



INTERNATIONAL STAR

INTERNATIONAL STAR, INC.

Third Quarter Report for the Period Ending September 30, 2022

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

International Star, Inc.

8 The Green
Suite 13940
Dover, DE 19901

646-308-1490

info@ilstinc.com

Quarterly Report

For the Period Ending: September 30, 2022
(the "Reporting Period")

As of September 30, 2022, the number of shares outstanding of our Common Stock was: 1,936,364,391

As of June 30, 2022, the number of shares outstanding of our Common Stock was: 1,936,364,391

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 1,936,364,391

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☒ No: ☐

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The name of the issuer is International Star, Inc.

The name of its predecessor, until April 1997, was Mattress Showrooms, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The issuer was incorporated on October 28, 1993 as a Nevada corporation.

The issuer is incorporated in the State of Nevada in good standing and "Active."

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

N/A

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

N/A

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

International Star, Inc.
8 The Green
Suite 13940
Dover, DE 19901

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☒ No: ☐

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

On May 25, 2021, a petition was filed against the Company in the District Court of Clark County, Nevada, entitled "In the Matter of International Star, Inc., a Nevada corporation" under case number A-21-835183-P by Alpharidge Capital, LLC, along with an Application for Appointment of Custodian, after several attempts to have prior management reinstate the Company's Nevada charter, which had been revoked.

On June 3, 2021, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of Alpharidge Capital, LLC (the "Order"), as Custodian of the Company. Pursuant to the Order, Alpharidge Capital, LLC (the "Custodian") was granted the authority to take reasonable and prudent actions on behalf of the Company, including, but not limited to, issuing shares of stock and issuing new classes of stock, as well as entering into contracts on behalf of the

Company. In addition, the Custodian, pursuant to the Order, was required to meet the requirements under the Nevada charter.

On December 9, 2021, the District Court of Clark County, Nevada entered an Order Granting Alpharidge Capital's motion to terminate custodianship.

2) Security Information

Trading symbol:	<u>ILST</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>460371206</u>	
Par or stated value:	<u>0.001</u>	
Total shares authorized:	<u>2,000,000,000</u>	as of date: <u>September 30, 2022</u>
Total shares outstanding:	<u>1,936,364,391</u>	as of date: <u>September 30, 2022</u>
Number of shares in the Public Float ² :	<u>1,793,536,885</u>	as of date: <u>September 30, 2022</u>
Total number of shareholders of record:	<u>402</u>	as of date: <u>September 30, 2022</u>

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

Trading symbol:	
Exact title and class of securities outstanding:	
CUSIP:	
Par or stated value:	
Total shares authorized:	as of date: <u>September 30, 2022</u>
Total shares outstanding:	as of date: <u>September 30, 2022</u>

Transfer Agent

Name: Clear Trust, LLC
Phone: 813.235.4490
Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Dr., Suite 205, Lutz, FL 33558

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuance of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

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

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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2020</u> Common: <u>1,936,364,391</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or canceled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>06/3/2021</u>	<u>New Issuance</u>	<u>50</u>	<u>Preferred Stock (1)</u>	<u>\$.001</u>	<u>No</u>	<u>Community Economic Development Capital, LLC</u>	<u>Working Capital</u>	<u>Restricted</u>	<u>Rule 144</u>
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>09/30/22</u> Common: <u>1,936,364,391</u> Preferred: <u>50</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2021 pursuant to the tabular format above.

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

(1) The Preferred Stock referenced in this Table is designated as the "Special 2021 Series A Preferred Stock." On July 20, 2021, all of the Special 2021 Series A Preferred Stock was transferred to Caren Currier. Subsequently, on or about June 10, 2022, ILST Holdco LLC, through a private transaction, acquired all of these shares from Ms. Currier.

