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BLUE DIAMOND VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2022 and 2021

(UNAUDITED)

BLUE DIAMOND VENTURES, INC. AND SUBSIDIARIES
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FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(UNAUDITED)

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BLUE DIAMOND VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2022	2021	2022	2021
Revenues				
Services	$ 140,000	$ 65,000	$ 437,500	$ 320,000
Cost of Services	198,494	-	244,137	-
Net Income	(58,494)	65,000	193,363	320,000
Operating Expenses				
Advertising & Marketing	1,512	24,474	20,817	49,320
General and administrative	(36,871)	56,126	100,208	104,136
Stock Compensation	8,333	-	11,738	-
Professional fees	4,163	42,389	111,891	131,524
Total Operating Expenses	22,863	(122,989)	(244,654)	(284,980)
Operating (Loss) Income	(35,631)	(57,989)	(51,291)	35,020
Other Income (Expenses)				
Other Income	-	-	-	-
Total Other Income (Expense)	-	-	-	-
Net Income (Loss)	$ (35,631)	$ (57,989)	$ (51,291)	$ 35,020
Other Comprehensive Income(Loss)	-	-	-	-
Total Comprehensive Income (Loss)	$ (35,631)	$ (57,989)	$ (51,291)	$ 35,020

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

BLUE DIAMOND VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	Sep 30, 2022		Dec 31, 2021	
Assets				
Current Assets				
Cash and cash equivalents	$	160,170	$	9,012
Accounts Receivable		54,306		20,000
Trade Receivable		-		1,000
Prepaid Expenses		3,333		-
Intangible Assets and Goodwill		93,000		93,000
Total Assets	**$**	**310,809**	**$**	**123,012**
Liabilities and Equity				
Current Liabilities				
Accounts Payable	$	-	$	-
Advances from Clients		85,000		-
Accrued Liabilities		66,794		6,814
Total Current Liabilities	**$**	**151,794**	**$**	**6,814**
Long Term Liabilities				
Notes Payable		-		88,752
Total Long Term Liabilities		-		88,752
Total Liabilities	**$**	**151,794**	**$**	**95,566**
Shareholder's Equity				
Accumulated Deficit	$	(2,100,967)	$	(2,049,676)
Additional Paid-In Capital		(3,530,550)		(3,566,527)
Member's Contribution(Distribution)		(321,082)		(317,965)
Common Stock, $0.001 par value; 5,800,000,000 shares authorized;4,870,585,689 shares issued & outstanding, September 30, 2022 and Deceber 31,		4,851,586		4,851,586
Series A Preferred Voting, Non-convertible Stock, 3 share authorized; 3 share outstanding		40,735		40,735
Series B Preferred Convertible Stock 100,000,000 shares authorized; 70,000,000 shares outstanding		183,193		183,193
Series C Preferred Stock 200,000,000 shares authorized; 179,500,000 and 159,500,000 outstanding September 30, 2022 and December 31, 2021, respectively		906,100		886,100
Class F Preferred Stock 625,000,000 shares authorized, 87,500,000 and 0 outstanding September 30, 2022 and December, 31, 2022, respectively		70,000		-
Subscription Receivable		60,000		-
Total Shareholder's Equity	**$**	**159,015**	**$**	**27,446**
Total Liabilities and Shareholder's Equity	**$**	**310,809**	**$**	**123,012**

