

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Humatech, Inc.**

19416 Park Row, Suite 170  
Houston, TX 77084

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(832) 321-3098  
www.humatech.com  
info@humatech.com  
5190

**Annual Report**  
**For the Period Ending: April 30, 2023**  
(the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

As of July 31, 2023, the number of shares outstanding of our Common Stock was: 95,000,000.

As of January 31, 2023, the number of shares outstanding of our Common Stock was: 95,000,000.

As of April 30, 2023, the number of shares outstanding of our Common Stock was: 95,000,000.

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>5</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>5</sup> "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.

Humatech, Inc.

On May 5, 1997, we changed our name from Midwest Enterprise Consultants, Inc. to Humatech, 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):

We were incorporated on February 2, 1988 in the State of Illinois. On June 8, 2010, we reincorporated in the State of Nevada.

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:

19416 Park Row, Suite 170  
Houston, TX 77084

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

☒ *Check 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?

No: ☒ Yes: ☐ If Yes, provide additional details below:

**2) Security Information**

Name: Securities Transfer Corporation  
Phone: (469) 633-0101 x121  
Email: jstackhouse@stctransfer.com  
Address: 2901 N. Dallas Parkway, Suite 380  
Plano, TX 75093

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	<u>HUMT</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>444886 10 5</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>150,000,000</u>	as of date: <u>July 31, 2023</u>
Total shares outstanding:	<u>95,000,000</u>	as of date: <u>July 31, 2023</u>
Number of shares in the Public Float <sup>6</sup> :	<u>15,379,265</u>	as of date: <u>July 31, 2023</u>
Total number of shareholders of record:	<u>182</u>	as of date: <u>July 31, 2023</u>

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

N/A

**Other classes of authorized or outstanding equity securities:**

N/A

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

Each shareholder of our common stock is entitled to a pro rata share of cash distributions made to shareholders, including dividend payments. The holders of our common stock are entitled to one vote for each share of record on all matters to be voted on by shareholders. There is no cumulative voting with respect to the election of our directors or any other matter. Therefore, the holders of more than 50% of the shares voted for the election of those directors can elect all of the directors. The holders of our common stock are entitled to receive dividends when and if declared by our Board of Directors from funds legally available therefore. Cash dividends are at the sole discretion of our Board of Directors. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining available for distribution to them after payment of our liabilities and after provision has been made for each class of stock, if any, having any preference in relation to our common shareholders of shares of our common stock have no conversion, preemptive or other subscription rights, and there are no redemption provisions applicable to our common stock.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

We have not designated a series of preferred stock.

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<sup>6</sup> "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. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

N/A

### 3) Issuance History

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

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

#### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>April 30, 2021</u> Common: <u>95,000,000</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 cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: Date <u>4/30/23</u> Common: <u>95,000,000</u> Preferred: <u>-0-</u>									

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☒ Yes: ☐ (If yes, you must complete the table below)

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. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

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

\_\_\_\_\_

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcm Markets.com](http://www.otcm Markets.com)).

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

Manufacture and distribute organic based animal feed supplements and fertilizer.

B. List any subsidiaries, parent company, or affiliated companies.

N/A

C. Describe the issuers' principal products or services.

### Our Animal Feed Supplements Products

We manufacture and distribute mineral-based animal feed supplements to the animal feeding industry. The bulk of our business has developed in this product line. Our animal feed supplement product line has grown to consist of a variety of products that we formulate and sell to our distributors and selected end users in various parts of the world. We do not yet retail our animal feed supplements directly to any retail consumer market; and continue to focus on the commercial animal feed market. We have not yet reached significant market penetration in any particular country or region, and at present most of our sales are to the pork, dairy and poultry feeding industries. We formulate and label each specific product according to local laws pertinent to each country served, and ship goods in multiple types of packaging according to the needs of our customer. We are actively researching and testing products within other commercially grown animal species, both direct to potential customers, as well as working with our distributors along this line, in order to expand sales.

### Our Fertilizer Products

We also manufacture and distribute organic based fertilizer products to two primary groups: (A) commercial growers of agricultural crops, and (B) mass merchandisers and independent nurseries in the retail lawn and garden market.

## 5) 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.

We own approximately four (4) acres of land in the Albuquerque, New Mexico where we process our product.

