

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

SMART CANNABIS CORP.

an Oklahoma corporation
22600-C Lambert Street
Suite 902
Lake Forest, CA 92630
(949) 689-062
[website under development]
office@itonisholdings.com
SIC Code 5499

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

As of the current Reporting Period ending **June 30, 2021**, the number of shares outstanding of our Common Stock was: 4,903,739,173.

As of the prior Reporting Period ending **December 31, 2020**, the number of shares outstanding of our Common Stock was: 4,903,739,173.

As of the most recent completed Fiscal Year End date of **December 31, 2020**, the number of shares outstanding of our Common Stock was: 4,903,739,173.

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 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.

The name of the Issuer is Smart Cannabis Corp.

The Company was incorporated in the State of Georgia on August 2, 2005 under the name Nano FM, Inc. On August 24, 2005, Nano FM, Inc. filed Articles of Amendment with the Secretary of State of Georgia changing its corporate name to Crescent Hill Capital Corporation ("CHCC").

On November 5, 2013, CHCC implemented a domicile change from Georgia to Oklahoma by merging into Crescent Hill Capital Corporation, an Oklahoma corporation. On November 5, 2013, CHCC completed the domicile change from Georgia to Oklahoma by filing a Certificate of Merger with the Oklahoma Secretary of State.

On November 5, 2013, Definitive Rest Mattress Company, a California corporation, and the owners of 100% of its issued and outstanding stock, and Definitive Rest (OK), entered into a Share Exchange Agreement, wherein all the shares of Definitive Rest (CA) were exchanged for 45,780,000 restricted shares of Definitive Rest (OK). As a part of the transaction, the shareholders of Definitive Rest (CA) acquired a controlling interest in the Company

On March 10, 2016, the Company changed its name to Zerez Holdings Corp. On August 30, 2017, the Company name was changed to Smart Cannabis Corp. The symbol changed from ZRZH to SCNA on September 5, 2017.

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):

Oklahoma. Status is active.

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

None known.

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

None known.

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

Subsequent Event: Subsequent to the close of this reporting period, the Issuer moved to the following address:
22600-C Lambert Street, Suite 902, Lake Forest, California 92630.

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

2) Security Information

Trading symbol: SCNA
Exact title and class of securities outstanding: Common
CUSIP: 83186E101
Par or stated value: \$0.001

Total shares authorized: 10,000,000,000 as of date: June 30, 2021.
Total shares outstanding: 4,903,739,173 as of date: June 30, 2021.
Number of shares in the Public Float²: 826,981,188 as of date: June 30, 2021.
Total number of shareholders of record: 80 as of date: June 30, 2021.
All additional class(es) of publicly traded securities (if any):

Trading symbol: None other publicly traded.
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: Action Stock Transfer Corp.
Phone: (801) 274-1088
Email: action@actionstocktransfer.com
Address: 2469 E. Fort Union Blvd, Suite 214, Salt Lake City, UT 84121

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

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.

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 _____ Common: _____ Preferred: _____			*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 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	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	Please see attached Chart "A"							_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date _____ Common: _____ Preferred: _____									

Use the space below to provide any additional details, including footnotes to the table above: None

B. 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.)
_____	_____	Please see attached Chart "B"				_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above: None.

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: Michael Berg
Title: CPA
Relationship to Issuer: CPA

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

See said financial statements appended hereto below, and incorporated herein by this reference.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

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")

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.

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

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

None.

C. Describe the issuers' principal products or services.

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

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

The Company's corporate headquarters are located in approximately 1,728 square feet of leased office space in Lake Forest, California pursuant to a lease that expires in September 2023. In the opinion of management, the Company's current space is adequate for its operating needs.

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

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /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>Mark Cheung</u>	<u>CEO, CFO</u> <u>Secretary, Director</u>	<u>Lake Forest, CA</u>	400,000	<u>Preferred</u>	<u>100% of</u> <u>outstanding</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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.

None.

