Halberd Corporation

Consolidated Financial Statements
For the Years Ended
July 31, 2021 and 2020
(Unaudited)

CONTENTS

Halberd Corporation
P.O. Box 25
Jackson Center, PA 16133

November 1, 2021

I hereby certify that the accompanying unaudited consolidated financial statements and related footnotes hereto are based on the best information currently available to the Company. To the best of my knowledge, this information presents fairly, in all material respects, the financial position and stockholders' equity of Halberd Corporation as of July 31, 2021 and 2020, and the results of its operations and cash flows for the years ended July 31, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America.

/s/ William Hartman
CEO

HALBERD CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	July 31, 2021	July 31, 2020
ASSETS		(Restated)
Current assets:		
Cash	$ 40,321	$ 2,086
Prepaid expense	1,750	2,250
Total current assets	42,071	4,336
Fixed assets, net	1,281	-
Total assets	$ 43,352	$ 4,336
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 153,990	$ 150
Accrued expenses	5,300	-
Judgments payable	216,400	289,165
Total current liabilities	375,690	289,315
Long term liabilities:		
Note payable, SBA loan	150,000	-
Total liabilities	525,690	289,315
Commitments and contingencies	-	-
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value, 25,000,000 shares authorized, 10,000,000 shares issued and outstanding	1,000	1,000
Common stock, $0.0001 par value, 800,000,000 shares authorized, 511,621,968 and 302,721,539 shares issued and outstanding at July 31, 2021 and October 31, 2020, respectively	51,162	30,272
Additional paid in capital	4,152,530	3,535,228
Accumulated deficit	(4,687,030)	(3,851,479)
Total stockholders' equity (deficit)	(482,338)	(284,979)
Total liabilities and stockholders' equity (deficit)	$ 43,352	$ 4,336

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

HALBERD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Years Ended July 31, 2021	For the Years Ended July 31, 2020 (Restated)
Revenue	$ 5,688	$ -
Cost of sales	4,295	-
Gross profit	1,393	-
Operating expenses:		
General and administrative	106,114	12,964
Research and development	648,482	20,000
Professional fees	61,948	1,611,330
Total operating expenses	816,544	1,644,294
Operating loss	(815,151)	(1,644,294)
Other income (expense):		
Interest expense	(20,400)	-
Total other income (expense)	(20,400)	-
Net loss	$ (835,551)	$ (1,644,294)
Weighted average number of common shares outstanding - basic and fully diluted	393,192,510	302,721,539
Net loss per share - basic and fully diluted	$ (0.00)	$ (0.01)

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

HALBERD CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, July 31, 2019	10,000,000	$ 1,000	302,721,539	$ 30,272	$ 1,886,748	$ (2,207,185)	$ (289,165)
Warrants granted for services	-	-	-	-	1,603,830	-	1,603,830
Contributed capital	-	-	-	-	44,650	-	44,650
Net loss for the year ended July 31, 2020	-	-	-	-	-	(1,644,294)	(1,644,294)
Balance, July 31, 2020 (Restated)	10,000,000	$ 1,000	302,721,539	$ 30,272	$ 3,535,228	$ (3,851,479)	$ (284,979)
Warrants granted for services	-	-	-	-	20,612	-	20,612
Common stock issued for the exercise of warrants	-	-	1,000,000	100	9,900	-	10,000
Common stock issued for settlement of 3(a)(10) debts	-	-	207,900,429	20,790	51,975	-	72,765
Contributed capital	-	-	-	-	534,815	-	534,815
Net loss for the year ended July 31, 2021	-	-	-	-	-	(835,551)	(835,551)
Balance, July 31, 2021	10,000,000	$ 1,000	511,621,968	$ 51,162	$ 4,152,530	$ (4,687,030)	$ (482,338)