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

BLUE DIAMOND VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Class F Preferred Stock		Subscription Receivable		Common Stock		Additional Paid-in Capital	Accum Deficit	Total Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2020	**3**	**$ 40,735**	**100,000,000**	**$ 273,193**	**167,500,000**	**$ 966,100**	-	-	-	-	**5,385,585,689**	**$ 5,366,586**	**$ (4,545,425)**	**$ (2,054,127)**	**$ 47,062**
Stockholder's Contribution(Distribution)	-	-	-	-	-	-	-	-	-	-	-	-	(39,047)	-	(39,047)
Conversion of Series B Shares in Common Shares			(30,000,000)	(90,000)	-	-	-	-	-	-	90,000,000	90,000	-	-	-
Conversion of Series C Shares into Common Sha	-	-	-	-	(8,000,000)	(80,000)	-	-	-	-	80,000,000	80,000	-	-	-
Cancelation of common shares	-	-	-	-	-	-	-	-	-	-	(700,000,000)	(700,000)	700,000	-	-
Issuance of common shares for services	-	-	-	-	-	-	-	-	-	-	15,000,000	15,000	-	-	15,000
Net Income	-	-	-	-	-	-	-	-	-	-	-	-	-	4,451	4,451
Balance, December 31, 2021	**3**	**$ 40,735**	**70,000,000**	**$ 183,193**	**159,500,000**	**$ 886,100**	-	-	-	-	**4,870,585,689**	**$ 4,851,586**	**$ (3,884,472)**	**$ (2,049,676)**	**$ 27,466**
Stockholder's Contribution(Distribution)	-	-	-	-	-	-	-	-	-	-	-	-	(33,765)	-	(33,765)
Stock Compensation	-	-	-	-	15,000,000	15,000	-	-	-	-	-	-	-	-	15,000
Shares Issued for Assets	-	-	-	-	5,000,000	5,000	-	-	-	-	-	-	(35,977)	-	(30,977)
Subscription Receivable for Class F Shares	-	-	-	-	-	-	-	-	75,000,000	60,000	-	-	-	-	60,000
Shares Issued for Cash	-	-	-	-	-	-	87,500,000	70,000	-	-	-	-	-	-	70,000
Net Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,291)	51,291
Balance, September 30, 2022	**3**	**$ 40,735**	**70,000,000**	**$ 183,193**	**179,500,000**	**$ 906,100**	**87,500,000**	**$ 70,000.00**	**75,000,000**	**$ 60,000**	**4,870,585,689**	**$ 4,851,586**	**$ (3,954,214)**	**$ (2,100,967)**	**$ 159,015**

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

BLUE DIAMOND VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited)

	September 30, 2022	September 30, 2021
Operating Activities		
Net (Loss) Income	$ (51,291)	$ 35,020
Stock Compensation	11,666	$ -
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Changes in Operating assets & liabilities:		
Accounts Receivable	-	(1,000)
Advances Receivable	-	(20,730)
Inventory	-	25,155
Advances from clients	85,000	-
Accrued Expenses	59,980	6,804
Net Cash Provided by Operating Activities	$ 105,355	$ 45,249
Investing Activities		
Cash Received in Asset Acquisition	6,672	-
Net Cash (Used in) Investing Activities	6,672	-
Financing Activities		
Payments of Notes Payable	(88,752)	-
Proceeds from Sale of Class F Stock	70,000	-
Proceeds from Subscription Receivable	60,000	-
Change in Owner's Equity	(2,117)	(44,333)
Net Cash (used In) Financing Activities	$ 39,131	$ (44,333)
Net Increase in Cash	$ 151,158	$ 916
Cash at the Beginning of Period	$ 9,012	$ 2,609
Cash at the End of Period	$ 160,170	$ 12,230
SUPPLEMENTAL INFORMATION		
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ -	$ -
Non-Cash Activities		
Series C Preferred Stock Issued for Assets	$ 5,000	$ -
Series C Preferred Stock Issued for Compensation	$ 15,000	$ -

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

1. NATURE OF THE ORGANIZATION AND BUSINESS

Blue Diamond Ventures, Inc. ("Blue Diamond") is incorporated under the laws of the State of Colorado has two wholly owned subsidiaries, Harvest 360 Technologies LLC ("H360") and ICS Consulting Services, LLC ("ICS") which, with Blue Diamond Ventures, Inc. form the Company.