We lease an office and warehouse in Houston, Texas on a three (3) year lease that ends in August 2024 at a rate of \$3,915 per month.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, 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.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

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>David G. Williams</u>	<u>Officer/Director/ 5% Owner</u>	<u>Houston, TX</u>	<u>62,097,441</u>	<u>Common</u>	<u>65.3%</u>	<u>      </u>

## 7) Legal/Disciplinary History

A. 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);

N/A

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;

N/A

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

N/A

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.

N/A

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

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

### Securities Counsel

Name:	Brian A. Lebrecht
Firm:	Clyde Snow & Sessions, PC
Address 1:	201 S. Main Street, Suite 2200
Address 2:	Salt Lake City, UT 84111
Phone:	(801) 433-2453
Email:	bal@clydesnow.com

#### Accountant or Auditor

Name: Robert Madden  
Firm: RJM Consulting, LLC  
Address 1: PO Box 17207  
Address 2: Salt Lake City, UT 84147  
Phone: (801) 232-0753  
Email: robert@bakkenwatertransfer.com

#### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Other Service Providers

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

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### **9) Financial Statements**

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

- ☐ IFRS  
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>7</sup>:

Name: Robert Madden  
Firm: RJM Consulting, LLC  
Address 1: PO Box 17207  
Address 2: Salt Lake City, UT 84147  
Phone: (801) 232-0753  
Email: robert@bakkenwatertransfer.com  
Relationship to Issuer: Outside accounting.

Describe the qualifications of the person or persons who prepared the financial statements:

Mr. Madden has been working in the accounting industry for over 30 years. From 1990 to 2012 he worked for several companies starting as a staff accountant, then assistant controller position, finally the company controller position. During that time, he worked in the wholesale apparel, advertising, television, and special event industries.

<sup>7</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.



From 2012 to 2015, he took a sabbatical and lived overseas volunteering for different NGO's and non-profit organizations. During the sabbatical, he volunteered for a British NGO, worked as their CFO, and was the driving force in getting the organization registered with 2 foreign nations. In 2016, he moved back to the United States and started an accounting consulting business. From 2016 to the present, he was hired to fill either a Controller or CFO position for several private and public companies, including United Concerts from 2016 through 2018, Bakken Water Transportation Services, Inc. from 2019 to the present, Geopulse Exploration, Inc. from 2016 through 2019, Healthy Extracts, Inc. from 2022 to the present, and Humatech, Inc. from 2021 to the present. He graduated from the University of Utah with a bachelor's degree in accounting and from Westminster College with an MBA with a certificate of accounting.

Provide the following financial statements 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.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

## 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, David G. Williams certify that:

1. I have reviewed this Disclosure Statement for Humatech, 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.

July 31, 2023 [Date]

/s/ David G. Williams [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

### *Principal Financial Officer:*

I, David G. Williams certify that:

1. I have reviewed this Disclosure Statement for Humatech, 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.

July 31, 2023 [Date]

/s/ David G. Williams [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**HumaTech Inc.**  
**BALANCE SHEETS**  
**(Unaudited)**

	<b>APRIL 30 2023</b>	<b>APRIL 30 2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 93,120	\$ 181,717
Accounts receivable	303,493	355,118
Inventory	54,107	20,989
<b>Total current assets</b>	<u>450,720</u>	<u>557,824</u>
Fixed assets, net of accumulated depreciation of \$837,705 and \$748,724	660,043	687,218
Deposit	29,628	1,500
<b>Total other assets</b>	<u>689,670</u>	<u>688,718</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,140,390</u></u>	<u><u>\$ 1,246,542</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 3,498	\$ 4,638
Accrued liabilities	344,795	748,635
Accounts liabilities - related party	-	329,000
Notes payable	1,111,502	497,272
Notes payable - related party	-	-
Accrued interest payable	293,770	263,934
Accrued interest payable - related party	-	-
<b>Total current and total liabilities</b>	<u>1,753,565</u>	<u>1,843,479</u>
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock, \$0.001 par value, 150,000,000 shares authorized 95,000,000 shares issued and outstanding, respectively	9,174,557	9,174,557
Preferred stock, \$0.001 par value, 10,000,000 shares authorized no shares issued and outstanding, respectively	-	-
Additional paid-in capital	1,429,464	1,429,464
Accumulated deficit	<u>(11,217,196)</u>	<u>(11,200,959)</u>
<b>Total stockholders' deficit</b>	<u>(613,175)</u>	<u>(596,937)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u><u>\$ 1,140,390</u></u>	<u><u>\$ 1,246,542</u></u>