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

HALBERD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Years Ended July 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		(Restated)
Net loss	$ (835,551)	$ (1,644,294)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock warrants issued for services	20,612	1,603,830
Amortization of debt discounts	15,100	-
Decrease (increase) in assets:		
Prepaid expense	500	(2,250)
Increase (decrease) in liabilities:		
Accounts payable	153,840	150
Accrued expenses	5,300	-
Net cash used in operating activities	(640,199)	(42,564)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,281)	-
Net used in investing activities	(1,281)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received from exercise of warrants	10,000	-
Proceeds received on capital contributions	534,815	44,650
Proceeds received from note payable, SBA loan	150,000	-
Payments on loan origination costs	(15,100)	-
Net cash provided by financing activities	679,715	44,650
NET CHANGE IN CASH	38,235	2,086
CASH AT BEGINNING OF PERIOD	2,086	-
CASH AT END OF PERIOD	$ 40,321	$ 2,086
SUPPLEMENTAL INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of common stock issued on settlement of 3(a)(10) debts	$ 8,424,338	$ -

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

Halberd Corporation
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies

Nature of Business
Halberd Corporation ("Halberd", "We", "Us", "the Company") was formed in the State of Nevada on January 26, 2009. It changed its name to Tykhe Corporation on April 22, 2014, and then redomiciled to Colorado and changed its name to Alaric Corporation on January 25, 2017. On March 22, 2020, it changed its name to HALB Transition Corporation, before completing a reorganization whereby the name of the public company again became Halberd Corporation, and Alaric Corporation then became its wholly-owned subsidiary.

Halberd's primary business is the pursuit of treatments for neurodegenerative diseases, such as PTSD/ CTE (Post Traumatic Stress Disorder/Chronic Traumatic Encephalopathy), Alzheimer's Disease, Parkinson's Disease, etc.

Basis of Accounting
Our financial statements are prepared using the accrual method of accounting as generally accepted in the United States of America (U.S. GAAP) and the rules of the Securities and Exchange Commission (SEC).

Basis of Presentation
The accompanying financial statements include the accounts of the following entities, all of which are under common control and ownership as of the date of this report:

Name of Entity	Form of Entity	State of Incorporation	Relationship
Halberd Corporation	Corporation	Colorado	Parent
Alaric Corporation	Corporation	Colorado	Subsidiary

All significant inter-company transactions have been eliminated in the preparation of these financial statements.

These statements reflect all adjustments, which in the opinion of management, are necessary for fair presentation of the information contained therein. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. It is suggested that these unaudited financial statements be read in conjunction with the financial statements of the Company for the year ended July 31, 2020 and notes thereto included in the Company's annual report.

The Company has adopted a fiscal year end of July 31st.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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.

Segment Reporting
FASB ASC 280-10-50 requires annual and interim reporting for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker in deciding how to allocate resources. All of the Company's stores are considered operating segments, and will be aggregated into one reportable segment given the similarities in economic characteristics among the operations represented by the stores and the common nature of the products, customers and methods of distribution.

Fair Value of Financial Instruments
Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts payable and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short-term nature of the instruments. The Company had a convertible note payable that required fair value measurement on a recurring basis.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Revenue Recognition
The Company recognizes revenue in accordance with ASC 606 — Revenue from Contracts with Customers. Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Sales are recorded when the earnings process is complete or substantially complete, and the revenue is measurable and collectability is reasonably assured, which is typically when products are shipped. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales in which payment has been received, but the earnings process has not been completed.

Cost of Merchandise Sales and Occupancy Costs
Cost of merchandise sales and occupancy costs includes the following types of expenses: purchase price of inventory sold, including inbound freight charges; shipping and handling costs; inventory shrinkage costs and valuation adjustments; payroll and benefits costs; store occupancy costs, including rent, common area maintenance, property taxes, utilities, insurance, and depreciation of leasehold improvements and capitalized lease assets. Also included in cost of merchandise sales and occupancy costs is certain consideration received from vendors for vendor rebates, allowances and discounts.

Advertising and Promotion
All costs associated with advertising and promoting products are expensed as incurred. These expenses approximated $56,144 and $-0- for the years ended July 31, 2021 and 2020, respectively.

Income Taxes
The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Basic and Diluted Loss per Share
The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an “as if converted” basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, there were no outstanding potential common stock equivalents and therefore basic and diluted earnings per share result in the same figure.

