PSYC Corporation

Financial Statements

For the Years Ended December 31, 2021 and 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of PSYC Corporation (f/k/a Global Trac Solutions, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PSYC Corporation (f/k/a Global Trac Solutions, Inc.) (the Company) as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years ended December 31, 2021 and 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years ended December 31, 2021 and 2020, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company suffered concurring net losses from operations, has a net capital deficiency, and negative cash flows, which raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

As discussed in Note 1 to the financial statements, the Company had a going concern due to the cumulative net loss year-over-year which resulted in stockholders' deficiency and also has negative cash flows.

Auditing management's evaluation of a going concern can be a significant judgment given the fact that the Company uses management estimates on future revenues and expenses which are not able to be substantiated.

To evaluate the appropriateness of the going concern, we examined and evaluate the financial information that was the initial cause along with management's plans to mitigate the going concern and management's disclosure on going concern.

As such, M&K considered going concern as a critical audit matter.

/s/ M&K CPAS, PLLC

We have served as the Company's auditor since 2018.

Houston, TX
August 30, 2022

PSYC CORPORATION
Consolidated Balance Sheets

		As of December 31, 2021		As of December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	70,414	$	194,400
Prepaid expenses and other current assets		6,029		1,029
Stock purchase receivable – related party		5,000		-
Total Current Assets		76,443		195,429
Non-Current Assets				
Property and equipment, net of accumulated depreciation of $38,136 and $34,421, respectively		6,665		10,380
Intangibles, net of accumulated amortization of $1,486 and $1,051 respectively		2,864		3,299
Investment interests in other company's securities, at cost		125,000		-
TOTAL ASSETS	$	210,972	$	209,108
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts payable	$	96,359	$	102,943
Accrued expenses		613,562		606,973
Notes payable		20,000		50,000
Convertible notes payable, net of discount of $152,945 and $263,425		4,968,791		4,421,311
Accrued interest		2,584,789		2,124,442
Deferred revenue		16,390		-
Total Current Liabilities		8,299,891		7,305,669
Long-Term Liabilities				
CARE loans		150,000		150,000
Total Liabilities		8,449,891		7, 455,669
Stockholders' Deficit:				
Preferred stock, $0.001 par value (shares authorized-1,000,000) Series A: 1,000,000 shares issued and outstanding at December 31, 2021 and at December 31, 2020		1,000		1,000
Preferred stock, $0.001 par value (shares authorized-69,000,000) Series B: 69,000,000 shares issued and outstanding at December 31, 2021 and December 31, 2020		69,000		69,000
Preferred stock, $0.001 par value (shares authorized-10,000,000) Series C: 3,995,000, and 6,845,000 shares issued and outstanding at December 31, 2021 and December 31, 2020		3,995		6,845
Common stock, $0.001 par value (shares authorized-4,000,000,000); 475,871,568 and 320,045,040 shares issued and outstanding at December 31, 2021 and December 31, 2020		475,871		320,045
Additional paid-in capital		87,777,077		86,967,203
Accumulated deficit		(96,565,862)		(94,610,654)
Total Stockholders' Deficit		(8,238,919)		(7,246,561)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	210,972	$	209,108

See accompanying notes to the consolidated financial statements

PSYC CORPORATION
Consolidated Statements of Operations

	Years Ended December 31, 2021	Years Ended December 31, 2020
Revenues	$ 12,517	$ -
Cost of revenues	-	-
Gross profit	12,517	-
Operating Expenses		
Depreciation expense	3,715	9,427
Amortization expense	435	435
General and administrative	1,067,848	3,024,238
Total Operating Expenses	1,071,998	3,034,100
Loss from Operations	(1,059,481)	(3,034,100)
Interest expense	(888,525)	(1,000,700)
Loss on settlement of accrued expenses	-	(125,380)
Loss on debt conversion	-	(142,167)
Loss on impairment	(15,000)	(111,638)
Gain on forgiveness of interest	7,798	-
Other Income (Expense)	-	7,525
Total Other Income (Expense)	(895,727)	(1,372,360)
Net Income (Loss) from Continued Operations	(1,955,208)	(4,406,460)
Net Income (Loss) from Discontinued Operations	-	11,452
Net Loss	$ (1,955,208)	$ (4,395,008)
Weighted average number of shares outstanding – basic and diluted	425,934,067	145,970,098
Net income/(loss) per common share – basic and diluted	$ (0.00)	$ (0.03)

See accompanying notes to the consolidated financial statements

PSYC CORPORATION
Consolidated Statements of Changes in Stockholders' Deficit

	Series A Preferred		Series B Preferred		Series C Preferred		Common Shares		Additional				
	Shares Issued	Amount	Shares Issued	Amount	Shares Issued	Amount	Shares Issued	Amount	Paid-In Capital	Treasury Stock	To Be Issued	Accumulated Deficit	Equity (Deficit)
Balance December 31, 2019	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**4,437,500**	**$ 4,438**	**55,170,498**	**$55,170**	**$84,111,289**	**$(257,022)**	**$150,000**	**$(90,215,646)**	**$(6,180,771)**
Stock issued for cash	-	-	-	-	-	-	2,500,000	2,500	22,500	-	-	-	25,000
Stock payable issuance	-	-	-	-	-	-	1,700,000	1,700	49,300	-	(51,000)	-	-
Stock issued for services	-	-	-	-	2,157,500	2,158	31,500,000	31,500	1,338,403	-	-	-	1,372,060
Stock issued for conversion of preferred C	-	-	-	-	(250,000)	(250)	2,500,000	2,500	(2,250)	-	-	-	-
Stock issued for conversion of convertible debt	-	-	-	-	-	-	194,192,206	194,192	277,293	-	-	-	471,486
Stock issued for settlement of debt	-	-	-	-	500,000	500	17,625,000	17,625	401,513	-	-	-	419,638
Stock issued for conversion of warrant	-	-	-	-	-	-	22,222,222	22,222	(22,222)	-	-	-	-
Repurchase/Cancellation of treasury stock	-	-	-	-	-	-	(7,364,886)	(7,365)	(95,635)	257,022	-	-	154,022
BCF of Warrants	-	-	-	-	-	-	-	-	125,000	-	-	-	125,000
Loss on conversion of debt	-	-	-	-	-	-	-	-	142,167	-	-	-	142,167
Beneficial conversion feature	-	-	-	-	-	-	-	-	619,845	-	-	-	619,845
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	(4,395,008)	(4,395,008)
Balance December 31, 2020	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**6,845,000**	**$ 6,845**	**320,045,040**	**$ 320,045**	**$86,967,203**	**$-**	**$ -**	**$(94,610,654)**	**$(7,246,561)**
Stock issued for asset purchase	-	-	-	-	-	-	1,500,000	1,500	13,500	-	-	-	15,000
Stock issued for services	-	-	-	-	-	-	19,750,000	19,750	240,900	-	-	-	260,650
Stock issued for conversion of preferred C	-	-	-	-	(2,850,000)	(2,850)	28,500,000	28,500	(25,650)	-	-	-	-
Stock issued for conversion of convertible debt	-	-	-	-	-	-	111,000,000	111,000	502,200	-	-	-	613,200
Cashless exercise of warrants for common stock	-	-	-	-	-	-	2,703,297	2,703	(2,703)	-	-	-	-
Repurchase/Cancellation of treasury stock	-	-	-	-	-	-	(7,626,769)	(7,627)	(93,373)	-	-	-	(101,000)
Beneficial conversion feature	-	-	-	-	-	-	-	-	175,000	-	-	-	175,000
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	(1,955,208)	(1,955,208)
Balance December 31, 2021	**1,000,000**	**$ 1,000**	**69,000,000**	**$ 69,000**	**3,995,000**	**$ 3,995**	**475,871,568**	**$ 475,871**	**$87,777,077**	**$-**	**$ -**	**$(96,565,862)**	**$(8,238,919)**