Presently, the Company focuses on non-plant touching ancillary services for medical and adult-use cannabis markets across the United States. The Company provides consulting, branding, and licensing services to new applicants and established operators in the cannabis industry.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The unaudited consolidated financial statements include the accounts of all consolidated subsidiaries and financially controlled variable interest entities. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of these unaudited consolidated financial statements in accordance with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates form the basis for judgments the Company makes about the carrying values of assets and liabilities that are not readily apparent from other sources. The Company bases its estimates and judgments on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. These estimates are based on management's knowledge about current events and expectations about actions the Company may undertake in the future. Significant estimates include, but are not limited to allowance for doubtful accounts, inventory valuation, and equity-based compensation. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company's cash and cash equivalents are maintained with recognized financial institutions located in the United States. The Company considers all highly liquid investments with a maturity date of less than 90 days or less to be cash equivalents. 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.

Concentrations of Risk

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist primarily of cash and trade accounts receivable. Accounts receivables are not collateralized. The Company attempts to limit its credit risk by performing ongoing credit evaluations of its customers and maintaining adequate allowances for potential credit losses.

Accounts Receivable

Accounts receivables are carried at their invoiced amounts (net of allowance for doubtful accounts).

The Company reviews its account receivables for non-payment and potential collectability. Such evaluations include the review of a client's outstanding balances with consideration towards such client's historical collection experience, as well as prevailing economic and market conditions and other factors.

On September 30, 2022 and December 31, 2021, the Company did not have an allowance for accounts receivable, nor did it recognize a bad debt expense.

Prepaid Expenses and Deposits

Prepaid expenses and other current assets primarily consisted of advance payments made to third parties for independent contractors' services or other general expenses. Prepaid services and general expenses are amortized over the applicable periods which approximate the life of the contract or service period.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of its fixed assets and other assets in accordance with ASC 360, *Impairment or Disposal of Long-Lived Assets*. Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future net cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds the fair value of the asset.

For the nine months ended September 30, 2022 and 2021, there were no impairment losses.

Related Party Transactions

The Company follows ASC 850, *Related Party Disclosures*, for the identification of related parties and disclosure of related party transactions.

In accordance with ASC 850, the Company's consolidated financial statements include disclosures of material related party transactions, other than compensation arrangements, expense reimbursements, and other similar items in the ordinary course of business, as well as transactions that are eliminated in the preparation of unaudited consolidated financial statements.

Commitments and Contingencies

The Company follows ASC 450, *Contingencies*, which requires the Company to assess the likelihood that a loss will be incurred from the occurrence or non-occurrence of one or more future events. Such assessment inherently involves an exercise of judgment. In assessing possible loss contingencies from legal proceedings or unasserted claims, the Company evaluates the perceived merits of such proceedings or claims, and of the relief sought or expected to be sought.

If the assessment of a contingency indicates that it is probable that a material loss will be incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Impact of COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the current coronavirus ("COVID-*19"*) outbreak to be a global pandemic. In response to this declaration and the rapid spread of COVID-*19* within the United States, federal, state, and local governments throughout the country have imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures had a significant adverse impact upon many sectors of the economy, including retail commerce.

The Company's operational and service activities are performed for Companies throughout the United States. States and local governments have put forth restrictions as to how operations should proceed. In response to those measures and for protection of both employees and customers, the Company made required changes to operations, which did not have a material impact upon operations or the financial condition of the Company.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred and totaled $20,952 and $40,320 for the nine months ended September 30, 2022 and 2021, respectively.

Revenue Recognition

Our service and product revenues arise from contracts with customers. Service revenue includes consulting revenue. The majority of our revenue is derived from distinct performance obligations, such as time spent delivering a service or the delivery of a specific product.

We may also enter into contracts with customers that identify a single, or few, distinct performance obligations, but that also have non-distinct, underlying performance obligations. These contracts are typically fulfilled within three to nine months. Only an insignificant portion of our revenue would be assessed for allocation between distinct (contractual) performance obligations and non-distinct deliverables between reporting periods and, accordingly, we do not record a contract asset for completed, non-distinct performance obligations prior to invoicing the customer.