Stock-Based Compensation
The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

Halberd Corporation
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Uncertain Tax Positions
In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Adoption of New Accounting Standards and Recently Issued Accounting Pronouncements
There are no recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

Note 2 – Going Concern

As shown in the accompanying condensed consolidated financial statements, the Company has incurred recurring losses from operations resulting in an accumulated deficit of $4,687,030, negative working capital of $333,619, and as of July 31, 2021, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. Management believes these factors will contribute toward achieving profitability. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The consolidated financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Judgments Payable and Contingent Liabilities

On May 7, 2014, the Company entered into a court ordered settlement in *Securities Counselors, Inc. v. Halberd Corporation*, Case No. 13 L 00000668 for a total of $279,447 that is to be settled with the payment of 441,278,914 shares of common stock to be issued in tranches pursuant to a Section 3(a)(10) exemption from the Securities Act of 1933's registration requirements. Through July 31, 2021, there were a total of 162,588,671 shares issued in partial extinguishment of this nonmonetary obligation. As of July 31, 2021, there was a balance outstanding of $176,485 on this judgment that could be converted into approximately 278,690,243 shares of the Company's common stock at a rate of approximately $0.00063 per share.

On November 25, 2014, in *Securities Counselors, Inc. v. Texas Wyoming Drilling, Inc.*, Case No. 14 L 825, Halberd Corporation, then named Tykhe Corporation, agreed to a settlement in the amount of $2,822,209, whereby the Company agreed to issue 486,850,070 shares of its common stock at an issuance price of $0.0057969 per-share in exchange for an interest in various cannabis farming operations in accordance with the November 25, 2014 court order. This November 25, 2014 court order covered several different public companies which participated in this initiative, agreeing to issue shares in exchange for interests in such cannabis farming operations. The Texas Wyoming court order further provided that Securities Counselors Inc. was entitled to 19,438,077 shares of common stock in Halberd Corporation in extinguishment of its accrued liability of $112,680.10 for additional legal services rendered, which were in addition to the legal services rendered immediately prior to, and covered by, the *Securities Counselors, Inc. v. Halberd Corporation* Case No. 13 L 00000668.

Note 3 – Judgments Payable and Contingent Liabilities (Continued)

That November 25, 2014, *Securities Counselors, Inc. v. Texas Wyoming Drilling, Inc*. order, however, was later modified in May 2016, effectively extinguishing for Halberd, both the obligation to issue shares as well as any entitlements with respect thereto, except for the share entitlement for legal services. The most relevant provisions relating to this matter of *Securities Counselors, Inc. v. Texas Wyoming Drilling, Inc.* appear in paragraph 6 stating as follows: "Halberd is hereby relieved of its obligations in accordance with the *Securities Counselors, Inc. v. Texas Wyoming Drilling, Inc*. 2014 Order, including any obligation to issue the 486,850,070 shares … and …. to receive shares in any of the other Issuers is hereby extinguished. The 19,438,077 shares, which Halberd was obligated to issue SCI shall increase to 321,943,143, to reflect the corresponding decrease in its share price." Mathematically, the $112,680.10 divided by the 321,943,143 shares is $0.00035 per-share.

As of July 31, 2021, there was a balance outstanding of $39,915 on this judgment that could be converted into approximately 114,042,714 shares of the Company's common stock at a rate of approximately $0.00035 per share. A total of 207,900,429 shares were issued in satisfaction of approximately $72,765 of this obligation over various dates from August 5, 2020 through July 29, 2021.

Halberd Corporation
Notes to Consolidated Financial Statements
(Unaudited)

Note 4 – Explanation of our Restatement

The Company is amending its Annual Report for the Annual period ended July 31, 2020, which was filed with OTC Markets on November 13, 2020 (the "Original Report"), primarily in response to the following issues, with changes represented, below:

- The financial statements require restatement in order to correct the amount of our prepaid expenses, accrued expenses and accounts payable balances at July 31, 2020.
- The financial statements require restatement in order to correct the amount of our liability owed pursuant to court ordered settlements that are to be settled with the payment of shares of common stock pursuant to a Section 3(a)(10) exemption from the Securities Act of 1933's registration requirements.
- The financial statements require restatement in order to recognize the estimated fair value of warrants issued for services using the Black-Scholes option pricing model.