The shares of Special 2021 Series A Preferred Stock are convertible into 10,000,000,000 shares of the Company's Common Stock, with each such share having one vote.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
08/10/2022	\$397,727 (1)	\$625,000 (1)	\$3,409.09	(2)	\$0.005 per share (3)	Leonite Fund I, LP (4)	Loan
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

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

(1) On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to \$625,000. The note was issued with an original issue discount of \$75,000, for gross proceeds of up to \$550,000, to be advanced in one or more tranches, with the original issue discount applied on a pro rata basis based on the percentage of the purchase price advanced. During the third quarter, on August 10, 2022 and September 22, 2022, respectively, the Company received the first two tranches advanced under the Note (less the sum of \$21,294 to cover lender's expenses), for combined total proceeds of \$350,000. The remaining advances are to be issued at the discretion of the lender. As of the final day of the reporting period, the principal amount outstanding as a result of the two tranches advanced was \$397,727.27. The loan bears interest at 12% per annum and each tranche matures 12 months following the advance date. All payments due under the Note are payable at maturity. The Note is convertible into common shares at the option of the holder at a fixed price of \$0.005 per share. The Note has both conversion price protection and anti-dilution protection provisions. The Note is secured by all of the assets of the Company.

As additional consideration under the terms of this Senior Secured Convertible Promissory Note, the Company issued warrants to Leonite which are exercisable for 62,500,000 Common Shares of the Company. These warrants are exercisable for 60 Months, contain full-ratchet anti-dilution protection provisions, and have an exercise price of \$0.005.

(2) Each tranche matures 12 months following the advance.

(3) The note is convertible into common shares at the option of the holder at a fixed price of \$0.005 per share.

(4) Avi Geller is an individual with voting/investment control over Leonite Fund I, LP.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Avi Minkowitz
Title: Director
Relationship to Issuer: Director

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

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

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

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

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

Documents C-G are incorporated herein.

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

5) Issuer's Business, Products and Services

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

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

The Company's business operations were historically focused on exploration of mining claims and mining properties. In June 2022, a controlling stake in International Star was acquired by ILST Holdco LLC, a limited liability company organized under the laws of the State of Delaware. Under its new management, the Company's strategic objective is to acquire, merge with and build revenue and cash flow producing companies in order to create successful and financially robust enterprises which will consistently create and build stakeholders' value.

On August 24, 2022, the Company entered into a transaction to acquire Budding Equity, Inc. ("BEI") a Canadian company that partners with movie studios and celebrities to monetize their intellectual property (IP) in the burgeoning global cannabis industry, using best in class manufacturers and distributors. The Company has closed on an initial 6% stake in BEI and is in the final stages of exercising its option to purchase 100% of the outstanding shares of Budding Equity, Inc.

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

Budding Equity, Inc.

- C. Describe the issuers' principal products or services.

Through Budding Equity, Inc., partnering with movie studios and celebrities to monetize their intellectual property in the burgeoning global cannabis industry, using best in class manufacturers and distributors.

6) Issuer's Facilities

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

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

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

None

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

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>ILST Holdco LLC</u>	<u>Owner of more than 5%</u>	<u>Brooklyn, New York</u>	<u>50</u>	<u>Preferred</u>	<u>100</u>	<u>(1)</u>
<u>Nochum Greenberg</u>	<u>President, Interim CEO, Treasurer, Secretary, Director</u> _____	<u>Ft. Lauderdale, Florida</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	_____
_____	_____	_____	_____	_____	_____	_____

(1) As of the period end date of this report, ILST Holdco LLC owns Fifty (50) shares of the Company's Special 2021 Series A Preferred Stock, which represents 100% of the issued and outstanding shares of such class of stock. The Fifty (50) shares of Special 2021 Series A Preferred Stock collectively have 60% voting rights and each share can be converted into 200,000,000 shares of the Company's common stock. The Manager of ILST Holdco is Avi Minkowitz, with a residential address of Toronto, Ontario (Canada). Mr. Minkowitz also serves as a consultant to Leonite Capital, an affiliate of Leonite Fund I, LP, a creditor of the Company. (See Section 3(B) above.)

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

9) Third Party Providers

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

Securities Counsel

Name: Zvi Raskin
Firm: Attorney-At-Law
Address 1: 10 Keri Lane
Address 2: Spring Valley, NY 10977
Phone: 845-202-3999
Email: zr@raskinlegal.com

Accountant or Auditor

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A

Email: N/A

Investor Relations

Name: N/A

Firm: N/A

Address 1: N/A

Address 2: N/A

Phone: N/A

Email: N/A

Other Service Providers

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

Name: N/A

Firm: N/A

Nature of Services: N/A

Address 1: N/A

Address 2: N/A

Phone: N/A

Email: N/A

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Nochum Greenberg, certify that:

1. I have reviewed this Quarterly Disclosure Statement of International Star, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/18/2022

/s/ Nochum Greenberg

President and CEO (Interim)