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

**HUMATECH, INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDING APRIL 30, 2023**  
**(Unaudited)**

	<b>APRIL 30 2023</b>	<b>APRIL 30 2022</b>
<b>REVENUE</b>	<u>\$ 3,216,972</u>	<u>\$ 2,563,186</u>
<b>COST OF REVENUE</b>	<u>1,551,655</u>	<u>1,224,852</u>
<b>GROSS PROFIT</b>	<u>1,665,317</u>	<u>1,338,333</u>
<b>OPERATING EXPENSES</b>		
General and administrative	<u>1,528,630</u>	<u>1,140,896</u>
<b>Total operating expenses</b>	<u>1,528,630</u>	<u>1,140,896</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense, net of interest income	(152,924)	(38,325)
Gain or loss on legal settlement	-	-
Loan forgiveness	-	-
Gain/loss on sale of asset	<u>-</u>	<u>-</u>
<b>Total other income (expense)</b>	<u>(152,924)</u>	<u>(38,325)</u>
<b>NET GAIN/(LOSS)</b>	<u><u>\$ (16,237)</u></u>	<u><u>\$ 159,112</u></u>
 <b>Gain/(Loss) per share - basic and diluted</b>	 <u><u>\$ (0.000)</u></u>	 <u><u>\$ 0.002</u></u>
 <b>Weighted average number of shares outstanding - basic and diluted</b>	 <u><u>95,000,000</u></u>	 <u><u>95,000,000</u></u>

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

**HUMATECH, INC.**  
**STATEMENT OF CASH FLOWS**  
(Unaudited)

	<b>FOR THE YEAR ENDING APRIL 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>		
Net Gain/(Loss)	\$ (16,237)	\$ 159,113
Adjustments to reconcile net gain/(loss) to net cash used in operating activities:		
Depreciation and amortization	84,751	55,629
Gain on sale of asset	-	-
Changes in operating assets and liabilities:		
Accounts receivable	51,625	(217,901)
Inventory	(33,118)	(245)
Deposits	(28,128)	(1,500)
Accounts payable	(1,139)	3,688
Accrued liabilities	(403,840)	554,915
Accounts liabilities - related party	(329,000)	(114,283)
Accrued interest payable	29,835	17,320
Accrued interest payable - related party	-	-
<b>Net Cash used in Operating Activities</b>	<u>(645,251)</u>	<u>456,736</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(57,576)	(249,005)
<b>Cash flows provided by (used in) Investing Activities:</b>	<u>(57,576)</u>	<u>(249,005)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceads from issuance of noted payable	638,230	(84,599)
Proceads from issuance of noted payable - related party	-	-
Payments for repayment of notes payable	(24,000)	-
<b>Net Cash provided by Financing Activities</b>	<u>614,230</u>	<u>(84,599)</u>
<b>Increase (decrease) in cash</b>	(88,596)	123,132
<b>Cash at beginning of period</b>	181,717	58,585
<b>Cash at end of period</b>	<u>\$ 93,120</u>	<u>\$ 181,717</u>

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

HUMATECH, INC.  
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT  
FOR THE YEAR ENDING APRIL 2023  
(Unaudited)

	Preferred Stock		Common Stock		Capital	Additional	Accumulated	
	Shares	Amount	Shares	Amount	(Conv Debt)	Paid-In Capital	Deficit	Total
Balance - April 30, 2021	-	\$ -	95,000,000	\$ 8,947,313	\$ 227,244	\$ 1,429,464	\$ (11,360,072)	\$ (756,050)
Net gain/(loss) for the period	-	-	-	-	-	-	159,113	\$ 159,113
Balance - April 30, 2022	-	\$ -	95,000,000	\$ 8,947,313	\$ 227,244	\$ 1,429,464	\$ (11,200,959)	\$ (596,937)
Net gain/(loss) for the period	-	-	-	-	-	-	(16,237)	\$ (16,237)
Balance - April 30, 2023	-	\$ -	95,000,000	\$ 8,947,313	\$ 227,244	\$ 1,429,464	\$ (11,217,196)	\$ (613,174)

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

**HUMATECH, INC.**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**APRIL 30, 2023**

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**Note 1: Organization and Basis of Presentation**