9) Third Party Providers

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

Securities Counsel

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Accountant or Auditor

Name: Michael Berg
Firm: Berg & Company, CPA

Address 1: 1700 River Park Blvd
Address 2: Napa, CA 94559
Phone: (415) 515-4090
Email: cpaberg@aol.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer & Principal Financial Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Mark Cheung, certify that:

1. I have reviewed this Quarterly disclosure statement of Smart Cannabis Corp.;
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.

Sept 24, 2021

/s/ Mark Cheung

CHART "A"

Number of Shares outstanding as of 12/31/2016	Opening Balance: Common: 6,024,659,739_ Preferred: 440,000								
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	individual/ Entity Shares were issued to (entities must have	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?
6/13/2017	Cancellation-Doris Vo	(450,000,000)	Common	0.0255	yes	no	cash	R	Exempt
11/28/2017	John Taylor	165,000,000	Common	0.0270	no	yes	Executive Compensation	R	Exempt
11/28/2017	Don Smith	52,000,000	Common	0.0270	no	no	Executive Compensation	R	Exempt
11/28/2017	Matt Ellgen	20,000,000	Common	0.0270	no	no	Network Services	R	Exempt
11/28/2017	Matt Ellgen	20,000,000	Common	0.0270	no	no	Network Services	R	Exempt
11/28/2017	Mason Thomas	42,000,000	Common	0.0270	no	no	Greenhouse Development	R	Exempt
11/28/2017	Terry Taylor	15,000,000	Common	0.0270	no	no	Executive Compensation	R	Exempt
11/28/2017	Dustin Redmon	1,250,000	Common	0.0270	no	no	Construction Services	R	Exempt
11/28/2017	Scott Holden	1,250,000	Common	0.0270	no	no	Design Services	R	Exempt
11/28/2017	Tamara Graham	2,500,000	Common	0.0270	no	no	Office Services	R	Exempt
11/28/2017	Ryan Sundberg	1,250,000	Common	0.0270	no	no	Tech Services	R	Exempt
11/28/2017	Stephanie Rudat	250,000	Common	0.0270	no	no	Management Services	R	Exempt
11/28/2017	John Kabateck	250,000	Common	0.0270	no	no	Management Services	R	Exempt
11/28/2017	Israel Contreras	1,250,000	Common	0.0270	no	no	Contract Services	R	Exempt
3/1/2018	Cancellation-Matt Ellgen	(40,000,000)	Common	0.0398	no	no	Network Services	R	Exempt
5/3/2018	Issuance	2,500,000	Common	0.0630	no	no	Office Services	R	Exempt
5/3/2018	Cancellation-Israel Contreras	(1,250,000)	Common	0.0630	no	no	Contract Services	R	Exempt
6/1/2018	Cancellation-Donald Smith	(1,000,000,000)	Common	0.0650	no	no	Executive Compensation	R	Exempt
6/11/2018	Issuance-Thomas Land	5,959,148	Common	0.0690	no	no	Construction Services	R	Exempt
3/29/2019	Cancellation-Donald Smith	(52,000,000)	Common	0.0650	no	no	Executive Compensation	R	Exempt
3/29/2019	Cancellation-Thomas Land	(5,959,148)	Common	0.0690	no	no	Construction Services	R	Exempt
Balance 03/31/19		4,805,909,739							
4/5/2019	Shawn Anderson	2,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Randall Law Bettis	2,500,000	Common	0.0380	no	no	Contract Services	R	Exempt