Principal Financial Officer:

I, Nochum Greenberg, certify that:

1. I have reviewed this Quarterly Disclosure Statement of International Star, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/18/2022

/s/ Nochum Greenberg

Treasurer (Principal Financial Officer)

INTERNATIONAL STAR, INC.
FINANCIAL STATEMENTS
(Unaudited)

Quarter ended Sept 30. 2022

International Star Inc.
Balance Sheet Prev Year Comparison
As of September 30, 2022

	9/30/2022	9/30/2021
ASSETS		
Current Assets		
Bank	49,934.14	\$0.00
Accounts Receivable	\$0.00	\$0.00
Total Current Assets	49,934.14	\$0.00
Fixed Assets	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00
Notes receivable Net of Discount	218,464.23	\$0.00
Investments	79,850.00	\$0.00
Total Other Assets	298,314.23	
TOTAL ASSETS	348,248.37	\$0.00
LIABILITIES & EQUITY	\$0.00	\$0.00
Liabilities	\$0.00	\$0.00
Current Liabilities		
Accounts Payable	40,015.54	\$0.00
Interest Payable	3,409.09	\$0.00
Total Accounts Payable	43,424.63	
Other Current Liabilities		
Deferred Interest Income	13,586.95	\$0.00
Total Other Current Liabilities	13,586.95	\$0.00
Total Current Liabilities	57,011.58	\$0.00
Long Term Liabilities	333,135.50	\$0.00
Total Liabilities	390,147.08	\$0.00
Equity		
Add'l Paid in Capital	4,440,939.00	4,437,514.00
Capital Stock	1,936,364.00	1,936,364.00
Dividends Paid	\$0.00	\$0.00
Opening Balance Equity	\$0.00	\$0.00
Retained Earnings	(6,373,878.00)	(6,373,878.00)
Net Income	(45,323.71)	\$0.00
Total Equity	(41,898.71)	\$0.00
Total Liabilities and Equity	348,248.37	\$0.00

International Star
Profit & Loss Prev Year Comparison
July through Sep. 2022

	Jul - Sep 22	Jul - Sep 21
Ordinary Income/Expense	\$0.00	\$0.00
Cost of Goods Sold	\$0.00	\$0.00
Gross Profit	\$0.00	\$0.00
Expense		
Advertising and Promotion	\$0.00	\$0.00
Automobile Expense	\$0.00	\$0.00
Bank Service Charges	65.86	\$0.00
Business Licenses and Permits	\$0.00	\$0.00
Computer and Internet Expenses	\$0.00	\$0.00
Continuing Education	\$0.00	\$0.00
G&A	\$0.00	\$0.00
Dues and Subscriptions	6,000.00	\$0.00
Insurance Expense	\$0.00	\$0.00
Interest Expense	7,838.94	\$0.00
Meals and Entertainment	\$0.00-	\$0.00
Office Supplies	357.70	\$0.00
Payroll Expenses	\$0.00	\$0.00
Postage and Delivery	\$0.00	\$0.00
Legal fees and OID	\$0.00	\$0.00
Professional Fees	33,657.84	\$0.00
Accounting	\$0.00	\$0.00
Rent Expense	\$0.00	\$0.00
Repairs and Maintenance	\$0.00	\$0.00
Telephone Expense	\$0.00	\$0.00
Travel Expense	\$0.00	\$0.00
Utilities	\$0.00	\$0.00
Total Expense	47,920.34	\$0.00
Net Ordinary Income		\$0.00
Other Income/Expense		\$0.00
Other Income	6,021.63	\$0.00
Other Expense	\$0.00	
Net Other Income	6,021.63	\$0.00
Net Income	(41,898.71)	\$0.00

International Star Inc. Cash Flow Statement July through Sep. 2022	
	Jul-Sep'22
OPERATING ACTIVITIES:	
Net Income	\$(41,898.71)
<i>Adjustments to reconcile Net Income to net cash provided by operations:</i>	
Accounts Payable	\$40,015.54
Interest Payable	\$3,409.09
Deferred Interest Income	\$13,586.95
Amortization of Note Payable Discount	\$4,429.85
Amortization of Note Receivable Discount	\$(3,304.23)
Net cash provided by Operating Activities	\$16,238.49
INVESTING ACTIVITIES:	
Loans provided	\$(215,160.00)
Investment in Equity shares	\$(79,850.00)
Net cash provided by Investing Activities	\$(295,010.00)
FINANCING ACTIVITIES:	
Loan from Leonite Fund LLC	\$328,705.65
Net cash provided by Financing Activities	\$328,705.65
Cash at beginning of period	\$-
Net cash increase for the period	\$49,934.14
Cash at end of period	\$49,934.14