Humatech, Inc. (the “Company”), produces and distributes humate-based trace element fertilizers and animal feed products. The Company’s products are sold to agriculture products’ dealers/distributors, retail customers as well as livestock feedlot operators, ranchers and other agricultural customers throughout the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company faces many operating and industry challenges. The Company has not yet generated adequate volume in the sale of its products to meet operating cash flow requirements and has incurred significant operating losses. Future operating losses for the Company are anticipated and the proposed plan of operations, even if successful, may not result in cash flow sufficient to finance the continued expansion of its business. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Realization of assets is dependent upon continued operations of the Company, which in turn is dependent upon management’s plans to meet its financing requirements, as discussed below, and the success of its future operations. The financial statements do not include any adjustments that might result from this uncertainty.

**Note 2: Summary of Significant Accounting Policies**

Cash: Includes all short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits. At April 30, 2023 and 2022, cash deposits did not exceed those insured limits.

Property and equipment: Are stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 10 years. Depreciation expense was \$84,751 for the year ended April 30, 2023 respectively. Depreciation expense was \$55,630 for the year ended April 30, 2022 respectively.

Revenue recognition: The Company recognizes revenue when product is shipped FOB shipping point and collection is reasonably assured. Beginning April 30, 2019, the Company implemented ASC 606, Revenue from Contracts with Customers. Although the new revenue standard is expected to have an immaterial impact, if any, on our ongoing net income, we did implement changes to our processes related to revenue recognition and the control activities within them. These included the development of new policies based on the five-step model provided in the new revenue standard, ongoing contract review requirements, and gathering of information provided for disclosures.

Inventories: Inventories consist of raw materials such as mined humate material and finished goods. Inventories are accounted for at the lower of cost or market in a first-in first-out basis.

	April 30, 2023	April 30, 2023
Inventory		
Inventory Classes:		
Raw Materials	\$ 45,707	0
Finished Goods	8,400	20,989
Total, net	\$ 54,107	20,989

**Income Taxes:** The Company provides for income taxes based on the provisions of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*, which, among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of financial statements.

**Financial Instruments:** Financial instruments consist primarily of cash, accounts receivable, and obligations under accounts payable, accrued expenses, capital lease obligations and notes payable. The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of those instruments. The capital lease obligation approximates fair value because the principal amount the obligation was determined based on the fair value of the underlying assets and the Company estimated incremental borrowing rate. The notes payable to individuals are based on the fair value of the notes.

**Net Loss Per Share:** Is calculated using the weighted average number of shares of common stock outstanding during the year. The Company has adopted the provisions of SFAS No. 128 *Earnings Per Share*.

**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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recently Issued Accounting Pronouncements:** In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 amends the guidance for revenue recognition to replace numerous, industry specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. The ASU implements of five–step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Other major provisions include the capitalization and amortization of certain contract cost, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendments in this ASU are effective for reporting period beginning after December 15, 2016, and early adoption is prohibited. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption.

The Company’s revenues are recognized when control of the promised goods or services is transferred to our clients (upon shipment of goods) in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services. To achieve this core principle, we apply the following five steps: (1) Identify the contract with a client; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to performance obligations in the contract; and (5) Recognize revenues when or as the Company satisfies a performance obligation.

We adopted ASC 2014-09 on April 30, 2019. Although the new revenue standard is expected to have an immaterial impact, if any, on our ongoing net income, we did implement changes to our processes related to revenue recognition and the control activities with them.

**Impairment of Long-Lived Assets:** Long-lived assets are assessed by the Company for impairment whenever there is an indication that the carrying amount of the asset may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows generated by those assets to the assets’ net carrying value. The amount of impairment loss, if any, is measured as the difference between the net book value of the assets and the estimated fair value of the related assets.



### Note 3: Balance Sheet Information

The Company's entire inventory consisted of finished goods inventory which is produced by the Company's manufacturing plant using raw materials, substantially all of which are purchased from an affiliated entity.