4/5/2019	Brian Bibby	2,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Cameron Call	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Steven Camp	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Dylan Ciryak	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Timothy Cunningham	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Paul Keith Daly	1,250,000	Common	0.0380	no	no	Admin Services	R	Exempt
4/5/2019	Sean Freitas	2,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Travis Kageta	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Eric Lyons	1,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	Stephanie Rudat	10,606,661	Common	0.0380	no	no	Executive Services	R	Exempt
4/5/2019	Jared Thomas Schneider	2,500,000	Common	0.0380	no	no	Contract Services	R	Exempt
4/5/2019	John Taylor	15,000,000	Common	0.0380	no	no	Executive Services	R	Exempt
6/12/2019	Arc Type	3,000,000	Common	0.0195	no	no	Technology Services	R	Exempt
6/12/2019	CZA Inc (Doris Vo)	23,000,000	Common	0.0195	no	no	Legal Settlement	R	Exempt
8/9/2019	Stephanie Rudat	9,722,773	Common	0.0380	no	no	Executive Services	R	Exempt
8/9/2019	John Taylor	13,750,000	Common	0.0380	no	no	Executive Services	R	Exempt

Balance 6/30/2021

4,903,739,173

Preferred Stock

6/13/2017	Cancellation	440,000	Preferred	no market	no	no	Exec Comp	n/a	Exempt
6/13/2017	Issuance	(440,000)	Preferred	no market	no	no	Exec Comp	n/a	Exempt
6/1/2018	Issuance - John Taylor	440,000	Preferred	no market	no	no	Exec Comp	n/a	Exempt
12/31/2018	Issuance	50,000	Preferred	no market	no	no	Exec Comp	n/a	Exempt
12/31/2018	Cancellation-Donald Smith	(90,000)							

Balance 6/30/2021

400,000

CHART "B"

Note Schedule December 31, 2019

0

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of)	Name of Noteholder	Reason for Issuance (e.g. Loan)
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Convertible Notes

5/10/2014	\$39,116.44	\$25,000.00	\$14,116.44	5/10/2015	conv at par	CZA -Charles Abujudah	Loan
7/11/2014	\$3,869.18	\$2,500.00	\$1,369.18	7/11/2015	conv at par	CZA -Charles Abujudah	Loan
7/11/2014	\$23,215.07	\$15,000.00	\$8,215.07	7/11/2015	conv at par	Steve Pidliskey	Loan
4/20/2015	\$60,982.41	\$41,480.77	\$19,501.64	4/19/2016	conv at par	Abruaaham Abu	Loan
7/11/2015	\$7,238.36	\$5,000.00	\$2,238.36	7/10/2016	conv at par	CZA -Charles Abujudah	Loan
7/11/2015	\$7,238.36	\$5,000.00	\$2,238.36	7/10/2016	conv at par	CZA -Charles Abujudah	Loan
9/2/2015	\$7,165.75	\$5,000.00	\$2,165.75	9/1/2016	conv at par	CZA -Charles Abujudah	Loan
9/15/2015	\$7,147.95	\$5,000.00	\$2,147.95	9/14/2016	conv at par	Charles Abujudah	Loan
11/10/2015	\$63,641.10	\$45,000.00	\$18,641.10	11/9/2016	conv at par	Steve Pidliskey	Loan
4/6/2016	\$270,009.04	\$196,556.24	\$73,452.80	4/6/2017	conv at par	Abraham Abu	Loan
2/23/2018	\$112,594.52	\$95,000.00	\$17,594.52	2/23/2019	conv at par	CZA -Charles Abujudah	Loan
6/29/2018	\$12,657.53	\$11,000.00	\$1,657.53	6/29/2019	conv at par	CZA -Charles Abujudah	Loan
8/22/2018	\$113,589.04	\$100,000.00	\$13,589.04	8/22/2019	conv at par	CZA -Charles Abujudah	Loan
1/8/2019	\$11,000.00	\$11,000.00	\$1,075.89	1/8/2020	conv at par	CZA -Charles Abujudah	Loan
4/11/2019	\$35,000.00	\$35,000.00	\$2,531.51	4/10/2020	conv at par	CZA -Charles Abujudah	Loan
4/17/2019	\$29,500.00	\$29,500.00	\$2,085.21	4/16/2020	conv at par	CZA -Charles Abujudah	Loan
12/31/2019	\$12,670.10	\$12,670.00	\$0.00	6/30/2020	conv at par		Loan
	\$822,327.34	\$639,707.01	\$182,620.33				

2021 Quarterly Report

SCNA SMART CANNABIS CORP.

