

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

BLOCKCHAIN LOYALTY CORP.

4320 S Corbett Ave. – Suite 214
Portland, OR 97239

Telephone: (503) 660-9790
Website: www.blockchainloyaltycorp.com
Company Email: BBLC-ZL@outlook.com
SIC Code: 2844 (Cosmetics)

Quarterly Report

June 30, 2023
the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

As of the most recent reporting period June 30, 2023, the number of outstanding shares was:

61,463,665

As of the most recent fiscal year end December 31, 2022, the number of outstanding shares was:

17,406,000

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):

No: **X**

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

Yes: **X**

Change in Control

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

Yes: **X**

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.

BlockChain Loyalty Corp. May 3, 2018
Peerless Development LTD. April 2017
Diverse Media Group, Inc. 2004
Immortal Investments, Inc. 2000

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):

Delaware 8/21/2000 – Company is Active and in Good Standing

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

None

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

BlockChain Loyalty Corp. entered into a Share Exchange Agreement with Marianna Naturals Corp., as of February 8, 2023. Marianna Naturals Corp. is an all-natural genderless, celebrity-endorsed, skincare brand incorporated in Canada and spun off from the highly successful US brand, Beauty Kitchen. BBLC initially agreed to issue a total of 47,636,699 new Common shares from treasury to existing Marianna Naturals Corp. shareholders and consultants as consideration for all of Marianna Naturals Corp. outstanding Common stock. That number was subsequently decreased to 41,894,332 new shares from treasury and the partial transfer and/or reapportionment of the 17,406,000 existing shares of Common stock to new ownership, resulting in total of 59,300,332 Common shares.

BlockChain Loyalty Corp. entered into a Letter of Intent and Acquisition Agreement dated April, 11, 2023 and amended on May 18, 2023 to purchase the assets of Luscious Group LLC d/b/a True and Luscious issuing 1,163,333 restricted common shares with a value of \$349,000. In addition, cash payments will be required on or before closing. The shares were issued in preparation for this transaction on April 14, 2023.

The address of the issuer's principal executive office:

4320 S Corbett Ave. – Suite 214
Portland, OR 97239

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: ☐

2) Security Information

Transfer Agent

Name: Signature Stock Transfer, Inc.
Phone: 972-612-4120
Email: info@signaturestocktransfer.com
Address: 14673 Midway Rd, Ste 220
Addison, TX 75001

BLOCKCHAIN LOYALTY CORP. – Quarterly Report for the Period Ended June 30, 2023.

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>BBLC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>09369F102</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>21,000,000,000</u>	as of date: <u>November 11, 2022</u>
Total shares outstanding:	<u>61,643,665</u>	of date: <u>June 30, 2023</u>
Total number of shareholders of record:	<u>879</u>	as of date: <u>June 30, 2023</u>

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

None

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Trading symbol:	<u>None – No Public Trading Market</u>	
Exact title and class of securities outstanding:	<u>Preferred Class A</u>	
CUSIP:	<u>NONE</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>100,000,000</u>	as of date: <u>February 16, 2010</u>
Total shares outstanding:	<u>90,000</u>	as of date: <u>June 30, 2023</u>

Trading symbol:	<u>None – No Public Trading Market</u>	
Exact title and class of securities outstanding:	<u>Preferred Class B</u>	
CUSIP:	<u>NONE</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>10,000,000</u>	as of date: <u>October 9, 2009</u>
Total shares outstanding:	<u>404,425</u>	as of date: <u>June 30, 2023</u>

Trading symbol:	<u>None – No Public Trading Market</u>	
Exact title and class of securities outstanding:	<u>Preferred Class C</u>	
CUSIP:	<u>NONE</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>20,000,000</u>	as of: <u>April 27, 2017, and August 2021</u>
Total shares outstanding	<u>0</u>	as of: <u>June 30, 2023</u>

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.**

One share, one vote with no dividends

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

Preferred Class A:

If at least one share of Series A Preferred stock is outstanding, then the total aggregate shares of Series A Preferred stock outstanding at any given time, regardless of their number, shall have voting rights equal to four times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of Series B and Series C Preferred shares which are issued and outstanding at the time of the voting.