The following table sets forth additional balance sheet information at April 30, 2023:

Property and equipment, net:	
Manufacturing equipment	\$ 1,160,268
Leasehold improvements	23,742
Furniture and fixtures	19,885
Vehicles	35,980
Land	<u>253,642</u>
Total	1,493,518
Less: accumulated depreciation	<u>(833,475)</u>
Total, net	\$ 660,043
Accrued expenses:	
Accrued payroll, including payroll taxes payable	\$ 8,495
Accrued interest	293,770
Other liabilities	<u>336,300</u>
Total	<u>\$ 638,564</u>

The following table sets forth additional balance sheet information at April 30, 2022:

Property and equipment, net:	
Manufacturing equipment	\$ 1,102,693
Leasehold improvements	23,742
Furniture and fixtures	19,885
Vehicles	35,980
Land	<u>253,642</u>
Total	1,435,942
Less: accumulated depreciation	<u>(748,724)</u>
Total, net	\$ 687,218
Accrued expenses:	
Accrued payroll, including payroll taxes payable	\$ 10,031
Accrued interest	263,934
Other liabilities	<u>738,604</u>
Total	<u>\$ 1,012,569</u>

### Note 4: Notes Payable

Notes payable at April 30, 2023, are comprised of the following:

Vehicle and equipment loans payable to institutions. Original principal balances of \$643,089. Monthly installments of principal and interest of \$11,769 with maturities between fiscal 2023 and fiscal 2028. Interest rates from 14.6% to 40% per annum. Collateralized by vehicles and equipment.	\$ 373,809
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Note payable under Product Development and Funding Agreement with stockholder. The creditor originally provided funding of \$150,000. The obligation has no set repayment terms other than it is to be repaid at a rate of 6% of gross revenue earned on sales of the product underlying the Product Development Agreement. In addition to the repayment of the principal amount funded the Company is required to pay the creditor an additional \$300,000 as a royalty, also to be repaid at a rate of 6% of gross revenue earned on sales of the product underlying the Product Development Agreement. At April 30, 2023, there had not yet been any sales of this product.	150,000
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Note payable to individuals. These unsecured note bears interest at 10% per annum and is due in May 2009.	150,000
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Note payable to individuals. These unsecured note bears interest at 8% per annum and is due in June 2009.	29,000
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Note payable to institution. Original principal balance of \$160,000. Weekly installments of principal and interest of \$2,138.46 with a maturity date of 2025. Interest rate is 38.15% per annum.	96,693
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Note payable to individuals. Original principal balance of \$336,000. Monthly installments of principal and interest of \$6,000 with a maturity date of 2028. Interest rate is 5% per annum.	312,000
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Totals	1,111,502
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Long-term portion	<u>\$ 1,111,502</u>
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Notes payable at April 30, 2022, are comprised of the following:

Vehicle and equipment loans payable to institutions. Original principal balances of \$724,807. Monthly installments of principal and interest of \$11,769 with maturities between fiscal 2023 and fiscal 2028. Interest rates from 14.6% to 40% per annum. Collateralized by vehicles and equipment.	\$ 422,654
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Note payable under Product Development and Funding Agreement with stockholder. The creditor originally provided funding of \$150,000. The obligation has no set repayment terms other than it is to be repaid at a rate of 6% of gross revenue earned on sales of the product underlying the Product Development Agreement. In addition to the repayment of the principal amount funded the Company is required to pay the creditor an additional \$300,000 as a royalty, also to be repaid at a rate of 6% of gross revenue earned on sales of the product underlying the Product Development Agreement. At April 30, 2022, there had not yet been any sales of this product.	150,000
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Note payable to individuals. These unsecured note bears interest at 10% per annum and is due in May 2009.	150,000
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Note payable to individuals. These unsecured note bears interest at 8% per annum and is due in June 2009.	29,000
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Note payable to institution. Original principal balance of \$160,000. Weekly installments of principal and interest of \$2,138.46 with a maturity date of 2025. Interest rate is 38.15% per annum.	74,618
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Totals	826,272
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Long-term portion	<u>\$ 826,272</u>
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## Note 5: Stockholders' Equity

There were no shares of common or preferred stock issued during the year ending 2023 and 2022.

## Note 6: Provision for Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, if appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss period. The Company has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

At April 30, 2023 the Company has unused federal net operating losses of \$11,217,196. The Company may utilize the unavailable net operating loss carryforwards upon generating taxable income.