We recognize revenue in accordance with ASC 606 using the following 5 steps to identify revenues:

(1) *Identify the contract with the Customer*. Our customary practice is to obtain written evidence, typically in the form of a contract.

(2) *Identify the performance obligations in the contract.* We have rights to payment when services are completed in accordance with the underlying contract.

(3) *Determination of the transaction price.* Prices are typically fixed, and no price protections or variables are offered.

(4) *Allocation of the transaction price to the performance obligations in the contract*. Transaction prices are typically allocated to the performance obligations outlined in the contract.

(5) *Recognize Revenue when (or as) the entity satisfies a performance obligation.* We typically require a retainer for all or a portion of the goods or services to be delivered. We recognize revenue as the performance obligations detailed in the contract are met.

Advances from Clients deposits are contract liabilities with customers that represent our obligation to either transfer goods or services in the future, or refund the amount received. Where possible, we obtain retainers to lessen our risk of non-payment by our customers. Advances from Clients deposits are recognized as revenue as we meet specified performance obligations as detailed in the contract.

Consulting Services

We also generate revenues from professional services consulting agreements. These arrangements are generally entered into: (1) on an hourly basis for a fixed fee; or (2) on a contingent fee basis. Generally, we require a complete or partial prepayment or retainer prior to performing services.

For hourly based fixed fee service contracts, we utilize and rely upon the proportional performance method, which recognizes revenue as services are completed. Under this method, in order to determine the amount of revenue to be recognized, we calculate the amount of completed work in comparison to the total services to be provided under the arrangement or deliverable. We segregate upon entry into a contract any advances or retainers received from clients for fixed fee hourly services into a separate "Advances from Clients" account, and only recognize revenues as we incur and charge billable hours, and then deposit the funds earned into our operating account. Because our hourly fees for services are fixed and determinable and are only earned and recognized as revenue upon actual performance, we are of the opinion that such arrangements are not an indicator of a vendor or customer based significant financing, that would materially change the amount of revenue we recognize under the contract or would otherwise contain a significant financing component under FASB ASC Topic 606.

Occasionally, our fixed-fee hourly engagements are recognized under the completed performance method. Some fixed fee arrangements are for completion of a final deliverable or act which is significant to the arrangement. These engagements do not generally exceed a one-year term. If the performance is for a final deliverable or act, we recognize revenue under the completed performance method, in which revenue is recognized once the final act or deliverable is performed or delivered for a fixed fee. Revenue recognition is affected by a number of factors that change the estimated amount of work required to complete the deliverable, such as changes in scope, timing, awaiting notification of license award from local government, and the level of client involvement. Losses, if any, on fixed-fee engagements are recognized in the period in which the loss first becomes probable and reasonably estimable. FASB ASC Topic 606 provides a practical expedient to disregard the effects of a financing component if the period between payment and performance is one year or less. As our fixed fee hourly engagements do not exceed one year, no significant customer-based financing is implicated under FASB ASC Topic 606. During the nine months ended September 30, 2022 and 2021, we incurred no losses from fixed fee engagements that terminated prior to completion. We believe if an engagement terminates prior to completion, we can recover the costs incurred related to the services provided.

We primarily enter into arrangements for which fixed and determinable revenues are contingent and agreed upon achieving a pre-determined deliverable or future outcome. Any contingent revenue for these arrangements is not recognized until the contingency is resolved and collectibility is reasonably assured.

Our arrangements with clients may include terms to deliver multiple services or deliverables. These contracts specifically identify the services to be provided with the corresponding deliverable. The value for each deliverable is determined based on the prices charged when each element is sold separately or by other vendor-specific objective evidence ("VSOE") or estimates of stand-alone selling prices.