Preferred Class B:

Prior to February 12, 2023, each share of Series B Preferred stock would have been convertible, at any time, and/or from time to time, into the number of shares of the Corporation's Common Stock, par value per share \$0.0001, equal to the price of the Preferred B shares (\$2.00 per shares) divided by the par value of the Common Stock (\$0.0001) subject to adjustment as may be determined by the Board of Directors from time to time. On this basis, one share of Series B Preferred stock may be converted into 20,000 shares of Common Stock. Each share of Series B Preferred stock shall have ten (10) votes for any election, or any other vote placed before the shareholders of the Company.

Subsequent to the 12/31/2022 yearend, on February 12, 2023, in anticipation of the completion of a new business acquisition arrangement with an operating company, it was determined that the conversion terms for the Preferred Class B should be changed. As a result of such change, each share of Series B Preferred Stock shall now be convertible, at any time, and/or from time to time, into five (5 shares of the Corporation's common stock, par value \$0.0001 per share (the "Common Stock"). Such conversion shall be deemed to be effective on the business day (the "Conversion Date") following the receipt by the Corporation of written notice from the holder of the Series B Preferred Stock of the holder's intention to convert the shares of Series B Stock, together with the holder's stock certificate or certificates evidencing the Series B Preferred Stock to be converted. This amendment to the designation terms of this class was adopted by the sole director of the Company at that time and filed with the State of Delaware Corporation Division.

Preferred Class C:

Each share of Series C Preferred stock shall be convertible, at any time, and/or from time to time, into 500 shares of the Corporation's Common Stock, par value per share \$0.0001.

Each share of Series C Preferred stock shall have one (1) vote for any election, or any other vote placed before the shareholders of the Company.

3. **Describe any other material rights of common or preferred stockholders.**

None

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

Subsequent to the 12/31/2022 yearend, on February 12, 2023, in anticipation of the completion of a new business acquisition arrangement with an operating company, it was determined that the conversion terms for the Preferred Class B should be changed. As a result of such change, each share of Series B Preferred Stock shall now be convertible, at any time, and/or from time to time, into five (5 shares of the Corporation's common stock, par value \$0.0001 per share (the "Common Stock"). Such conversion shall be deemed to be effective on the business day (the "Conversion Date") following the receipt by the Corporation of written notice from the holder of the Series B Preferred Stock of the holder's intention to convert the shares of Series B Stock, together with the holder's stock certificate or certificates evidencing the Series B Preferred Stock to be converted. This amendment to the designation

terms of this class was adopted by the sole director of the Company at that time and filed with the State of Delaware Corporation Division.

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>12/31/2020</u> Common: <u>17,406,000</u> Preferred: <u>344,425</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 the market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	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.
May 29, 2020	New	20,000,000	Class C Preferred	2,000	No	Alex Shilov	Preparation for acquisition		4(a)(1)
August 2021	Cancelled	20,000,000	Class C Preferred	2,000	No	Alex Shilov	Abandoned acquisition		4(a)(1)
September 8, 2021	New	150,000	Class B Preferred	15	No	Noble Investment Corp- Dan Patience, President	Consulting	Restricted	4(a)(2)
February 13, 2023	New	41,894,332	Common	.051	No	Marianna Naturals, Corp. ** Joel DeBellefeuille, President	Reverse Merger	Restricted	4(a)(1)
April 14, 2023	New	1,163,333	Common	.30	No	Luscious Group LLC Mehir Sethi, CEO	Acquisition	Restricted	4(a)(1)
April 14, 2023	New	1,000,000	Common	.02	Yes	Noble Investment Corp Dan Patience, President	Consulting	Restricted	4(a)(2)
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date <u>06/30/2023</u> Common: <u>61,463,665</u> Preferred: <u>494,425</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

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

****** These shares were issued on February 13 and 14 to 790 new shareholders that had been shareholders of the merged entities of Marianna Naturals Corp. and Beauty Kitchen Inc. Mr. Joel DeBellefeuille became the President, CEO and Secretary and Heather M Dill became Chairwoman of the Company upon completion of the share exchange agreement. Marianna Naturals Corp. had attempted to go public previously in Canada which is where the substantial number of shareholders received their shares well prior to the share exchange agreement.