For the Period Ending June 30, 2021

THESE UNAUDITED FINANCIAL STATEMENTS ARE INCORPORATED BY REFERENCE INTO THE
DISCLOSURE STATEMENT PURSUANT TO THE PINK BASIC DISCLOSURE GUIDELINES

SMART CANNABIS CORP.

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Item 5. Financial Statements

Unaudited Balance Sheet as of June 30, 2021

Unaudited Profit and Loss Statement for the period ended June 30, 2021

Unaudited Statement of Shareholders Equity for the period ended June 30, 2021

Unaudited Statement of Cash Flows for the period ended June 30, 2021

Notes to Consolidated Financial Statements

Smart Cannabis Corp.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2021	December 31, 2020
ASSETS:		
Current Assets:		
Cash	\$ -	\$ -
Accounts Receivable	-	-
Inventory	-	-
Total Current Assets	-	-
Leasehold Improvements, net	-	-
Goodwill	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:		
Current Liabilities		
Accounts Payable and Accrued Expenses	-	-
Due to Officer	202,550	85,718
Loan Payable		
Convertible Notes Payable	639,707	639,707
Interest Payable	278,574	246,589
Share Payable	-	-
Total Current Liabilities	<u>1,120,831</u>	<u>972,014</u>
Total Long Term Liabilities	-	-
Total Liabilities	<u>\$ 1,120,831</u>	<u>\$ 972,014</u>
STOCKHOLDERS' EQUITY:		
Preferred Stock \$.00001 par value		
50,000,000 authorised, 400,000 outstanding	4	4
shares outstanding, respectively		
Common Stock \$.00001 par value; 10,000,000,000 shares		
authorized, 4,882,266,400 and 4,863,868,887		
outstanding, respectively	48,822	48,822
Additional Paid In Capital	4,291,225	4,291,225
Accumulated Deficit	(5,460,882)	(5,312,065)
Total Stockholders' Equity	<u>(1,120,831)</u>	<u>(972,014)</u>
Total Liabilities and Equity	<u>\$ -</u>	<u>\$ -</u>

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

Smart Cannabis Corp.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six Months Ended June 30,	
	2021	2020
Revenues	\$ -	\$ 184,632
Cost of Revenues	-	121,788
Gross Margin	-	62,844
Operating Expenses:		
Amortization & Depreciation	-	
Bad Debt Expense	-	
Legal Expenses	19,695	-
Officer Compensation	21,000	
General and Administrative	8,137	57,075
Professional Fees		
Total Operating Expenses	48,832	57,075
Loss from Operations	(48,832)	5,769
Other Income (Expenses):		
Interest expense	(31,985)	(31,985)
Gain on Budding Botanicals		3,821
Legal Settlement	(68,000)	
Loss on Lease Abandonment		
Total Other Income (Expenses)	(99,985)	(28,164)
Net Income Before Taxes	(148,817)	(22,395)
Provision for Income Taxes	-	-
Net Loss	\$ (148,817)	\$ (22,395)
Net loss per share- Basic and Diluted	\$ -	\$ -
Weighted average numbers of shares outstanding- Basic and Diluted	4,882,266,400	4,822,266,400

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

Smart Cannabis Corp
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in	Deficit	Stockholders'
					Capital		Equity (Deficit)
December 31, 2018	440,000	\$ 4	4,863,868,887	\$ 48,111	\$ 1,947,384	\$ (1,918,960)	\$ 76,538
Other				19	(20)		
Legal Settlement			23,000,000	230	448,270		448,500
Consulting			36,356,661	364	1,325,689		1,326,053
Shares for Executive Comp			15,000,000	150	569,850		570,000
Canellation of Shares			(57,959,148)	(52)	52		-
Net Loss						(3,253,007)	(3,253,007)
December 31, 2019	440,000	\$ 4	4,880,266,400	\$ 48,822	\$ 4,291,225	\$ (5,171,967)	\$ (831,916)
Net Loss						(140,098)	
December 31, 2020	440,000	\$ 4	4,880,266,400	\$ 48,822	\$ 4,291,225	\$ (5,312,065)	\$ (972,014)
						(148,817)	
June 30, 2021	440,000	\$ 4	4,880,266,400	\$ 48,822	\$ 4,291,225	\$ (5,460,882)	\$ (1,120,831)