See accompanying notes to the consolidated financial statements

PSYC CORPORATION
Consolidated Statements of Cash Flows

	Years Ended December 31, 2021	2020
Cash Flows from Operating Activities		
Net Income (Loss) for the period	$ (1,995,208)	$ (4,406,460)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	3,715	9,427
Amortization expense	435	435
Amortization of debt discount	285,480	481,420
Additional compensation expense	-	154,022
Stock based compensation	260,650	1,372,060
Preferred stock issued for settlement of RP dent	-	97.500
Common stock issued for settlement of RP debt	-	322,138
Loss on debt conversion	-	142,167
Gain on forgiveness of accrued interest	(7,798)	-
Gain on settlement of debt	-	(24,644)
Loss on impairment	15,000	111,638
Changes in operating assets and liabilities:		
Prepaid expenses	-	1,347
Accounts Payable	(6,584)	32,167
Accrued Expenses	6,589	171,955
Accrued Interest	569,345	502,361
Deferred revenue	16,390	-
Cash used in operating activities of continuing operations	(811,986)	(1,032,467)
Cash provided by operating activities of discontinuing operations	-	11,452
Cash used in operating activities	(811,986)	(1,021,015)
Cash Flows from Investing Activities		
Investment in other companies	(125,000)	-
Net cash used in investing activities	(125,000)	-
Cash Flows from Financing Activities		
Payments on convertible debentures	(121,000)	-
Payments on notes payable	(30,000)	(153,525)
Stock purchase receivable – related party	(5,000)	-
Repurchase of common shares	(101,000)	-
Proceeds from sale of common stock	-	25,000
Proceeds from SBA loan	-	150,000
Proceeds received on convertible debt	1,070,000	1,085,000
Proceeds received on notes payable - related parties	-	55,500

Net cash provided by financing activities	813,000	1,161,975
Increase (Decrease) in Cash and Cash Equivalents	(123,986)	140,960
Cash and Cash Equivalents—Beginning of Period	194,400	53,440
Cash and Cash Equivalents—End of Period	$ 70,414	$ 194,400
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	$ 21,700	$ 26,845
Cash paid for income taxes	$ -	$ -
Non-Cash Investing and Financing Activities		
Debt Discount on notes	$ 175,000	$ 744,845
Cashless exercise of warrants	$ 2,703	$ 22,222
Conversion of preferred stock	$ 28,500	$ 2,500
Conversion of debt and accrued interest to equity	$ 613,200	$ 435,500
Cancellation of common stock	$ (101,000)	$ (103,000)
Extinguishment on convertible notes	$ -	$ 495,000
Stock issued from previous payments	$ -	$ 51,000
Shares issued to purchase intangible assets	15,000	-

See accompanying notes to the consolidated financial statements

Note 1 - Organization and Basis of Operations

Global Trac Solutions, Inc. ("Global Trac Solutions" the "Company", or "Global") was incorporated under the laws of the State of California on July 24, 2009 to operate a prepaid credit card business. On December 9, 2010, we merged with Go Healthy, Inc., a Florida corporation and became a public entity and changed our name to Global Payout, Inc. On March 14, 2011, the Company merged into its wholly owned subsidiary, Global Trac Solutions, Inc., a California Corporation.

On March 10, 2015 Global management incorporated MoneyTrac Technology, Inc. ("MTT"), under the laws of the State of California. MTT was wholly owned by the Company. The Board of Directors initially considered spinning off MTT and reported as such on the OTC Markets Pink Sheet disclosures. An aggregate of 110,354,996 MTT shares were issued to individual investors and service providers, reducing the Company's equity position. On June 1, 2018, the Company approves the Merger Agreement with MTT to acquire the 110,354,996 non-controlling common stock of MTT.

On June 4, 2018, MTrac Tech Corporation ("MTrac Tech"), wholly owned subsidiary of the Company, was incorporated under the laws of the State of Nevada.

On June 12, 2018, MoneyTrac Technology, Inc. was merged into MTrac Tech with MTrac Tech as the surviving Nevada chartered, wholly owned subsidiary of the Company (the "MTrac Tech Merger") and changed the business model of the overall company. Global will now focus on the delivery of a blockchain powered payment platform to a variety of "high-cost" and "high risk" industries. MTrac is solving the problem of cash and high-cost payment processing in ' high-risk ' industries, where legal businesses are being denied access to traditional banking models. The cashless solution, built on patented blockchain technology, is able to secure funds in a one-to-one ratio, which move into the ecosystem via cash, credit, or ACH, with preset guidelines and restrictions to satisfy AML/KYC compliance. KYC stands for 'Know Your Customer' and AML stands for 'Anti-Money Laundering'. It was the process of a business identifying and verifying the identity of its clients. Cashless transactions occurred between two parties on the MTrac platform without the need of a third-party intermediary. Since the funds were secured and verified upon entry, all transactions settle immediately without having to wait for reconciliation.

On July 30, 2019, Global Payout, Inc. was redomiciled to the state of Nevada and remains in active and in good standing (under its current name) as of the date of this filing under its new name.

On February 11, 2020, Global Payout, Inc. changed its name to Global Trac Solutions, Inc. and our symbol changed to PSYC. On June 12, 2020, the Company announced, through a press release, its intent to effectively phase-out all business-related activities associated with MTrac and transition out of the cannabis industry in order to more effectively focus its efforts on expanding within the emerging medicinal psychedelic market space, resulting, in managements' opinion, of an uninterrupted conversion from one business to another. During the last quarter, management effectively concluded all ongoing operations associated with MTrac as the Company maintained the business operations needed to transition to the current business plan related to the medicinal psychedelic market. As management concluded the MTrac business, the Company will continue to resolve any remaining and outstanding obligations, financial and otherwise, associated with MTrac business operations. MTrac remains as a wholly owned subsidiary of the Company.

On September 3, 2021, the Company filed a name change with the State of Nevada, following consent by the Board of Directors and majority of shareholders, to PSYC Corporation. FINRA formally acknowledged the name change on February 28, 2022.

The Company's stock is quoted on the OTC Markets Pink Sheets under the ticker symbol PSYC.

Going Concern

The Company's consolidated financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. As reflected in the consolidated financial statements, the Company had a stockholders' deficit of $8,223,448 at December 31, 2021 and incurred a loss from operations for the year ended December 31, 2021 of $1,955,208, which include gross profits of $12,517, and utilized net cash used in operating activities of $811,986. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the date that the financial statements are issued. In addition, the Company's independent public accounting firm in its audit report to the financial statements expressed substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management estimates that the current funds on hand and raising capital through proceeds from the notes payable and the sale of common stock subscriptions will be sufficient to continue operations through 2022. The ability of the Company to continue as a going concern is dependent on the Company's ability to execute its strategy and in its ability to raise additional funds. Management is currently seeking additional funds, primarily through the issuance of equity securities for cash to operate its business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

COVID-19.