HALBERD CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As Originally Reported July 31, 2020	Adjusted	As Restated July 31, 2020
ASSETS			(Restated)
Current assets:			
Cash	$ 2,086	$ -	$ 2,086
Prepaid expense	-	2,250	2,250
Total current assets	2,086	2,250	4,336
Total assets	$ 2,086	$ 2,250	$ 4,336
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable	$ 21,680	$ (21,530)	$ 150
Accrued expenses	69,498	(69,498)	-
Judgments payable	429,487	(140,322)	289,165
Total current liabilities	520,665	(231,350)	289,315
Total liabilities	520,665	(231,350)	289,315
Stockholders' equity (deficit):			
Preferred stock, $0.0001 par value, 25,000,000 shares authorized, 10,000,000 shares issued and outstanding	1,000	-	1,000
Common stock, $0.0001 par value, 800,000,000 shares authorized, 302,721,539 shares issued and outstanding at July 31, 2020	30,272	-	30,272
Additional paid in capital	1,891,248	1,643,980	3,535,228
Accumulated deficit	(2,441,099)	(1,410,380)	(3,851,479)
Total stockholders' equity (deficit)	(518,579)	233,600	(284,979)
Total liabilities and stockholders' equity (deficit)	$ 2,086	$ 2,250	$ 4,336

Note 4 – Explanation of our Restatement (continued)

HALBERD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	As Originally Reported July 31, 2020	Adjusted	As Restated July 31, 2020
			(Restated)
Operating expenses:			
General and administrative	$ 48,630	$ (35,666)	$ 12,964
Research and development	-	20,000	20,000
Professional fees	-	1,611,330	1,611,330
Total operating expenses	48,630	1,595,664	1,644,294
Operating loss	(48,630)	(1,595,664)	(1,644,294)
Net loss	$ (48,630)	$ (1,595,664)	$ (1,644,294)
Weighted average number of common shares outstanding - basic and fully diluted	302,721,539	302,721,539	302,721,539
Net loss per share - basic and fully diluted	$ (0.00)	$ (0.01)	$ (0.01)

Note 5 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of July 31, 2021 and 2020, respectively:

Note 5 – Fair Value of Financial Instruments (Continued)

	Fair Value Measurements at July 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 40,321	$ -	$ -
Total assets	40,321	-	-
Liabilities			
Judgments payable	-	-	216,400
Note payable, SBA loan	-	150,000	-
Total liabilities	-	150,000	216,400
	$ 40,321	$ (150,000)	$ (216,400)

	Fair Value Measurements at July 31, 2020		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 2,086	$ -	$ -
Total assets	2,086	-	-
Liabilities			
Judgments payable	-	-	289,165
Total liabilities	-	-	289,165
	$ -	$ -	$ (289,165)

The fair value of our intellectual properties is deemed to approximate book value, and are considered Level 3 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the years ended July 31, 2021 or the year ended July 31, 2020.

Note 6 – Note Payable, SBA Loan

Note payable, SBA loan consisted of the following at July 31, 2021 and 2020, respectively:

	July 31, 2021	July 31, 2020
On September 2, 2020, the Company, borrowed $150,000 from Standard Financing, pursuant to a Promissory Note issued by the Company to Standard Financing (the "SBA Loan"). The loan was made pursuant to the Covid-19 Economic Injury Disaster Loan Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the "EIDL Program"). The SBA Loan carried interest at 3.75% per annum, payable in $731 monthly payments over thirty (30) years from the date of the note, with the initial payment deferred until September 2, 2022.	$ 150,000	$ -
Debt discounts	-	-
Total long-term debt	150,000	-
Less: current maturities	-	-
Long term debt	$ 150,000	$ -

The Company recorded interest expense on notes payable in the amount of $5,300 and $-0- for the years ended July 31, 2021 and 2020, respectively.