International Star, Inc.					
Statements of Shareholders' Equity (Deficit)					
	Common Stock Shares	Amount	Additional Paid in Capital	Accumulated Deficit	Total
Balance at DECEMBER 31, 2020	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,373,878.00)	-
Net Loss					
Balance at MARCH 31, 2021	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,373,878.00)	-
Net Loss					
Balance at June 30, 2021	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,373,878.00)	-
Net Loss					
Balance at September 30, 2021	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,373,878.00)	-
Net Loss					
Balance at December 31, 2021	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,373,878.00)	-
Net Loss				(2,500.00)	(2,500.00)
Balance at March 31, 2022	1,936,364,391.00	1,936,364.00	4,437,514.00	(6,376,378.00)	
Net Loss			3,425.00	(925.00)	2,500.00
Balance at June 30, 2022	1,936,364,391.00	1,936,364.00	4,440,939.00	(6,377,303.00)	
Net Loss				(41,898.71)	
Balance at Sep 30, 2022	1,936,364,391.00	1,936,364.00	4,440,939.00	(6,419,201.71)	(41,898.71)

International Star, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022
(Unaudited)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

International Star, Inc. was incorporated in Nevada in October 1993 (referred to herein as "the Company"). Historically, the Company's business operations were primarily focused on exploration of mining claims and mining properties. In June 2022, a controlling stake in International Star was acquired by ILST Holdco LLC, a limited liability company organized under the laws of the State of Delaware. Under its new management, the Company's strategic objective is to acquire, merge with and build revenue and cash flow producing companies in order to create successful and financially robust enterprises which would consistently create and build stakeholders' value.

On August 24, 2022, the Company entered into a transaction to acquire Budding Equity, Inc. ("BEI") a Canadian company that partners with movie studios and celebrities to monetize their intellectual property (IP) in the burgeoning global cannabis industry, using best in class manufacturers and distributors. The Company has closed on an initial 6% stake in BEI and is in the final stages of exercising its option to purchase 100% of the outstanding shares of BEI.

The Company has a fiscal year end of December 31 and is listed on the OTC Pink Markets under the trading symbol ILST. In the past, the Company had abandoned its business and failed to take steps to dissolve, liquidate and distribute its assets. It had also failed to meet the required reporting requirements with the Nevada Secretary of State, hold an annual meeting of stockholders and pay its annual franchise tax from 2015 to 2021 which resulted in its Nevada charter being revoked. The Company also failed to provide adequate current public information as defined in Rule 144, promulgated under the Securities Act of 1933, and was thus subject to revocation by the Securities and Exchange Commission pursuant to Section 12(k) of the Exchange Act. On May 25, 2021, a shareholder filed a petition for custodianship, with the District Court, Clark County, Nevada and was appointed as the custodian of the Company on June 3, 2021. The Company's Nevada charter was reinstated on June 4, 2021, and all required reports were filed with the State of Nevada soon after.

The Company remains active as of the date of this report and is currently taking steps to provide adequate current public information to meet the requirements under the Securities Act of 1933.

The Company incurred operating losses in previous years resulting in an accumulated deficit of \$6,419,201.71 at September 30, 2022. By November 8, 2013, the Company filed Form 15-12G with the SEC to terminate its reporting obligations under the 1934 Act. After their September 30, 2015 quarterly reports of September 30, 2015, the Company stopped all forms of making public report of its operation and financial results.

On April 22, 2021, Alpharidge Capital, LLC, a shareholder of the Company, served a demand to the Company, at its last address of record, to comply with the Nevada Secretary of State statutes N.R.S. 78.710 and N.R.S. 78.150. On May 25, 2021, a petition was filed against the Company in the District Court of Clark County, Nevada, entitled "In the Matter of International Star, Inc., a Nevada corporation" under case number A-21-835183-P by Alpharidge Capital, LLC, along with an Application for Appointment of Custodian, after several attempts to have prior management reinstate the Company's Nevada charter, which had been revoked.