THE OUTBREAK OF THE CORONAVIRUS MAY NEGATIVELY IMPACT SOURCING AND MANUFACTURING OF THE PRODUCTS THAT WE SELL AS WELL AS CONSUMER SPENDING, WHICH COULD ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The significant outbreak of COVID-19 has resulted in a widespread health crisis that could adversely affect the economies and financial markets worldwide, and could adversely affect our business, results of operations and financial condition. We cannot, at this point, determine the extent to which the COVID-19 outbreak will impact business or the economy as both are highly uncertain and cannot be predicted.

Note 2 – Discontinued Operations

The Company reports discontinued operations by applying the following criteria in accordance with ASC
Topic 205-20 – Presentation of Financial Statements – Discontinued Operations: (1) Component of an entity; (2) Held for sale criteria; and (3) Strategic shift.

The key reason for the decrease in gross profits in 2020, was a result of GreenBox commencing with an undertaking to redevelop their patented payment processing software technology during the fourth quarter of 2019 which served as the basis and foundation of The MTrac System. During this process, The MTrac System's processing capabilities were drastically limited, and the Company was required to discontinue services for nearly 85% of its merchants and consequently resulting in a significant decrease in the Company's revenue derivation which continued during the year ended December 31, 2020.

On June 12, 2020, the agreement, as revised, between was terminated by and between MTrac, GreenBox and Cultivate through the mutual agreement of the parties with neither MTrac nor the Company having any residual or current obligations to GreenBox and Cultivate and GreenBox and Cultivate having no residual or current obligations to MTrac. This termination was to part of the ongoing transition from a cannabis-based business to the Company's current business plan related to the medicinal psychedelic market.

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple.

The following table discloses the results of operations of the businesses reported as discontinued operations for the years ended December 31, 2021, 2020, respectively:

	December 31, 2021	December 31, 2020
Revenues	$ -	$ 17,978
Cost of revenues	-	6,526
Gross profit	-	11,452

Note 3 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The accompanying consolidated financial statements reflect the accounts of PSYC Corporation and its wholly owned subsidiaries. All significant inter-company balances and transactions have been eliminated.

Reclassification of Prior Year Presentation

The Company is restating its financial statements for the year ended December 31, 2021 (the "2021 Financial Statements") because the Company's independent registered public accounting firm has recently completed its audit of the Company's 2021 Financial Statements. These financial statements represent a reclassification of certain prior year footnotes.

Use of Estimates

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 disclosures 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. Those estimates and assumptions include depreciable lives of property and equipment, analysis of impairments of recorded goodwill, accruals for potential liabilities, and assumptions made in valuing stock instruments issued for services.

Fair Value of Financial Instruments

The Company follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification for disclosures about fair value of its financial instruments and to measure the fair value of its financial instruments. The FASB Accounting Standards Codification establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the fair value hierarchy are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally unobservable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses, approximate their fair values because of the short maturity of these instruments. The carrying values of notes payable and convertible notes approximate their fair values due to the fact that the interest rates on these obligations are based on prevailing market interest rates.

Principles of consolidation

The accompanying condensed consolidated financial statements at December 31, 2021 and 2020 and for the years then ended include the accounts of PSYC Corporation and the following majority-owned subsidiaries.

Subsidiary:	Percentage Owned	
	2021	2020
MTrac Tech Corporation	100.00%	100.00%

All Intercompany transactions have been eliminated upon consolidation.

Revenue Recognition

Effective January 1, 2018, and in conjunction with the prior business of the Company which is reflected in the historical financials presented herein, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

The Company's main source of revenue through the first two fiscal quarters of 2020 was comprised of the following from the Company's wholly-owned subsidiary, MTrac Tech Corporation:

- Processing of the retail customer payment at one of our merchants, the customer simply swipes his or her card through a pin pad (which is called a Dejavoo Terminal in our system) that we provide to them to access the MTrac System. These fees are based on a percentage of the customer payment and are recognized as the services are performed.

Effective June 30, 2020, the Company effectively commenced the transition out of all business operations associated with MTrac Tech Corporation and the MTrac System. Furthermore, the Company does not currently anticipate nor foresee any future revenue realization from this wholly-owned subsidiary.

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple.

The Company focuses on revenue generation through the sale and execution of media partnership and affiliate partnership agreements with the growing list of companies operating within the medicinal psychedelic sectors as well as other related industries such as the health and wellness and nutraceuticals industries where the Company can leverage its aforementioned digital media platforms to optimize marketing and awareness-driven initiatives for companies operating across these sectors. Pursuant to its 2021 business plan, to adopt a more centralized focus on the execution of media partnership agreements, the Company receives monthly retainers for its marketing and media service offerings at rates ranging from $2,500 USD to upwards of $10,000 USD per month.

No assurances can be provided as to the profitability or amount of revenue to be derived pursuant to the current business plan.

In August 2020, the Company announced the establishment of a content collaboration and affiliate partnership with MD Media Inc. (a.k.a. Microdose Psychedelic Insights), to, in effect, create an opportunity for the companies to co-develop content focused on the medicinal psychedelic industry. Additionally, the partnership provides the Company, through Psychedelic Spotlight, to earn commissions on the sale of psychedelic-related conferences hosted by Microdose Psychedelic Insights.

In September 2020, the Company established an affiliate partnership with BodyChek Wellness for the purpose of promoting the advertisement and sale of their line of functional mushroom supplements (i.e. lion's mane, maca root, cordyceps).

While management is optimistic that its strategic relationships with MD Media Inc., BodyChek Wellness, and PsycheDev, Inc. will be beneficial to our business, financial condition and results of operations, there can be no assurances when or if such benefits will transpire.

Cash Equivalents

The Company considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. The fair values of these investments approximate their carrying values.

The Company's cash and cash equivalents are maintained with recognized financial institutions located in the United States. In the normal course of business, the Company may carry balances with certain financial institutions that exceed federally insured limits. The Company has not experienced losses on balances in excess of such limits and management believes the Company is not exposed to significant risks in that regard.

Intangible Assets

The Company records identifiable intangible assets acquired from other enterprises or individuals at cost. Intangible assets consist of trademarks acquired by the Company which are being amortized over the estimated life of the patent licenses for a period of 10 years.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset, generally three to five years. Fully depreciated assets are retained in property, equipment and accumulated depreciation accounts until they are removed from service. Management performs ongoing evaluations of the estimated useful lives of the property and equipment for depreciation purposes. Maintenance and repairs are expensed as incurred.

Investments at Cost, Less Impairment

The Company's securities investments that are acquired and held principally for the purpose of an investment in the near term are classified as investment in other company's securities. Because the Company doesn't have readily determinable fair values, the Company elected to account for the investment at cost minus impairment, if any. The cost minus impairment election option only applies to equity securities that do not qualify for the practical expedient to estimate fair value under Topic 820, Fair Value Measurement (i.e., the net asset value practical expedient). The company assesses impairment on an annual basis, noting no impairment indicators as of 12/31/2021.

Beneficial Conversion Features on Notes Payable and Convertible Notes Payable

Convertible instruments that are not bifurcated as a derivative pursuant to ASC 815, *Derivatives and Hedging*, and not accounted for as a separate equity component under the cash conversion guidance are evaluated to determine whether their conversion prices create an embedded beneficial conversion feature at inception, or may become beneficial in the future due to potential adjustments.

A beneficial conversion feature is a nondetachable conversion feature that is "in-the-money" at the commitment date. The in-the-money portion, also known as the intrinsic value of the option, is recorded in equity, with an offsetting discount to the carrying amount of convertible debt to which it is attached. The discount is amortized to interest expense over the life of the debt with adjustments to amortization upon full or partial conversions of the debt.