Note 7 – Changes in Stockholders' Equity (Deficit)

Series A Preferred Stock
The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of $0.0001 per share, of which 10,000,000 have been designated as Series A Preferred Stock ("Series A Preferred"), with the remaining 15,000,000 shares available for designation from time to time by the Board as set forth below. As of July 31, 2021, there were 10,000,000 shares of Series A Preferred issued and outstanding. The Board of Directors is authorized to determine any number of series into which the undesignated shares of preferred stock may be divided and to determine the rights, preferences, privileges and restrictions granted to any series of the preferred stock.

Common Stock
Common stock consists of $0.0001 par value, 800,000,000 shares authorized, of which 511,621,968 shares were issued and outstanding as of July 31, 2021.

Common Stock Sales
On October 23, 2020, the Company sold 1,000,000 shares of its common stock pursuant to the partial exercise of a warrant agreement in exchange for proceeds of $10,000.

Common Stock Issued in Satisfaction of Judgments Payable
On July 29, 2021, the Company issued 40,000,000 shares in satisfaction of $14,000 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On April 18, 2021, the Company issued 32,000,000 shares in satisfaction of $11,200 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On March 23, 2021, the Company issued 20,000,000 shares in satisfaction of $7,000 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10), resulting in a loss on exchange of $468,148.

On January 23, 2021, the Company issued 27,323,300 shares in satisfaction of $9,563 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On January 15, 2021, the Company issued 21,896,237 shares in satisfaction of $7,664 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On January 14, 2021, the Company issued 11,863,414 shares in satisfaction of $4,152 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On December 16, 2020, the Company issued 19,908,739 shares in satisfaction of $6,968 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On November 21, 2020, the Company issued 19,908,739 shares in satisfaction of $6,968 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

On August 7, 2020, the Company issued 15,000,000 shares in satisfaction of $5,250 of Judgments Payable at a conversion rate of $0.00035 per share pursuant to a court ordered judgment under Rule 3(a)(10).

Contributed Capital
On various dates between September 2, 2020 and June 11, 2021, Securities Counselors Group and Epidemiologic Solutions Corp. contributed capital in the combined amount of $534,815 to pay expenses for operations.

Note 8 – Common Stock Warrants

Warrants to purchase a total of 461,250,000 shares of common stock at a weighted average strike price of $0.01 were outstanding as of July 31, 2021.

Warrants Exercised
On October 23, 2020, the Company sold 1,000,000 shares of its common stock pursuant to the partial exercise of a warrant agreement in exchange for proceeds of $10,000.

Warrants Issued for Services
On January 4, 2021, the Company issued warrants to purchase 250,000 shares, exercisable at $0.0235 per share over a ten-year term, to an individual for services provided. The estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 277% and a weighted average call option value of $0.0235, was $5,863.

On November 25, 2020, the Company issued warrants to purchase 250,000 shares, exercisable at $0.01 per share over a ten-year term, to an individual for services provided. The estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 268% and a weighted average call option value of $0.0245, was $6,115.

On September 10, 2020, the Company issued warrants to purchase an aggregate 1,750,000 shares, exercisable at $0.01 per share over a ten-year term, to four scientific advisors for services provided. The aggregate estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 232% and a weighted average call option value of $0.0049, was $8,634.

On June 24, 2020, the Company issued warrants to purchase 10,000,000 shares, exercisable at $0.01 per share over a ten-year term, to a member of the board of directors for services provided. The estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 232% and a weighted average call option value of $0.0089, was $89,116.

On May 3, 2020, the Company issued warrants to purchase an aggregate 300,000,000 shares, exercisable at $0.01 per share over a ten-year term, to three members of the board of directors for services provided. The aggregate estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 246% and a weighted average call option value of $0.0034, was $1,009,809.

On May 3, 2020, the Company issued warrants to purchase 150,000,000 shares, exercisable at $0.01 per share over a ten-year term, to a consultant for services provided. The estimated fair value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 246% and a weighted average call option value of $0.0034, was $504,905.

The following is a summary of information about our warrants to purchase common stock outstanding at July 31, 2021.

