a par value of \$0.00001. We have two classes of Preferred Stock designated as of March 31, 2021.

On January 29, 2021, the Company amended the authorized preferred shares to authorize and designate Series D Preferred shares in the amount of 30,000,000 Series D preferred and to amend the designation to reduce the designated Series B Preferred stock to 15,000,000 shares of Series D Preferred stock.

Series B Preferred stock

The Company designated 45,000,000 shares of Preferred Stock as Convertible Series B Preferred Stock at a par value of \$0.00001. The Series B Preferred Stock has the right to vote alongside the Common Stock at a ratio of 1:1. Additionally, the Series B Preferred Stock must approve certain significant corporate actions with the approval of the Series B Preferred Stock voting separately as a class. The Series B Preferred Stock is not redeemable by the Company. The Series B Preferred Stock converts into Common Stock at a ratio of 1:1.

During the year ended December 31, 2020, 25,000,000 Series B Preferred stock converted to 25,000,000 shares of common stock.

As of March 31, 2021, and December 31, 2020, 11,470,893 shares of Series B Preferred Stock were issued and outstanding.

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NOTE 11 – STOCKHOLDERS' EQUITY (continued)

Series D Preferred stock

There are a total of 30,000,000 shares of Series D Preferred stock authorized. The Series D Preferred stock has voting rights equal to the common stock, is convertible into common stock based on a conversion of 1 to 1. The Series D Preferred stock has equal dividend rights to the common stock.

During the three month period ended March 31, 2021, the Company issued a total of 25,000,000 Series D Preferred shares pursuant to a Subscription Agreement for the purchase of the shares at \$0.004 per share for consideration of \$10,000.

There were a total of 25,000,000 shares of Series D Preferred and 0 shares of Series D Preferred issued at March 31, 2021 and December 31, 2020 respectively.

Common stock

The Company had authorized 1,000,000,000 shares of Common Stock at a par value of \$0.00001.

During the three months ended March 31, 2021, the Company issued a total of 7,859,090 shares of common stock as follows:

- 3,500,000 shares under an advisory agreement (ref Note 10);
- 909,090 shares under Data delivery and service agreements (ref Note 9)
- 1,500,000 shares under the Membership share acquisition agreement (ref Note 7);
- 250,000 shares under a business acquisition agreement (ref Note 8);
- 1,700,000 shares issued for marketing services. The Company valued the shares at the closing price of the Company's stock as traded on the OTCMarket on the issuance date and recorded \$206,300 as stock-based compensation expense.

As of March 31, 2021, and December 31, 2020, there were 479,580,631 and 446,721,541 shares of common stock issued and outstanding, respectively.

NOTE 12 – STOCK OPTIONS

Description of 2020 Stock Option and Stock Award Plan

The Company has 50,000,000 shares available for issuance under the 2020 Stock Option and Stock Award plan. The Company has outstanding unexercised stock option grants totaling 10,000,000 shares at an exercise price of \$0.05 per share as of December 31, 2020.

Determining Fair Value under ASC 718

The Company records compensation expense associated with stock options and other equity-based compensation using the Black-Scholes option valuation model for estimating fair value of stock options granted under our plan. The Company amortizes the fair value of stock options on a ratable basis over the requisite service periods, which are generally the vesting periods.

During the year ended December 31, 2020, there were stock option grants for 10,000,000 fully vested shares with an exercise price of \$0.05 per share.

The Company recognized stock based compensation expenses in the amount of \$4,500,000 on the vested date.

VIRTUAL MEDICAL INTERNATIONAL, INC.
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NOTE 12 – STOCK OPTIONS (continued)

The fair value of each option award referenced above is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions at the measurement date(s):

	Measurement date
Dividend yield	0%
Expected volatility	447.84%
Risk-free interest rate	0.62%
Expected life (years)	10
Stock Price	\$ 0.45
Exercise Price	\$ 0.05

A summary of the activity for the Company's stock options at March 31, 2021 and December 31, 2020, is as follows:

	Options Shares	Weighted Average Exercise Price (\$)
Outstanding as of January 1, 2020	-	-
Granted	10,000,000	0.05
Exercised	-	-
Forfeitures	-	-
Outstanding as of December 31, 2020	10,000,000	0.05
Options expired or cancelled unexercised	(10,000,000)	0.05
Options exercisable, end of period	-	-

During the three month period ended March 31, 2021, the 10,000,000 stock options expired or were agreed to be cancelled.