Non-Controlling Interest

Non-controlling interest represents the non-controlling interest holders' proportionate share of the equity of the Company's majority-owned subsidiaries. Non-controlling interest is adjusted for the non-controlling interest holders' proportionate share of the earnings or losses and other comprehensive income (loss) and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

Stock-Based Compensation

The Company adopted FASB guidance on stock-based compensation upon inception at November 18, 2013. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

Our employee stock-based compensation awards are accounted for under the fair value method of accounting, as such, we record the related expense based on the more reliable measurement of the services provided, or the fair market value of the stock issued multiplied by the number of shares awarded.

We account for our employee stock options under the fair value method of accounting using a Black-Scholes valuation model to measure stock option expense at the date of grant. We do not backdate, re-price, or grant stock-based awards retroactively. As of the date of this report, we have not issued any stock options.

Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share reflects the potential dilution, using the treasury stock method that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the income (loss) of the Company. In computing diluted income (loss) per share, the treasury stock method assumes that outstanding options and warrants are exercised and the proceeds are used to purchase common stock at the average market price during the period. Options and warrants may have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options and warrants. All possible conversions would have an antidilutive effect.

Impairment Testing of Long-Lived Assets

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. 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 the consolidated statements of operations in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. The Company did not take any uncertain tax positions and had no adjustments to unrecognized income tax liabilities or benefits for the years ended December 31, 2021 and 2020.

Recently Issued Accounting Pronouncements

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statement presentation or disclosures.

Note 4 – Investment Interest in Other Company's Securities

The Company's invested in TCF I LP, a United Kingdom Limited Partnership operating as a private fund limited partnership in England (a.k.a. "The Conscious Fund") (the "Fund") through the Company's investment into the Fund's private placement memorandum. The Company executed its initial investment of $125,000 USD into the Fund on January 19, 2021 and intends to complete a full investment amount into the Fund of $500,000 USD within a four-year period from the date of its initial investment. Because the Company doesn't have readily determinable fair values, the Company elected to account for the investment at cost minus impairment, if any. The cost minus impairment election option only applies to equity securities that do not qualify for the practical expedient to estimate fair value under Topic 820, Fair Value Measurement (i.e., the net asset value practical expedient). The company assesses impairment on an annual basis, noting no impairment indicators as of 12/31/2021. As of December 31, 2021, the Company had not received any fund statements, thus the Company was not able to make any observable price changes to indicate a need to adjust.

Note 5 - Deferred Revenue

Through the use of its Psychedelic Spotlight platform, the Company has made available to the psychedelic industry specific media-related/public relations-style services as well as paid advertisement and sponsorship opportunities. Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from the Company's marketing agreements for service described above and is recognized as the revenue recognition criteria are met. When it comes to a contract with multiple performance obligations, the price of these can be recognized individually once rendered (depending on certain circumstances) but the undelivered obligations are deferred. For example, if a contract includes two deliverables (Podcast and youtube video), and only one of these are completed prior to a reporting period, then the Company recognizes a portion of the contract for the price of that obligation. Additionally, the company performs an evaluation of the price for each service obligation (e.g. selling podcasts and youtube videos as single one-off items) and recognizes the revenue for a portion of a contract with have multiple deliverables the have been fulfilled.

As of December 31, 2021 and December 31, 2020, the Company had $16,390 and $0 of deferred revenue, respectively.

Note 6 – Debt

Convertible Notes Payable

2020 Transactions

From January 10, 2020 to March 10, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $115,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.25 to $0.35.

On February 1, 2020, the Company entered into a Securities Purchase Agreement consisting of a convertible promissory note in the amount of $125,000, and an attached common stock purchase warrant to purchase up to Fifty Million (50,000,000) shares of Common Stock, with Brandon Robinson. The convertible promissory note agreement bears interest at eighteen (18%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at a conversion price of $0.01.

From April 10, 2020 to June 1, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $130,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.15 to $0.20.

On April 15, 2020, the Company converted a note payable and accrued interest into a convertible promissory note in the amount of $495,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at ten (10%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.01.

On June 17, 2020, the Company received $150,000 under the Paycheck Protection Program from the SBA. The loan bears interest at three and seventy-five (3.75%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity.

From June 1, 2020 to September 29, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $245,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.1 to $0.20.

From October 9, 2020 to December 21, 2020 the Company entered into a series of convertible promissory notes in aggregate amount of $345,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, have a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion into common shares at conversion prices varying from $0.08 to $0.15.

On November 18, 2020 the Company entered into a convertible promissory note in the amount of $100,000, with Kenneth Haller. The convertible promissory note agreement bears interest at eighteen (12%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.0025.

On November 20, 2020 the Company entered into a convertible promissory note in the amount of $25,000, with Planet Payment Processing. The convertible promissory note agreement bears interest at eighteen (1.5%) percent, has a six (6) month maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices of $0.003.

During the twelve months ended December 31, 2020 the Company issued Convertible Notes for cash proceeds of $1,580,000 (including the $495,000 note replacement), converted $471,486 of principal and interest, and paid down $10,500 of interest in cash into 194,192,206 shares of common stock. This resulted in a $495,000 discount on a convertible note, and a $352,603 charge to amortization of the discount that was recorded as interest expense.

As of December 31, 2020, the Company has outstanding convertible promissory notes (the "Convertible Notes") of $4,421,311 (net of unamortized discount of $263,425).

2021 Transactions

From January 10, 2021 to March 29, 2021 the Company entered into a series of convertible promissory notes in an aggregate amount of $300,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at twelve (10%) percent, has a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion, into common shares at conversion prices at $0.15 each.

From January 18, 2021 to March 31, 2021, the Company issued an aggregate of 55,200,000 shares of common stock ($17,000 in principal and $38,200 of interest) and made cash payments of $36,400 ($21,000 in principal and $15,400 of interest) to various noteholders for conversion of convertible notes payable and accrued interest, for notes that were outside of their terms, resulting in a gain on the forgiveness of interest of $7,798.

From April 14, 2021 to June 14, 2021 the Company entered into a series of convertible promissory notes in an aggregate amount of $240,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, has a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion, into common shares at conversion prices at from $0.10 to $0.15 each.

From July 12, 2021 to September 3, 2021 the Company entered into a series of convertible promissory notes in an aggregate amount of $275,000, with RB Capital Partners, Inc. The convertible promissory note agreements bear interest at ten (10%) percent, has a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion, into common shares at a conversion price of $0.075.

On October 11, 2021 to December 10, 2021 the Company entered into a series of convertible promissory notes in an aggregate amount of $305,000, with RB Capital Partners, Inc. The convertible promissory note agreements bears interest at ten (10%) percent, has a one (1) year maturity date. The notes may be repaid in whole or in part any time prior to maturity. The promissory notes are convertible at the investor's sole discretion, into common shares at conversion price of $0.001 to $0.05.

As of December 31, 2021, the Company has outstanding convertible promissory notes (the "Convertible Notes") of $4,968,741 (net of unamortized discount of $152,945).

During the twelve months ended December 31, 2021 the Company issued Convertible Notes for cash proceeds of $1,070,000, converted $613,200 of principal and interest into 111,000,000 shares of common stock, and paid down $148,400 of principal into 111,000,000 shares of common stock for notes that were outside of their terms, resulting in a gain on the forgiveness of interest of $7,798. This resulted in a $175,000 discount on a convertible note, and a $285,480 charge to amortization of the discount that was recorded as interest expense.