On June 03, 2021, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of Alpharidge Capital, LLC (the "Order"), as Custodian of the Company. Pursuant to the Order, Alpharidge Capital, LLC (the "Custodian") had the authority to take reasonable and prudent actions on behalf of the Company including, but not limited to, issuing shares of stock and issuing new classes of stock, as well as entering in contracts on behalf of the Company. In addition, the Custodian, pursuant to the Order, was required to meet the requirements under the Nevada charter.

On June 11, 2021, pursuant to a Securities Purchase Agreement (SPA) the Custodian granted to Community Economic Development Capital, LLC. ("CED Capital"), 50 Series A preferred shares (convertible at 1 into 200,000,000 common shares, and having voting rights of 60% of all votes) in exchange for \$35,000 which the Company used to fund the reinstatement of the Company with the State of Nevada, which included the settlement of the Stock Transfer Agent's balance. CED Capital also undertook to make all reasonable efforts to provide adequate current public information to meet the requirements under the Securities Act of 1933.

On June 15, 2021, the Company filed a Certificate of Revival with the Secretary State of the State of Nevada, which reinstated the Company's charter and appointed a new Resident Agent in Nevada.

On June 16, 2021, the Custodian appointed Ambrose O Egbuonu, who is associated with Alpharidge Capital, LLC., as the Company's president, CEO, secretary, treasurer and director.

On December 9, 2021, the District Court of Clark County, Nevada entered an Order Granting Alpharidge Capital's motion to terminate custodianship.

On April 15, 2022, Mr. Ambrose Egbuonu resigned from the position of director of the Company.

On July 20, 2021, the preferred shares were transferred to Caren D. Currier for \$75,000 paid in cash. Subsequently, Caren D Currier was elected as President, CEO, secretary, treasurer and director of the Company. The holder of the 50 Series A preferred shares has control of the Company through 60% voting rights over all classes of stock and the 50 Series A preferred shares are convertible into 10,000,000,000 (50 Series A preferred shares multiplied by 200,000,000) shares of the Company's common stock.

Subsequently, on or about June 10, 2022, ILST Holdco LLC, through a private transaction, acquired the 50 Series A preferred shares from Caren Currier.

The shares of Special 2021 Series A Preferred Stock are convertible into 10,000,000,000 shares of the Company's Common Stock, with each such share having one vote.

Following the election of Caren D. Currier as President, CEO, secretary and treasurer of the Company, Mr. Ambrose Egbuonu resigned from the position of President, CEO, secretary and treasurer of the Company.

NOTE 2 – BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. All intercompany transactions have been eliminated.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company currently has an accumulated deficit of \$6,419,201.71. The Company cannot be certain that it will be successful even if it obtains outside funding. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include demand deposits, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

Financial Instruments

The FASB issued ASC 820-10, Fair Value Measurements and Disclosures, for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Concentrations and Credit Risks

The Company's financial instruments that are exposed to concentrations and credit risk primarily consist of its cash, sales and accounts receivable. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

Foreign Currency Translation

The accounts of the Company are accounted for in accordance with the Statement of Financial Accounting Standards No. 52 ("SFAS 52"), "Foreign Currency Translation". The financial statements of the Company are translated into US dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and shareholders' equity at historical exchange rates.

Monetary assets and liabilities, and the related revenue, expense, gain and loss accounts, of the Company are re-measured at year-end exchange rates. Non-monetary assets and liabilities, and the related revenue, expense, gain and loss accounts are re-measured at historical rates. Adjustments which result from the re-measurement of the assets and liabilities of the Company are included in net income.

Share-Based Compensation

ASC 718, Compensation – Stock Compensation, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized in the period of grant.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, Equity – Based Payments to Non-Employees. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

As of September 30, 2022 and 2021, respectively, there was \$0 and \$0 of recognized expense related to non-vested stock-based compensation arrangements granted. There have been no options granted during the three months ended September 30, 2022 and 2021, respectively.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Deferred tax assets or liabilities were offset by a 100% valuation allowance, therefore there has been no recognized benefit as of September 30, 2022 and 2021, respectively. Further it is unlikely with the change of control that the Company will have the ability to realize any future tax benefits that may exist.