Reimbursable expenses, including those relating to travel, other out-of-pocket expenses and any third-party costs, are included as a component of revenues. Typically, an equivalent amount of reimbursable expenses is included in total direct client service costs. Reimbursable expenses related to time and materials and fixed-fee engagements are recognized as revenue in the period in which the expense is incurred and collectibility is reasonably assured.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Net Income(Loss) Per Common Share

The Company reports net income(loss) per common share in accordance with FASB ASC 260, "Earnings per Share". This statement requires dual presentation of basic and diluted earnings with a reconciliation of the numerator and denominator of the earnings per share computations. Basic net loss per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period and excludes the effects of any potentially dilutive securities. Diluted earnings per share is equal to basic earnings per share because there are no potential dilatable instruments that would have an anti-dilutive effect on earnings. Diluted net income (loss) per share gives effect to any dilutive potential common stock outstanding during the period.

Estimated Fair Value of Financial Instruments

ASC 820, "Fair Value Measurements", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. It establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. It prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in markets with insufficient volume or infrequent transactions (fewer active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Recently Issued but Not Yet Adopted Accounting Pronouncements

The Company has reviewed relevant new accounting pronouncements issued but not yet adopted by the Company that may impact its consolidated financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations except as noted below:

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires the measurement of current expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available for sale debt securities and purchased financial assets with credit deterioration. This update will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years The Company is currently evaluating the impact of these amendments on its unaudited consolidated financial statements.

3. GOING CONCERN

The unaudited consolidated financial statements are prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had an accumulated deficit of ($2,100,967) at September 30, 2022 and recognized a net loss of $(51,291) for the nine months ended September 30, 2022.

Management believes that the actions presently being taken to further implement its business plan and generate additional revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate additional revenues, it does acknowledge that to pursue growth in these markets that additional funding will be required, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate additional revenues. The unaudited consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

4. ASSET ACQUISITION

Acquisition of the assets of Industry Compliance Solutions, LLC

On August 1, 2022, the Company completed an Asset Purchase Agreement with Industry Compliance Solutions, LLC, a Colorado limited liability company, and Jennifer Germano, an individual and owner of Industry Compliance Solutions, LLC, which provides compliance services to the cannabis industry. All of the assets of Industry Compliance Solutions LLC have been put into ICS Consulting Service LLC, a new Colorado limited liability company, and a wholly owned subsidiary of Blue Diamond Ventures Inc.

The aggregate consideration paid for the Assets was $5,000, which consisted of the issuance of 5,000,000 shares of the Company's Series C Preferred Stock valued at $0.001 per share or $5,000.

The asset acquisition was accounted for under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. As the acquirer for accounting purposes, the Company has estimated the fair value of Industry Compliance Solutions assets acquired.

The Company has performed a preliminary valuation analysis of the fair market value of Industry Compliance Systems assets. The following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

Cash	$ 6,671
Accounts Receivable	34,306
Total Assets Acquired	**$ 40,977**

Preliminary the Company has acquired assets for more than the consideration that it paid and is not recognizing goodwill from the transaction.

The estimated fair values assigned to identifiable assets acquired are assumed provisional and are based on the information that was available as of the acquisition date to estimate the fair value of assets acquired and liabilities assumed. The Company believes that information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but the Company is waiting for additional information necessary to finalize those fair values. Therefore, the provisional measurements of fair value reflected are subject to change and such changes could be significant. The Company expects to finalize the valuation and complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

5. NOTES PAYABLE

<u>Scott Loan</u>

In May 2021, a third party advanced to the Company funds of $20,000 of which $5,000 was paid on December 31, 2021. During the nine months ended September 30, 2022, the funds were paid in full.

6. COMMITMENTS AND CONTINGENCIES

Leases

During the nine and three months ended September 30, 2022 and 2021, the Company did not enter into any leases for equipment or commercial real estate.

Employment Agreements

On March 23, 2022, the Company entered into an Employment Agreement with Yale Peebles, its Chief Executive Officer. Employment is at will and therefore the Employment Agreement does not have a termination date. The Employment Agreement does not provide for any financial settlements if the Employment Agreement if either party chooses to terminate the Employment Agreement.

The Company has accrued $30,000 in salary owed to Mr. Peebles during the nine months ended September 30, 2022. Pursuant to his Employment Agreement, his salary is to be accrued until cash flows are sufficient to pay it.