Income taxes for years ended April 30, is summarized as follows:

	<u>2023</u>
Current provision (benefit)	\$ (16,237)
Deferred provision	<u>(16,237)</u>
Net income tax (benefit) provision	<u>\$ -</u>
	<u>2022</u>
Current provision (benefit)	\$ 159,113
Deferred provision	<u>159,113</u>
Net income tax (benefit) provision	<u>\$ -</u>

Deferred tax assets totaling approximately \$11,217,196 and \$11,200,959 existing as of April 30, 2023 and April 30, 2022 relate to net operating loss carryforwards and other timing differences and are fully offset by a valuation allowance due to the uncertainty of future realization of such assets.

## Note 7: Leases

### Operating Leases

The Company is a lessee to certain operating leases during the years ended April 30, 2023 as follows:

- A lease for facilities in Houston that expires in August 2024

Rent expense under the lease totaled \$45,033 and \$39,351 for the year ended April 30, 2023 and 2022, respectively.

Additionally, the Company entered into a lease of an airplane hangar that expires in February 2023. The lease is currently on a month-to-month agreement. The rent expense under the lease totaled \$1,500 for the year ended April 30, 2022, respectively. The Company has placed a deposit for the lease of \$1,500.

Future minimum annual lease payments under the operating lease agreements are as follows for years ended April 30:

2022	\$ 27,493
2023	29,606
2024	<u>41,691</u>
Total	<u>\$ 98,789</u>

### Capital Leases

The Company leases certain equipment under capital leases that expire through 2025. At April 30, 2022, there were future minimum lease payments, of \$96,693 that is reflected as a liability in the Company's balance sheet.

## Note 8: Commitments and Contingencies

As discussed in Note 4, the Company entered into a Product Development and Funding Agreement with a stockholder. Under the agreement, the Company is committed to repay advances and additional amounts up to \$450,000. The rate at which repayment occurs is based on 6% of the gross revenue of the product specified in the agreement. The Company had not generated any revenue from this product through April 30, 2023.

The Company has a license agreement with its President and largest single shareholder for the use of all copyrights, trademarks, patents, trade secrets, product formulas, customer lists and other proprietary information. The agreement requires the payment of 1% of gross domestic sales generated by the Company as a result of this intellectual property. The Company recorded royalty expense of \$32,658 and \$25,898 in the year ended April 30, 2023 and 2022, respectively, related to this agreement.

## Note 9: Net Gain/Loss per share

Net gain/loss per share is calculated using the weighted average number of shares of common stock outstanding during the year.

The following presents the computation of basic and diluted loss per share from continuing operations for the year ended April 30:

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2023

	<u>Income</u>	<u>Shares</u>	<u>Per Share</u>
Basic earnings per share:			
Income available to common stockholders	<u>\$ (16,237)</u>	<u>95,000,000</u>	<u>\$ (0.000)</u>
Effect of dilutive securities		<u>N/A</u>	
Diluted earnings per share:	<u>\$ (16,237)</u>	<u>95,000,000</u>	<u>\$ (0.000)</u>

  

	<u>2022</u>		
	<u>Income</u>	<u>Shares</u>	<u>Per Share</u>
Basic earnings per share:			
Income available to common stockholders	<u>\$ 159,112</u>	<u>95,000,000</u>	<u>\$ 0.002</u>
Effect of dilutive securities		<u>N/A</u>	
Diluted earnings per share:	<u>\$ 159,112</u>	<u>95,000,000</u>	<u>\$ 0.002</u>

#### **Note 10: Related Party Transactions**

The Company has a license agreement with its President and largest single shareholder. The agreement requires the payment of 1% of gross domestic sales generated by the Company as a result of this intellectual property. See Note 7.

The Company has accrued salaries to its President and Chief Financial Officer. At April 30, 2023 and 2022, the total amount accrued and unpaid compensation due to these officers was \$141,062 and \$444,404.

#### **Note 11: Concentrations of Credit Risk**

The Company maintains cash balances at banks in Texas. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of April 30, 2023 and 2022, the Company had uninsured bank balances of \$93,120 and \$181,717, respectively.

Approximately 63% of the Company's sales in the year ended April 30, 2023 were to one customer. Three customers accounted for approximately 81% of the Company's outstanding accounts receivable as of April 30, 2023. Approximately 60% of the Company's sales in the year ended April 30, 2022 were to one customer. Three customers accounted for approximately 83% of the Company's outstanding accounts receivable as of April 30, 2022.

#### **Note 12: Subsequent Events**

The Company evaluated its April 30, 2023 financial statements for subsequent events through July 29, 2022, the date the financial statements were available to be issued.