Beneficial Conversion Feature

The Company analyzed the conversion option in the notes for derivative accounting treatment under ASC Topic 815, "Derivatives and Hedging," and determined that the instrument does not qualify for derivative accounting. The Company determined that the conversion option was subject to a beneficial conversion feature.

During the twelve months ended December 31, 2020 the company recorded a total beneficial conversion feature of $744,845, and amortization of the beneficial conversion feature of $481,420 as an interest expense.

During the twelve months ended December 31, 2021 the company recorded a total beneficial conversion feature of $175,000, and amortization of the existing beneficial conversion features of $236,484 as an interest expense.

Notes Payable

2020 Transactions

On January 15, 2020 the Company entered into promissory notes in the amount of $25,000, with Luna Consultant Group, LLC. The promissory note agreement bears interest at twenty (20%) percent, has a five (5) month maturity date. The note has been paid off in full.

On March 26, 2020 the Company entered into promissory notes in the amount of $30,500, with Kabbage. The promissory note agreement bears interest at twenty-four (24%) percent, has a six (6) month maturity date. The note has been paid off in full.

During the twelve months ended December 31, 2020 the Company did not issue any notes payable, but did receive $150,000 as part of CARE Loans given during COVID-19, repaid principal and interest of $172,915 and had a $495,000 outstanding note and accrued interest paid off by RB Capital and replaced with a convertible note.

As of December 31, 2020, the Company had an outstanding notes payable balance (the "Notes Payable") of $50,000, excluding CARE loans.

2021 Transactions

During the twelve months ended December 31, 2021 the Company did not issue any new Notes Payable and repaid $30,000 of principal and $6,300 of accrued interest.

As of December 31, 2021, the Company has outstanding notes payable balance (the "Notes Payable") of $20,000, excluding CARE loans.

The aggregate scheduled maturities of the Company's total debt outstanding, inclusive of the note payable and convertible promissory notes described within this Note 3 – Debt. Debt Payable, as of December 31, 2021:

2022	$	5,141,736
2023		150,000
2024		-
2025		-
2026		-
Thereafter		-
Total		5,291,736
Less discounts		(152,945)
	$	5,138,791

Note 7 – Note Receivable

On January 1, 2018 the Company formed SecurCapital Corporation ("SCC"), as a wholly owned subsidiary, to use our payment platform to facilitate the payment process for the logistics industry and issued 20,000,000 shares of stock in exchange for ownership in SCC business. The Company also loaned SCC $137,500. On July 23, 2018, this transaction was rescinded pursuant to a settlement and release agreement. Under the terms of this settlement and release agreement it was confirmed that SCC acted as a standalone company since incorporation with no contribution from the Company thereby any ownership was relinquished and the return of 19,000,000 shares to the Company treasury was completed in exchange for SCC autonomy. It was affirmed that 1,000,000 shares were owed to Mr. Stephen Russell for services performed. In addition, the $100,000 in principal remained payable to the Company as of December 31, 2019. During the year ended December 31, 2020 the Company wrote off the principal balance and accrued interest on this note receivable, recording a loss on impairment of $111,638.

For the year ended December 31, 2021 the balance was $0.

Note 8 – Property and equipment

At December 31, 2021 and 2020, property and equipment consisted of the following:

		2021		2020
Furniture and fixtures	$	22,817	$	22,817
Machinery and equipment		21,984		21,984
		44,801		44,801
Less: accumulated depreciation		(38,136)		(34,421)
Property and equipment, net	$	6,665	$	10,380

Depreciation expense for the years ended December 31, 2021 and 2020 was approximately $3,715 and $9,427, respectively.

Note 9 - Stockholders' Deficit

The Company is authorized to issue 400,000,000 shares of $0.001 par value common stock. The Company has 475,871,568 and 320,045,040 common shares issued and outstanding as of December 31, 2021 and 2020, respectively.

Issuance of Common Stock for services

During the year ended December 31, 2021, the Company issued an aggregate of 19,750,000 shares of common stock valued at $260,650 to various shareholders for services. The shares were valued on the date of the agreement using the share price per OTC markets on that date.

During the year ended December 31, 2020, the Company issued an aggregate of 31,500,000 shares of common stock valued at $638,900 to various shareholders for services. The shares were valued on the date of the agreement using the share price per OTC markets on that date.

Issuance of Common Stock and Preferred Stock for Settlement of Accrued Expenses

During the year ended December 31, 2020, the Company issued an aggregate of 17,625,000 shares of common stock and 500,000 preferred Series C valued at $419,638 to various individuals for settlement of accrued expenses and consulting fees of $232,224 which resulted in a loss on settlement of accrued expenses of $43,214.

Cultivate converted $7,769 in debt related to payment processing equipment terminals purchased by MTrac for 1,500,000 shares of common stock, valued at $20,700 ($0.0148 per share). This resulted in a loss of $14,431 on the liability due.

Bankcard International Group LLC received 500,000 shares of preferred C shares and 5,000,000 shares of common stock, valued at $195,000 for the forgiveness of approximately $97,500 in debt from accrued commissions earned by Brett Taylor (Bankcard International Group LLC Sales Agent) and earned based on transacting volumes within the MTrac system and pursuant to the commission earning terms agreed to by MTrac and Bankcard International Group LLC under Schedule A of the executed MTrac Agent Agreement on January 31, 2019. This resulted in a loss on the settlement of $108,000.

North Equities/Youngs Marsh was issued 4,000,000 shares of common stock valued at $84,400 ($0.0221 per share) and pursuant to the services provided by North Equities to the Company under the executed Investor Engagement Campaign Agreement on April 14, 2020. This resulted in a loss of $16,318 on a $72,082 liability due.

Issuance of Common Stock for conversion of notes payable

During the year ended December 31, 2021, the Company issued 111,000,000 common stock for the conversion of $512,000 of principal and $101,200 in interest for notes that were outside of their terms, resulting in a gain on the forgiveness of interest of $7,798.

During the year ended December 31, 2020, the Company issued an aggregate of 194,192,206 shares of common stock valued at $471,486 to various noteholders for conversion of convertible, notes payable and accrued interest, which resulted in a $142,167 loss on the conversion of debt.

Issuance of Common Stock for Cash

During the year ended December 31, 2021, the Company did not issue any shares of common stock for cash.

During the year ended December 31, 2020, the Company issued an aggregate of 4,200,000 shares of common stock valued at $76,000 to various investors for cash. Of which, $51,000 was for a payable balance from the prior year.

Issuance of Common Stock for Intangible Assets

During the year ended December 31, 2020, the Company issued an aggregate of 1,500,000 shares of common stock valued at $15,000 to an individual for the purchase of their intangible assets.

During the year ended December 31, 2020, the Company did not issue any shares of common stock for intangible assets, which were expensed immediately.

Repurchase of Common Stock for Cash

During the year ended December 31, 2021, the Company repurchased 7,626,769 shares of common stock valued at $101,000 from a shareholder for cash, recorded as treasury stock. The shares were valued on the date of the repurchase agreement using the share price per OTC markets on that date. Of these shares, all 7,626,769 were cancelled by the transfer agent.

During the year ended December 31, 2020, the Company repurchased 16,989,015 shares of common stock valued at $267,250 from various shareholders for cash, recorded as treasury stock. The shares were valued on the date of the repurchase agreement using the share price per OTC markets on that date. Of these shares, only 7,363,886 were cancelled by the transfer agent, or $103,000.