The Company has issued 10,000,000 shares of its Series C Preferred Shares to Mr. Peebles pursuant to the agreement as compensation for services for 12 months. The Company has recognized a compensation expense of $10,000 and is amortizing the compensation over a 12-month period. During the nine months ended September 30, 2022, the Company has recognized $6,666 in stock compensation expenses.

7. SHAREHOLDERS' EQUITY

Preferred Stock

Series A Supervoting

The Company has authorized 3 shares of its "Super Voting" Series "A" Preferred Shares ("Series A Super Voting"). These shares have a par value of $0.001. The Series A Super Voting Shares do not provide for dividends, nor are they convertible into shares of the Company's common stock. The shares do provide the holder with voting rights on matters brought in from the Company's common stock shareholders. The shares represent a 100%% voting right. On September 30, 2022, 3 shares of the Series A Super Voting Shares were issued and outstanding.

Series B Preferred Shares

The Company has authorized 100,000,00 shares of its Series B Convertible Preferred Shares. On September 30, 2022, 70,000,000 shares of the Series B Convertible Preferred Shares were issued and outstanding.

The Series B Convertible Preferred Shares have a par value of $0.003 per share. The Series B Preferred Shares do not have voting rights, nor do they have dividend rights. The Series B Preferred Shares are convertible into shares of the Company's common stock at a ratio of 1 Series B Preferred Share is equal to 3 shares of the Company's common stock.

Series C Preferred Shares

The Company has authorized 200,000,000 shares of its Series C Convertible Preferred Shares. On September 30, 2022, 179,500,000 shares of Serie C Convertible Preferred Shares were issued and outstanding.

The Series C Convertible Preferred Shares do not have voting rights, nor do they have dividend rights. The Series C Preferred Shares are convertible into shares of the Company's common stock at a ratio of 1 share of Series C Convertible Preferred Shares are convertible into 10 shares of the Company's common stock.

During the nine months ended September 30, 2022, the Company issued 10,000,000 shares of Series C Convertible Preferred shares to its Chief Executive Officer, Yale Peebles as compensation in connection with his appointment as an officer and director of the Company. The Company has recognized stock compensation of $10,000 and is amortizing the compensation over a period of 12 months. During the nine months ended September 30, 2022, the Company recognized $6,666 in stock compensation expenses.

During the three months ended September 30, 2022, the Company issued 5,000,000 shares of Series C Convertible Preferred shares to an employee for services. The Company has recognized a stock compensation expense of $5,000 during the nine months ended September 30, 2022.

Class F Preferred Stock

On July 26, 2022, the Company amended its Articles of Incorporation for the creation of Class F Preferred Stock. 625,000,000 shares are authorized. On September 30, 2022, 87,500,000 shares were issued and outstanding.

The Class F shares are convertible into shares of the Company's common stock at a rate of 1 share of Class F Preferred Stock for 1 share of the Company's restricted Common Stock. The Class F shares do not have voting rights. The Class F shares do provide for a 10% annual cumulative, non-compounding dividend for a period of two years. The dividend is payable on redemption or liquidation.

During the three months ended September 30, 2022, the Company issued 87,500,000 shares of its Class F Preferred Shares in exchange for funds of $70,000. The funds have been used to support the Company's ongoing operations and growth.

Subscription Payable

In connection with the offering of the Company's Class F Preferred Stock, the Company has received funds of $60,000 for 75,000,000 shares of Class F Preferred Stock. At September 30, 2022, the Company had not issued the shares of Class F Preferred Stock and as such has recognized a Subscription Payable for $60,000 in connection with the received funds.

Common Stock

The Company has authorized 7,500,000,000 shares of $0.001 par value common stock. On September 30, 2022, 4,870,585,689 shares were issued and outstanding.

8. SUBSEQUENT EVENTS

In accordance with ASC 855 – *Subsequent Events*, the Company has analyzed its operations after September 30, 2022 and did not identify any transactions as subsequent events.