NOTE 13 – SUBSEQUENT EVENTS

On April 15, 2021, the Company entered into a real estate purchase and sale agreement with Cherry Valley Growers, Inc. to purchase 400 acres of land including an 11,000 sq ft warehouse in Syracuse New York for the purchase price of \$2,000,000. On August 26, 2021 the Company and Cherry Valley Growers executed an extension extending the purchase date to September 30, 2021 from May 31, 2021.

Previously, the Company had executed a letter of intent with Cannonau Corp defining the initial terms to the distribution and profit shares of Cannonau line of products. On April 30, 2021, the Company signed a new Letter of Intent with Cannonau Corp terms of a distribution and profit sharing agreement for the purchase and sale by the Company of CBD products manufactured by Cannonau Corp. Under the terms of the agreement, the Company will purchase the products at wholesale and there will be a profit share of 80/20 after Company expenses.

On May 20, 2021, the Company executed an addendum to the purchase agreement to acquire GenX, whereby the Company agreed to issue a further 250,000 shares and to extend the closing of the acquisition to September 1, 2021. The shares were issued on July 27, 2021.

On May 21, 2021, the Company entered into an advisory agreement with Alex Lightman and Taylore Bond to provide advisory services in regard to strategic growth opportunities and mergers and acquisitions. Under the terms of the agreement a total of 4,000,000 shares are to be issued, 2,000,000 to each party. The term of the agreement was from execution to the end of fiscal 2021. The shares were deemed earned upon execution of the agreement. The shares were issued on May 24, 2021.

On June 15, 2021, the Company appointed Anthony Roger Moore to the Board of Director and Mr. Moore accepted the position of Chairman of the Board and a Director of the Company. Further on June 15, 2021 the Company entered into a Consulting Agreements with Mr. Moore. Under the agreement with Mr. Moore, he was issued a total of 50,000,000 shares of common stock of the Company (issued on July 20, 2021) and fees of \$10,000 per month for the first 6 months increasing to \$15,000 per month thereafter. The initial term of the agreement is twelve months renewable every six months.

VIRTUAL MEDICAL INTERNATIONAL, INC.
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NOTE 13 – SUBSEQUENT EVENTS (continued)

On June 15, 2021, the Company entered into a consulting agreement with Lee Larson Elmore, an officer and director of the Company. Under the agreement with Mr. Elmore, he was issued a total of 10,000,000 shares of common stock of the Company (issued on July 20, 2021) and fees of \$10,000 per month for the first 6 months increasing to \$15,000 per month thereafter. The initial term of the agreement is twelve months renewable every six months.

On June 21, 2020, the Company entered into an amended letter of intent to acquire 100% of the shares of Phyto Brands Inc., a company that products CBD complaint products. Under the terms of the letter of intent the Company will pay the amount of \$250,000 against a funding of \$1,600,000 for operations and will issue such number of common shares at closing valued at \$4,900,000 based on the market price of the common shares as of the date of closing. The parties have yet to formalize a definitive share exchange agreement.

On June 25, 2021, the Company entered into a Heads of Agreement with Eco Equity Ltd. (“Eco”) to purchase 100% of the shares of Eco, a company that owns certain Licenses to Cultivate and Export Medical Grade Cannabis from Zimbabwe. Under the terms of the agreement, the Company was to pay an exclusivity fee of \$250,000 within 24 hours of execution. The exclusivity fee was subsequently extended to be payable on or before September 30, 2021. The consideration for the shares of Eco is \$110,000,000 payable by way of the issuance of common stock of the Company and a capital injection of \$20,000,000 by way of a corporate loan at 5% interest payable yearly in arrears with a maturity date in ten years. Or as cash for stock based on the valuation per share on the \$110,000,000 purchase price. The proceeds of the \$20,000,000 loan will be used to pay corporate finance fees of \$4,000,000 and to pay \$4,000,000 to certain shareholders including \$2,800,000 to Goldman & Sons. Also to include any bridge lenders advancing funds prior to completion of the acquisition. The remaining funds will be used for further expansion and working capital. Under the terms of the the agreement, the Company has agreed to undertake a \$50,000,000 best efforts Reg A offering statement.

On July 9, 2021, the Company received a “true-up” request under the Global services and data agreement for 15,757,577 additional shares of common stock based on a trading price of \$0.34 cents per share. The Company issued the “true-up shares” on July 27, 2021.