At December 31, 2020, it was determined that the previous shares repurchased as treasury stock had not been cancelled by the transfer agent. Therefore, these shares were cancelled and $421,272 was added as additional compensation expense back on the books at the amounts previously recorded and zeroed out the treasury shares in equity.

Issuance of Preferred Stock for services

During the year ended December 31, 2021, the Company did not issue any shares of preferred stock Series C for services. Such shares, when issued, are valued on the date of the agreement using the common share price per OTC markets on that date based on the conversion rate of Series C for common.

During the year ended December 31, 2020, the Company issued an aggregate of 2,157,500 shares of preferred stock Series C valued at $733,160 to various shareholders for services. The shares were valued on the date of the agreement using the common share price per OTC markets on that date based on the conversion rate of Series C for common.

Conversion of Preferred Stock

During the year ended December 31, 2021, the Company issued an aggregate of 28,500,000 shares of common stock for 2,850,000 preferred stock Series C valued at $28,500 to various shareholders at the stated 10 to 1 conversion rate into common shares.

During the year ended December 31, 2020, an employee converted 250,000 shares of preferred stock Series C into 2,500,000 at the stated 10 to 1 conversion rate into common shares.

Preferred Stock – Series A

The Company is authorized to issue 1,000,000 shares of $0.001 par value Series A preferred stock. The Series A preferred shares can be converted one for one into the same number of common shares, each Series A preferred share has 10 voting rights to 1 voting right for each common share. The Company has 1,000,000 preferred shares issued and outstanding as of December 31, 2021 and 2020.

Preferred Stock – Series B

The Company is authorized to issue 69,000,000 shares of $0.001 per value Series B preferred stock. The Series B preferred shares can be converted one for one into the same number of common shares, each Series B preferred share has 100 voting rights to 1 voting right for each common share. The Company has 69,000,000 preferred shares issued and outstanding as of December 31, 2021 and 2020.

Preferred Stock – Series C

The Company is authorized to issue 10,000,000 shares of $0.001 per value Series C preferred stock. The Series C preferred shares can be converted one into ten shares of common shares, each Series C preferred share has 1 voting right to 1 voting right for each common share. The Company has 3,995,000 and 6,845,000 preferred shares issued and outstanding as of December 31, 2021 and 2020 respectively.

The holders of the Series Voting Preferred Stock shall not be entitled to receive dividends paid on the Company's common stock.

Warrants

During the year ended December 31, 2021, the 6,000,000 warrants were converted into 2,703,297 shares of common stock of which 3,296,703 were forfeited upon conversion and 100,000,000 warrants expired on December 31, 2021. On December 31, 2021 there were no warrants outstanding.

During the year ended December 31, 2020, the Company issued warrants to purchase 156,000,000 shares of common stock, at a price of $0.003 to $0.01 per share, 50,000,000 of these warrants expired on December 31, 2020, 6,000,000 on March 4, 2021, and 100,000,000 on December 31, 2021. Additionally, 100,000 warrants from the previous year also expired during the year. The warrants issued in conjunction with a cash stock purchase at fair value of approximately $2,261,692 with no expense due to the stock purchased for cash in 2020. On December 11, 2020, 22,222,222 warrants were exercised, with the remaining 106,000,000 warrant shares expiring on December 31, 2020.

The following table summarizes the Company's warrant transactions during the year ended December 2021 and 2020:

	Number of Warrants		Weighted Average Exercise Price
Outstanding at year ended December 31, 2019	100,000		0.50
Granted	156,000,000		0.0025 - 0.01
Exercised	(50,000,000)		0.01
Expired	(100,000)		0.01 – 0.50
Outstanding at year ended December 31, 2020	106,000,000	$	0.0025 - 0.01
Granted	-		-
Exercised	(6,000,000)		.01
Expired	(100,000,000)		0.0025 - 0.0030
Outstanding at year ended December 31, 2021	-	$	-

There were no warrants granted in fiscal 2021, therefore no valuations were made.

Warrants granted in the year ended December 31, 2020 were valued using the Black Scholes Model with the risk-free interest rate of 1.65%, expected life ranging 4 months, expected dividend rate of 0% and expected volatility ranging from 196.55% to 518.84%.

Note 10 - Concentrations

Prior Business Plan:

The MTrac System was derived from the desire, in our belief, of High Risk merchants to offer secure and compliant payment methods other than cash, to its consumers for the purchase of its goods or services. (High Risk merchants are businesses engaged in the adult entertainment, cannabis related, non-regulated nutritional supplements, and other such enterprises which traditional merchant payment processors avoid servicing) The platform upon which our solution existed was built by our technology licensor, GreenBox. GreenBox maintains and supports the technology for all industry verticals that use it, including ours. They serve as the system administrator, and the Blockchain technology serves as the settlement engine on transactions. Utilizing the GreenBox technology via the MTrac System, consumers use their credit or debit card to pay for the transaction, and in so doing, purchase credits on the GreenBox system.

Exclusive Licensing Agreement:

On February 1, 2018 we signed a joint venture agreement with GreenBox POS, LLC (OTCQB: GRBX) ("Greenbox"), ("Greenbox JV 1") by which we acquired exclusive rights to utilize the Green\Box technology for High Risk merchants for one year. On October 2, 2018 the Company entered into an agreement with GreenBox and Cultivate Technologies, LLC ("Cultivate") a Nevada Corporation, by which certain payment terms of the GreenBox 5 Year License were modified. On June 12, 2020, the agreement, as revised, between was terminated by and between MTrac, GreenBox and Cultivate through the mutual agreement of the parties with neither MTrac nor the Company having any residual or current obligations to GreenBox and Cultivate and GreenBox and Cultivate having no residual or current obligations to MTrac. This termination was to part of the ongoing transition from a cannabis-based business to the Company's current business plan related to the medicinal psychedelic market.

Current Business:

The Company business plan has transitioned such that its main sources of revenue has become and is projected going forward to be derived from the sale of advertisement and sponsorships across its various digital medial platforms including, but not limited to, its Psychedelic Spotlight website, Psychedelic Spotlight and PSYC Stock Report newsletters, Spotlight Roundup video news series, and its podcasts available for download and streaming on YouTube, Spotify and Apple. The Company management is focusing on revenue generation through the potential sale and execution of media partnership and affiliate partnership agreements with the growing list of companies operating within the medicinal psychedelic sectors as well as other related industries such as the health and wellness and nutraceuticals industries where the Company believes it can leverage its aforementioned digital media platforms to potentially optimize marketing and awareness-driven initiatives for companies operating across these sectors (See Note 2). No assurances can be provided as to the profitability or amount of revenue to be derived pursuant to the current business plan.

Note 11 – Commitments and Contingencies

Leases

The Company contends that due to the ongoing uncertainties associated with the COVID-19 pandemic, along with it's shift to multimedia as its core business focus whereby the Company has assembled a team of independent contractors and consultants who are located in multiple cities across the United States, Canada, and Mexico, the Company continues to utilize a remote work environment. However, the Company has contracted with Regus located at 5 Centerpointe Dr. Suite 400 Lake Oswego, OR 97035 and at for the purpose of establishing a mailing address and for the occasional purpose of utilizing many of the office-related services offered by Regus. The Company pays a total monthly fee of $204.00 for access to these services with Regus.

Litigation

The Company may be involved in certain legal proceedings that arise from time to time in the ordinary course of its business. Except for income tax contingencies, the Company records accruals for contingencies to the extent that management concludes that the occurrence is probable and that the related amounts of loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred.