Commitments and Contingencies

The Company follows ASC 450-20, Loss Contingencies, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Earnings Per Share

Net income (loss) per share is calculated in accordance with ASC 260, Earnings Per Share. The weighted-average number of common shares outstanding during each period is used to compute basic earnings or loss per share. Diluted earnings or loss per share is computed using the weighted average number of shares and diluted potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding at September 30, 2022 and 2021. Due to net operating loss, there is no presentation of dilutive earnings per share, as it would be anti-dilutive.

Forgiveness of Indebtedness

The Company follows the guidance of AS 470.10 related to debt forgiveness and extinguishment. Debts of the Company are considered extinguished when the statute of limitations in the applicable jurisdiction expires or when terminated by judicial authority such as the granting of a declaratory judgment. Debts to related parties or shareholders are treated as capital transactions when forgiven or

extinguished and credited to additional paid in capital. Debts to non-related parties are treated as other income when forgiven or extinguished.

Recent Accounting Pronouncements

We do not believe any recently issued accounting pronouncements will have a material impact on the Company.

NOTE 4 - INCOME TAXES

Income taxes are provided based upon the liability method. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by accounting standards to allow recognition of such an asset.

Deferred tax assets/liabilities were as follows as of September 30, 2022 and 2021:

<u>Description</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Net operating loss carry forward	6,377,303	6,373,878
Valuation allowance	(6, 377,303)	(6,373,878)
Total	\$ -	\$ -

As of September 30, 2022, the Company expected no net deferred tax assets to be recognized, resulting from net operating loss carry forwards. Deferred tax assets were offset by a corresponding allowance of 100%.

NOTE 5 – OTHER ASSETS

On August 24, 2022, the Company entered into a transaction with Budding Equity, Inc. (“Budding”), a Canadian company that partners with movie studios and celebrities to monetize their intellectual property in the global cannabis industry, to purchase shares and a Note from Budding Equity. In connection with that transaction, the Company invested, as of September 30, 2022, the sum of \$295,010.00, and acquired (i) Budding shares equal to 6% of the outstanding shares of Budding, with a valuation of \$79,850, and (ii) a Note from Budding with a face value of \$326,086.96, and a valuation of \$215,160 net of discount. At the closing, the sum of \$16,304.35 was credited to Budding Equity as prepaid interest, resulting in a net cash payment to Budding Equity in the amount of \$278,705.65. As of September 30, 2022, the principal amount outstanding under the loan was \$326,086.96, and the book value was \$218,464.23, net of unamortized discount.

NOTE 6 – NOTES PAYABLE

On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to \$625,000. The note was issued with an original issue discount of \$75,000, for gross proceeds of up to \$550,000, to be advanced in one or more tranches, with the original issue discount applied on a pro rata basis based on the percentage of the purchase price advanced. During the third quarter, on August 10, 2022 and September 22, 2022, respectively, the Company received the first two tranches advanced under the Note (less the sum of \$21,294 to cover lender’s expenses), for combined total proceeds of \$350,000. The remaining advances are to be issued at the discretion of the lender. As of the final day of the reporting period, the principal amount outstanding as a result of the two tranches advanced was \$397,727.27. The loan bears interest at 12% per annum and each tranche matures 12 months following the advance date. All payments due under the Note are payable at maturity. The Note is convertible into common shares at the option of the holder at a fixed price of \$0.005 per share. The Note has both conversion price protection and anti-dilution protection provisions. The Note is secured by all of the assets of the Company.

As additional consideration under the terms of this Senior Secured Convertible Promissory Note, the Company issued warrants to Leonite which are exercisable for 62,500,000 Common Shares of the Company. These warrants are exercisable for 60 Months, contain full-ratchet anti-dilution protection provisions, and have an exercise price of \$0.005.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Risks and Uncertainties

The Company's operations are subject to significant risks and uncertainties including financial, operational and regulatory risks, including the potential risk of business failure.

Legal and other matters

In the normal course of business, the Company may become a party to litigation matters involving claims against the Company. The Company's management is unaware of any pending or threatened assertions and there are no current matters that would have a material effect on the Company's financial position or results of operations.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent to the end of the third quarter, in connection with the Senior Secured Convertible Promissory Note issued by the Company to Leonite Fund I, LP., described above in Note 6, a third tranche was advanced to the Company under the Note in the net cash amount of \$75,000.

In addition, subsequent to the end of the third quarter, in connection with the Budding Equity transaction, described above in Note 5, a second tranche was advanced by the Company to Budding Equity in the net cash amount of \$75,000 for which the Company received additional shares of Budding.