On July 27, 2021, the Company issued a further 1,000,000 shares of common stock to George McFarland pursuant to agreements with Real to Reel for services rendered.

On July 31, 2021, the Company appointed the following additional directors and officers to the Board of Directors.

Name	Position
Kenneth Denos	General Counsel and Director
Chene Gardner	Chief Financial Officer and Director
Dr. Aubrey Oliver	Director
Dr. Daniel Reshef	Director
Nicole Greenberger*	Director

*Ms. Greenberger submitted her resignation on August 1, 2021 due to a prior employment commitment.

On August 3, 2021, the Company entered into a consulting agreement with Kenneth Denos in regard to his appointment as general counsel and a director of the Company. Under the terms of the agreement Mr. Denos will receive 50,000,000 shares of common stock of the Company and fees of \$10,000 per month for the first six months increasing to \$15,000 per month thereafter. The initial term of the agreement is twelve months, renewable every six months thereafter.

On August 3, 2021, the Company entered into a consulting agreement with Chene Gardner in regard to his appointment as CFO and a director of the Company. Under the terms of the agreement Mr. Gardner will receive 10,000,000 shares of common stock of the Company and fees of \$10,000 per month for the first six months increasing to \$15,000 per month thereafter. The initial term of the agreement is twelve months renewable every six months.

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NOTE 13 – SUBSEQUENT EVENTS (continued)

On August 3, 2021, the Company entered into a consulting agreement with Dr. Daniel Reshef in regard to his appointment as a director of the Company. Under the terms of the agreement Mr. Gardner will receive 2,500,000 shares of common stock of the Company and fees of \$1,500 per month for the first six months increasing to \$2,500 per month thereafter. The initial term of the agreement is twelve months renewable every six months. The 2,500,000 shares as required under the agreement were issued on August 23, 2021.

On August 3, 2021, the Company entered into a consulting agreement with Dr. Aubrey Oliver in regard to his appointment as a director of the Company. Under the terms of the agreement Mr. Gardner will receive 2,500,000 shares of common stock of the Company and fees of \$1,500 per month for the first six months increasing to \$2,500 per month thereafter. The initial term of the agreement is twelve months renewable every six months.

On August 10, 2021, the Company entered into a corporate marketing agreement with Christopher Moon of Intesel Corporate Marketing for corporate promotion and marketing from the date of execution. The fees of the agreement are \$140,000 per annum for the first year commencing within 120 days of execution at \$10,000 per month for a period of six months and increasing to \$15,000 per month thereafter for the term of the contract increasing the per annum commitment to \$180,000. The Company issued a total of 20,000,000 shares on August 23, 2021. The cash payments are subject to the Company successfully completing a private placement or funding under a registration statement.

On August 14, 2021, the Company entered into a consulting agreement with John Rivers, to provide for \$3,000 per month and to be increased to \$7,500 per month after six months. Under the contract the Company issued 2,500,000 shares to the consultant on August 23, 2021.

On August 18, 2021, the Company entered into a consulting agreement with Evrensel Capital PLC, whereby Evrensel Capital PLC will provide consulting services to the Company for an initial term of twelve months renewable for successive periods of six months. The agreement granted a total of 250,000,000 bonus shares to Evrensel Capital PLC on execution of the agreement. On August 19, 2021 the Company issued a total of 250,000,000 shares of common stock to Evrensel Capital PLC under the terms of the agreement. Anthony Roger Moore, a director of the Company and Chairman of the Board of directors is the founder of Evrensel Capital Partners.

On August 23, the Company issued a total of 50,000,000 shares to Kenneth Denos and Dr. Aubrey Oliver as required under his consulting agreement.

On August 24, 2021, the Company issued a total of 10,000,000 shares to Chene Gardner as required under his consulting agreement.

On August 26, 2021, the Company entered into a consulting agreement with Robert Morrissey to provide consulting services to the Company. The term of the agreement is for a period of twelve months and shall automatically renew for 6 month periods unless prior cancelled. The consultant was paid 20,000,000 shares as compensation under the agreement. The shares were issued on August 26, 2021.

On August 26, 2021, the Company issued a total of 1,000,000 shares of common stock as partial compensation for graphic design services provided by Marc Sandin.

The Company has evaluated events for the period from March 31, 2021 through the date of the issuance of these financial statements and determined that there are no additional events requiring disclosure.