On October 25, 2019, a breach of contract lawsuit was filed in New Jersey, specifically Barry Lefkowitz, David Spector, Carol Gabel, and Sam Spector v. MTrac Tech Corporation and Global Payout, Inc. During the year ended December 31, 2021, the court has now dismissed the case and, to our knowledge the judgment settlement has been satisfied.

On November 25, 2019, a breach of contract lawsuit was filed in California, specifically DCSM, Inc; Indigo River, LLC; Ryan Burns Collective Inc,; and SOAR Collective Inc. v. Global Payout Inc.; MTrac Tech Corporation; Cultivate Technologies LLC; and GreenBox POS, LLC. During the year ended December 31, 2021, the court has now dismissed the case and, to our knowledge the judgment settlement has been satisfied.

COVID-19

The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business is highly uncertain and difficult to predict, as the responses that the Company, other businesses and governments are taking continue to evolve. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remain uncertain.

The severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, service providers and suppliers, all of which are uncertain and cannot be predicted. As of the date of issuance of Company's financial statements, the extent to which the COVID-19 pandemic may in the future materially impact the Company's financial condition, liquidity or results of operations is uncertain.

Note 12 - Income Tax Provision

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 bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the year ended December 31, 2021 and the year ended December 31, 2020, the Company incurred a 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.

Deferred income tax assets as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Deferred Tax Assets:		
Net operating losses	$ 3,430,178	$ 3,075,848
Less valuation allowance	(3,430,178)	(3,075,848)
Total deferred tax assets	$ -	$ -

The Company has recorded a full allowance against its deferred tax assets as of December 31, 2021 and 2020 because management determined that it is not more-likely-than not that those assets will be realized. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of deferred assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

For federal income tax purposes, the Company has a net operating loss carry forward of approximately $16,334,180 million at December 31, 2021, which expires commencing in 2035.

The deferred tax asset has been restated for the prior year to reflect the net change from a 34% to a 21% effective tax rate, which resulted in a $219,347 net change in the NOL.

Note 13 - Related Party Transactions

During the year ended December 31, 2021, the Company repurchased an aggregate of 7,626,769 shares of common stock valued at $101,000 from a related party for cash. Of these shares, all 7,626,769 were cancelled by the transfer agent, or $101,000.

During the year ended December 31, 2021, the Company advanced $5,000 to an officer for a stock buyback that did not occur before year-end.

During the year ended December 31, 2021, the Company paid $30,000 in principal to a related party note holder, and $21,000 of principal and $15,400 of interest to a prior employee for their outstanding convertible note.

During the year ended December 31, 2020, the Company repurchased an aggregate of 16,989,015 shares of common stock valued at $281,170 from related parties for cash. Of these shares, only 7,363,886 were cancelled by the transfer agent, or $103,000. The remaining shares have been adjusted to reflect this, and therefore a $421,272 adjustment to stock-based compensation is reflected in the financials.

During the year ended December 31, 2021, the Company issued shares 16,000,000 for services to employees, valued at $208,400. In addition, three ex-employees converted 2,000,000 preferred C shares into 20,000,000 common shares.

Note 14 - Subsequent Events

From January 10, 2022 to March 10, 2022 the Company entered into a series of convertible promissory notes in an aggregate amount of $195,000, with RB Capital Partners, Inc. The convertible promissory note agreement bears interest at twelve (10%) percent, has a one (1) year maturity date. The note may be repaid in whole or in part any time prior to maturity. The promissory note is convertible at the investor's sole discretion, into common shares at conversion prices at $0.05 each.

Spotlight Media Corporation ("SMC") (www.spotlightmediacorp.com, which website and content is expressly not incorporated into this report) is a Nevada Corporation and is a privately held wholly owned subsidiary of PSYC and was incorporated on February 8, 2022. At present time, SMC operates as a multimedia service company for the medicinal psychedelic through Psychedelic Spotlight. However, management intends, but cannot guarantee the success or profitability, that the business plan for SMC is to potentially expand beyond the medicinal psychedelic industry by way of other multimedia-related opportunities within other nichestyle industries like cannabis, health and wellness, and sports such that SMC can make use of the audience it is establishing, across its platforms for cross-promotional opportunities and with the intent of developing a network of interconnected media-focused platforms.

Presently, SMC's monetization strategy is primarily through the sale of media service offerings such as paid editorials, podcast appearances, social media content production, and other media production offerings developed for companies and brands operating within the medicinal psychedelics sector and other related lifestyle-focused sectors.

At present time, SMC is also dedicating considerable time and effort towards the Company's investment in the Bonfire psychedelics community concept/project (discussed in more detail below) and with the intent of identifying its potential as a viable resource for the growing medicinal psychedelics community. SMC is also examining the long-term monetization potential of Bonfire prior to incorporating it more prominently into its ongoing, and future business plan.

On February 11, 2022, the Company purchased the brand "The Psychedelic Investor" for 300,000 Series C preferred shares and 3,500,000 common shares of PSYC common stock at $0.007 per share, for a value of $24,000.

On March 24, 2022, an investor purchased 17,500,000 shares of PSYC common stock at $0.02 per share, which included a warrant option for up to 20,000,000 and an additional 17,500,000 shares of common stock at $0.02 strike price or cashless warrant option, valued at $350,000.

During the first quarter of 2022, the Company issued 4,450,000 of Series C preferred shares and 7,500,000 of common shares to various consultants and employees for services rendered at a stock value of $0.01 for both, or $119,500.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Business. PSYC Corporation (the "Company") is a digital media leader operating within the emerging sector of medicinal psychedelics. Through the Company's Psychedelic Spotlight website (www.psychedelicspotlight.com, which website and content is expressly not incorporated into this report), and its Psychedelic Spotlight and PSYC Stock Report newsletter's (which newsletter and content is expressly not incorporated into this report) and Spotlight Roundup bi-monthly video series (which content is expressly not incorporated into this report), the Company is currently developing its business plan and operations to coincide with what management believes will be a network made up of the industry's most influential leaders within the medical, scientific, investment, and philanthropic communities in addition to positioning itself in the medicinal psychedelics industry. Furthermore, it is the Company's intent to identify strategic collaboration and partnership opportunities with other likeminded companies within this space to aid in the expansion of the Company's network and effectively position the Company as a diverse holding company within the sectors of medicinal psychedelic and health and wellness in addition to continuing to expand the informational and educational platform it is developing. While there can be no assurances of attainment or profitability, it is management's business plan to develop all-encompassing platform that connects all sectors within this emerging industry.

Results of Operations

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this Annual Report.