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

Smart Cannabis Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30, 2021	For the Year Ended December 31, 2020
Cash flows from operating activities:		
Net gain (loss)	\$ (148,817)	\$ (140,098)
Non-cash items:		
Gain on Budding Botanicals		3,281
Accounts Receivable		
Settlement	68,000	
Deferred Income		
Accounts payable		(27,315)
Due Officer	48,832	85,718
Interest Payable	31,985	63,970
Net cash provided/(used) by operating activities	<u>-</u>	<u>(14,444)</u>
Cash flows from investing activities:		
Cash from acquisition		
Abandonment of Lease		
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from loans payable		
Lease Liability	-	-
Loan repayments		
Stock Issuances		
Stock repurchase		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net Change in Cash	\$ -	\$ (14,444)
Cash, beginning of period	<u>\$ -</u>	<u>\$ 14,444</u>
Cash, end of period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

NON CASH INVESTING & FINANCING ACTIVITIES:

Cash in Acquisition	\$ (14,444)
Inventory from Acquisition	\$ 59,465
Goodwill	\$ (606,501)
Share Payable	\$ 690,000

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

Smart Cannabis Corp.
Notes to Financial Statements
For the Year Ending June 30, 2021

Prepared by Management

Note 1. Nature of Operations and Business Activity

Business Activity

Smart Cannabis Corp is an Oklahoma Corporation also registered in California. The Company acquired Next Generation Farming, Inc., a Nevada Corporation, on October 21, 2016 which operates as a wholly owned subsidiary. On October 1, 2021, the Company acquired Budding Botanicals, a sole-proprietorship.

The Company exited both Smart Cannabis Corp during 2019 and Budding Botanicals during 2020.

FINRA approved a name and symbol change for the Company on September 5, 2017.

The Company promotes intellectual property development, strategic alliances while looking for key acquisitions that can provide revenue and positioning in its target market.

Note 2. Summary of Significant Accounting Principals

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of the Company including its wholly owned subsidiary Next Generation Farming, Inc. All intercompany balances and transactions have been eliminated.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Such estimates include management's assessments of the carrying value of certain assets, useful lives of assets, and related depreciation and amortization methods applied.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of six months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Accounts Receivable

Accounts receivable related to the products and services sold are recorded at the time revenue is recognized, and are presented on the balance sheet net of allowance for doubtful accounts. The ultimate collection of the receivable may not be known for several months after services have been provided and billed.

The Company has established an allowance for doubtful accounts based upon factors pertaining to the credit risk of specific customers, analyses of current and historical cash collections, and the aging of receivables. Delinquent accounts are written-off when the likelihood for collection is remote and/or when the Company believes collection efforts have been fully exhausted and the Company does not intend to devote any additional efforts in an attempt to collect the receivable. The Company adjusts their allowance for doubtful accounts balance on a quarterly basis.

Inventory

The Company's inventory consists of raw material valued under the FIFO method, stated and the lower of cost or market value and the specific identification method of finished goods when appropriate.

Property Plant, & Equipment

Property, plant, and equipment are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Expenditures for major additions and betterments are capitalized in amounts greater or equal to \$500. Depreciation of equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3), five (5), or seven (7) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Leasehold Improvements

Leasehold improvements are stated at cost less accumulated amortization. The Company records amortization using the straight-line method over the life of the lease, of which 4 years remain. Maintenance and repair costs are expensed as they are incurred while renewals and improvements which extend the useful life of an asset are capitalized. At the time of retirement or disposal of property and equipment, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

Income Taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”) with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Earnings (loss) Per Share

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

The Company considers the shares that would be issued for convertible debt at par value to be dilutive and has increased diluted shares outstanding by 80,944,528,685 and 71,467,631,425 for June 30, 2021 and 2020, respectively.