Shares Underlying Warrants Outstanding				Shares Underlying Warrants Exercisable	
Range of Exercise Prices	Shares Underlying Warrants Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Warrants Exercisable	Weighted Average Exercise Price
$0.01 to $0.0235	461,250,000	4.59 years	$ 0.01	461,250,000	$ 0.01

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Note 8 – Common Stock Warrants (Continued)

The fair value of each warrant grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants under the fixed option plan:

	July 31, 2021	July 31, 2020
Average risk-free interest rates	0.31 %	0.35 %
Average expected life (in years)	5.00	5.00
Volatility	245 %	243 %

The following is a summary of activity of outstanding common stock warrants:

	Number of Shares	Weighted Average Exercise Price
Balance, July 31, 2019	-	$ -
Warrants granted	460,000,000	0.01
Balance, July 31, 2020	460,000,000	$ 0.01
Warrants granted	2,250,000	0.01
Warrants exercised	(1,000,000)	(0.01)
Balance, July 31, 2021	461,250,000	$ 0.01
Exercisable, July 31, 2021	461,250,000	$ 0.01

Note 9 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

As of July 31, 2021, the Company incurred a taxable net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. The Company had approximately $3,050,000 of federal net operating loss carry forwards at July 31, 2021. The net operating loss carry forwards, if not utilized, will begin to expire in 2029.

The components of the Company's deferred tax asset are as follows:

	July 31, 2021	July 31, 2020
Deferred tax assets:		
Net operating loss carry forwards	$ 640,500	$ 512,400
Net deferred tax assets before valuation allowance	$ 640,500	$ 512,400
Less: Valuation allowance	(640,500)	(512,400)
Net deferred tax assets	$ -	$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at July 31, 2021 and July 31, 2020, respectively. The Company had no uncertain tax positions as of July 31, 2021 and July 31, 2020.

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Note 9 – Income Taxes (Continued)

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	July 31, 2021	July 31, 2020
Federal and state statutory rate	21%	21%
Change in valuation allowance on deferred tax assets	(21%)	(21%)

Note 10 – Commitments and Contingencies

The Company may be involved in various inquiries, administrative proceedings and litigation relating to matters arising from our operations prior to the change in management and spin-off of our subsidiary on July 31, 2012. The Company is not currently a defendant in any material litigation and is not aware of any threatened litigation that could have a material effect on the Company. Management is not able to estimate the minimum loss to be incurred, if any, as a result of the final outcome of these matters but believes they are not likely to have a material adverse effect upon the Company's financial position or results of operations and, accordingly, no provision for loss has been recorded.

The Company has received a binding funding commitment from Epidemiological Solutions Corporation, a charitable organization recently approved by the Internal Revenue Service and qualified under Internal Revenue Code section 501(c)(3), for $2,000,000 to fund the Company's research and development endeavors. As of July 31, 2021, $71,782 had been paid on this commitment, beginning with the first payment of $21,782 on, or about, August 31, 2020. All other scheduled payments are in in monthly amounts of $50,000. As of July 31, 2021, the Company has received a total of $350,000, as presented as Contributed Capital within the Statement of Stockholders Equity (Deficit).

On May 7, 2014, the Company entered into a court ordered settlement for a total of $279,447 that is to be settled with the payment of shares of common stock pursuant to a Section 3(a)(10) exemption from the Securities Act of 1933's registration requirements. As of July 31, 2021, there was a balance outstanding of $176,485 on this judgment that could be converted into approximately 278,690,243 shares of the Company's common stock at a rate of approximately $0.00063 per share.

On November 25, 2014, a judgment in the amount of $2,934,889 was awarded against the Company's wholly-owned subsidiary, Alaric Corporation. On April 29, 2016, a total of $2,822,209 of this was relinquished pursuant to an exchange of properties. The remaining $112,680 judgment was replaced on May 4, 2016, pursuant to a new judgment. As of July 31, 2021, there was a balance outstanding of $39,915 on this judgment that could be converted into approximately 114,042,714 shares of the Company's common stock at a rate of approximately $0.00035 per share.

Note 11 – Subsequent Events

In accordance with ASC 855-10, management has performed an evaluation of subsequent events through the date that the financial statements were available to be issued and has determined that it does not have any material subsequent events to disclose in these financial statements.