The following table represents our statement of operations for the years ended December 31, 2021 and 2020:

	For The Twelve Months Ended December 31,			
	2021	**2020**	**$Change**	**%Change**
Revenue	$ 12,517	$ -	$ 12,517	100.00%
Cost of revenue	-	-	-	-
Gross profit	12,517	-	12,517	100.00%
Operating Expenses:				
Depreciation expense	3,715	9,427	(5,712)	-60.59%
Amortization expense	435	435	-	0.00%
General and administrative	1,067,848	3,024,238	(1,956,390)	-64,69%
Total operating expenses	1,071,998	3,034,100	(1,962,102)	-64.67%

Loss from operations		(1,059,481)	(3,034,100)	1,974,619	-65.08%
Other Income (Expense)					
Interest expense		(888,525)	(1,000,700)	112,175	-11.21%
Loss on settlement of accrued expenses		-	(125,380)	125,380	-100.00%
Loss on debt conversion		-	(142,167)	142,167	-100.00%
Gain on forgiven interest		7,798	-	7,798	100.00%
Loss on impairment		(15,000)	(111,638)	96,638	-86.56%
Other income / (expense)		-	7,525	(7,525)	-100.00%
Total Other Income (Expense)		(895,727)	(1,372,360)	476,633	-34.73%
Net Income (Loss) from Continued Operations	$	(1,955,208)	$ (4,406,460)	2,451,252	-55.63%
Net Income (Loss) from Discontinued Operations		-	11,452	(11,452)	-100.00%
Net Income (Loss) from Continued Operations	$	(1,955,208)	$ (4,395,008)	2,439,800	-55.51%

Revenue

In August 2021 the Company launched its media services division, "PSYC Media Services" (www.psycmediaservices.com), which website and content is expressly not incorporated into this report, where the Company, through the use of its Psychedelic Spotlight platform, has made available to the psychedelic industry specific media-related/public relations-style services as well as paid advertisement and sponsorship opportunities.

The Company contends that these services were launched with the intent of monetizing its Psychedelic Spotlight platform by making use of its modest, but growing presence on the web, which, pursuant to Google Analytics observed throughout Q4 2021, consistently generated more than 100K unique visits and more than 500K page views associated with www.psychedelicspotlight.com, which website and content is expressly not incorporated into this report, per each month in Q4 2021.

In Q4 2021, the Company sold a total of $28,907 in media services and plans to devote considerable efforts throughout 2022 on expanding these services and with the intent of increasing its revenue output capabilities. Of the $28,907, $16,390 was determined to be deferred, thus leaving $12,527 as revenue for the year ended December 31, 2021.

Operating expenses

Operating expenses decreased by 65% in the amount of $1,962,102 for the year ended December 31, 2021, compared to the same period in 2020. Listed below are the major changes to operating expenses:

Stock based compensation decreased by $1,111,410 or 81% for the year ended December 31, 2021, compared to the same period in 2020, primarily due to 19,750,000 in stock in 2021valued at $301,850 (includes cashless conversion into 2,703,217 shares) being issued as compared to 2020 when 37,000,000 of common stock valued at $704,900 and 2,657,500 Series C preferred shares valued at $830,660 issued for services and debt which can be converted one into ten shares of common shares.

Payroll expenses decreased by $267,290 or 100% for the year ended December 31, 2021, compared to the same period in 2020, primarily due to the elimination of full time employees and having various consultants fulfilling those roles.

Other G&A expenses decreased 12,605 or 5% for the year ended December 31, 2021, compared to the same period in 2020, primarily due to the Company running as efficiently as possible during the rebranding of its' core businesses.

Other income (expense)

Other income (expense) decreased by $476,633 or 34% for the year ended December 31, 2021, compared to the same period in 2020, primarily as a result of the elimination of losses on impairment, treasury stock, accrued expenses and debt conversions.

Net Income from Discontinued Operations

Revenue from discontinued operations for processing of the retail customer payment for the twelve months ended December 31, 2021 was $0, compared to $17,978 of revenue for the same period in 2020. The company generated a gross profit of $0 for the year ended December 31, 2021 compared to a gross profit of $11,452 for the same period in 2020.

Liquidity and Capital Resources

Since inception, the Company has financed its operations through private placements and convertible notes. The following is a summary of the cash and cash equivalents as of December 31, 2021 and 2020.

As of December 31, 2021, we had $70,414 in cash and $1,029 of other current assets and $5,000 related party stock purchase receivable, and $8,299,891 of current liabilities, resulting in a working capital deficit of $8,223,448 compared to $194,400 in cash and a working capital deficit of approximately $7,110,240 as of December 31, 2020.

Net cash used in continuing operating activities was $811,986 for fiscal 2021 compared to net cash used of $1,021,015 for fiscal 2020. The decrease in net cash used in operating activities was largely attributed to the net change in non-cash items that includes stock-based compensation, gain on the extinguishment of debt, lower amortizations of debt discount and the net change in operating assets and liabilities that includes accounts payable and accrued expenses, including interest expense attributable to debt.

Net cash used in investing activities during fiscal 2021 and 2020 was $125,000 and $0, respectively and consisted of cash used to purchase an investment interest in The Conscious Fund.

Net cash provided by financing activities during fiscal 2021 was $813,000 and consisted of proceeds totaling $1,070,000 from convertible debt with cancellations of common stock of $106,000 (which included a related party advance for stock repurchases) and payments on notes payable of $151,000. Net cash provided by financing activities during fiscal 2020 was $1,161,975 and consisted of proceeds totaling $150,000 received from advances under CARE loans, $1,140,500 from convertible debt and $25,000 in proceeds from the sale of common stock and payments on notes payable of $153,525.

In addition to continuing to incur normal operating expenses, we intend to continue our growth and expansion efforts directly associated with our digital media platform through the exploration of specific opportunities that we believe may contribute to our increase in content development with the intent of increasing viewer and subscribership, in addition to efforts focused on developing and producing premium content (digital and otherwise) that we believe will be unique to the burgeoning industry of medicinal psychedelics. We believe each of these aforementioned objectives may, as there can be no assurances of profitability or acceptance, contribute to revenue generating opportunities for the Company through paid advertisements and sponsorships across our digital media platforms. Furthermore, it is our intent to focus on the expansion of our team by adding additional consultants and contractors who we intend to contribute to the aforementioned growth and expansion efforts associated with our digital media platform. It is our intent to identify and select professionals possessing the necessary skills and experiences required to contribute effectively to our growth initiatives. We currently do not have sufficient capital on hand to fully fund our proposed growth initiatives which may negatively affect our future revenues.

As noted above, based on budgeted revenues and expenditures, unless revenues increase significantly, we believe that our existing and projected sources of liquidity may not be sufficient to satisfy our cash requirements for the next twelve months. Accordingly, we will need to raise additional funds in 2021. The sale of additional equity securities will result in additional dilution to our existing stockholders. Sale of debt securities could involve substantial operational and financial covenants that might inhibit our ability to follow our business plan. Any additional funding that we obtain in a financing is likely to reduce the percentage ownership of the Company held by our existing security-holders. The amount of this dilution may be substantial based on our current stock price, and could increase if the trading price of our common stock declines at the time of any financing from its current levels. We may also attempt to raise funds through corporate collaboration and joint venture partnership agreements, although there are no guarantees such relationship will transpire or be beneficial. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain the needed additional funding, we may have to further reduce our current level of operations, or, may even have to totally discontinue our operations.

We are subject to many risks associated with early-stage businesses, including the above discussed risks associated with the ability to raise capital. Please see the section entitled “Risk Factors” for more information regarding risks associated with our business.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation and changing prices have had no effect on our net sales and revenues or on our income from continuing operations over our two most recent fiscal years.

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred net losses of $1,955,208 and $4,395,008 for the years ended December 31, 2021 and 2020, respectively, which include gross profits of $12,517 and gross profits from discontinued operations $11,452, respectively, has incurred losses since inception resulting in an accumulated deficit of $96,565,862 as of December 31, 2021, and has negative working capital of $8,223,448 as of December 31, 2021. A significant part of our negative working capital position at December 31, 2021 consisted of $5,141,736 of amounts due in the next 12 months to various accredited investors of the Company for convertible promissory notes and loans. The Company anticipates further losses in the development of its business.

The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company's ability to raise additional capital through the future issuances of debt or equity is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, or its attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.