Fair Value of Financial Instruments

The Company adopted the provisions of FASB ASC 820 (the “Fair Value Topic”) which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing

models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximates the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at June 30, 2021 and June 30, 2018.

Impairment of Intangible Assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, such as intellectual property are required to be reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of June 30, 2021

Commitments & Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification 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.

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the

customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition, the Company records allowances for accounts receivable that are estimated to not be collected.

Revenues sales contracts are recognized over the length of the contract term based upon percentage of completion. The difference between the gross cash receipts collected and the recognized revenue from those sales during the respective reporting period will appear as deferred revenue.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

Recent Accounting Pronouncements

Company management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3. Going Concern

As reflected in the accompanying financial statements, the Company had an accumulated deficit of \$5,460,882 at June 30, 2021 had had a net use of cash from operations of \$0 for the period then ended.

While the Company is attempting to improve operations, and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations over the next year. Management intends to increase revenues and raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and increase 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.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 7. Common Stock

During 2018 the Company cancelled 1,264,790,852 shares of common stock with a charge to retained deficit of \$433,022. The Company also repurchased 52,000,000 shares at a cost of \$100,000.

During the nine months ended June 30, 2019 the Company cancelled 57,959,148 shares of common stock and issued 36,356,661 shares with a value of \$ 1,326,053 for consulting expenses, 15,000,000 shares with a value of \$ 570,000 for executive compensation and 23,000,000 shares with a value of \$ 448,500 for a legal settlement.

Note 8. Notes Payable and Convertible Notes Payable

Notes Payable and Convertible Notes payable balances were \$639,707 on June 30, 2021 and 2019. All notes bear interest at 10% per annum and are convertible into the Company's common stock at par value. As of June 30, 2021, the Company had accrued \$ 278,574 in interest.

Note 9. Acquisition of Budding Botanical

On October 1, 2109 the Company acquired Budding Botanicals a California based sole proprietorship that produces and sells CBD products. The acquisition was for the 1,500,000,000 shares of the company stock. The stock has not been issued as of the balance sheet date, so the Company recorded a share payable account to reflect the liability associated with the acquisition.

Following are the assets and liabilities exchanged. The Company reviewed the value of the Goodwill associated with the transaction and made no adjustment to the Goodwill acquired.

Acquisition of Budding Botanicals

Cash balances transferred	27,265
Inventory	56,234
Goodwill	606,501
Share Liability	(690,000)

The Company closed Budding Botanicals on June 30, 2020. The Company had a gain of \$3,821 on the closure.

Note 10. Income Taxes

The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, “*Income Taxes*”, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. 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 that includes the enactment date.

Deferred taxes arise from temporary differences in the recognition of certain expenses for tax and financial reporting purposes. As of June 30, 2021, the company had significant timing differences for tax reporting purposes for the non-cash recognition of liabilities due for committed shares in excess of authorized shares, shares issued for services, and shares issued for compensation. The expenses related to these liabilities are treated as permanent differences between financial and tax reporting.

At June 30, 2021, management determined that realization of these loss carry forward benefits is not assured and has provided a valuation allowance for the entire amount of such benefits,

Note 11. Commitments and Contingencies

The Company is in litigation pertaining to a \$25,000 convertible promissory note and related issues. The Company is seeking to void the note while the defendants are seeking to enforce said note. The litigation commenced on January 6, 2017, and is pending in the U.S. District Court for the District of Connecticut. The Company believes that it will prevail in this litigation.

The Company settled a claim made the prior CEO of Smart Cannabis in the amount of \$68,000.