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: ☒

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.otcmarkets.com).

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

Prior to the acquisition transaction involving Marianna Naturals Corp. and Beauty Kitchen Inc., the company had no business operations.

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

Marianna Naturals Corp. and Beauty Kitchen Inc.

C. Describe the issuers' principal products or services.

Prior to the acquisition transaction involving Marianna Naturals Corp. and Beauty Kitchen Inc., the company was searching for acquisitions in any reasonable business opportunity.

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.

Our principal offices are located at: 4320 S. Corbett Ave, Suite 214, Portland, OR 97239. This interim space and related services are provided free of charge by the Company President at his residence.

Beauty Kitchen Inc. leases a 3000 sq ft warehouse located at 1512 Industrial Road in Boulder City, Nevada, 89005 on an annual basis at the rate of \$6,600 per month, where its products are manufactured.

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 issuer's 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.

Names of All Officers, Directors and Control Persons	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	Names of control person(s) if a corporate entity
Joel DeBellefeuille	Officer/Director	St. Lazare, QC	11,987,538	Common	19.50	
Heather M Dill	Director	Henderson, NV	15,000,000	Common	24.40	
Zbigniew Lambo	Officer/Director	Portland, OR	1,000,000	Common	1.63	
Elite Family Trust Chris Nassif, TTEE	More than 5% shareholder	Jackson, LA	90,000	Class A Preferred	100.00	Chris Nassif
Byzantine Investments, Inc. (corporate status unknown)	More than 5% shareholder	Glendale, CA	27,750	Class B Preferred	10.91	Robert Bryan, President
NFS, Inc. (Corporate status unknown)	More than 5% shareholder	Glendale, CA	61,400	Class B Preferred	24.13	Robert Bryan, President
ELIO Pictures Ltd	More than 5% shareholder	Marina Del Rey, CA	130,000	Class B Preferred	51.10	Dimitri Logothetis, President
Noble Investment Corp.	More than 5% shareholder	Calgary, Alberta, Canada	150,000	Class B Preferred	37.09	Dan Patience, President

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); or

None

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; or

None

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

None

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.

None

- 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.

None

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 (must include Counsel preparing Attorney Letters).

Name: **Donald R. Keer**

Firm: **Donald R. Keer, P.E., Esq**

Address 1: 3663 Greenwood Circle

Address 2: Chalfont, PA 18914

Phone: 215-962-9378

Email: keeresq@gmail.com

Accountant or Auditor

Name: **Carol Beere**

Firm: **Green Stone Group Holdings, LLC**

Address 1: 2420 Carland Rd

Address 2: Owosso, MI 48867

Phone: 443-745-6619

Email: carolb444@hotmail.com

Investor Relations

Name:

Zoltan Sarkozy

Firm:

Just 3 Public Relations

Address 1:

2325 Cote - St. Charles

Address 2:

Quebec, J7T-2J2, Canada

Phone:

604-722-0305

Email:

r@marianna.ca

All other means of Investor Communication:

Other Service Providers

Name: **Dan Patience**
Firm: **Noble Investment Corp.**
Nature of Services: Consulting regarding corporate growth strategy and acquisition possibilities
Address 1: 3651 Lindell Rd. – Suite D, Las Vegas, NV 89103
Phone: 403-262-7111
Email: noblehouse90@outlook.com

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)²:

Name: **Carol J Beere**
Title: **None**
Relationship to Issuer: **None**

Describe the qualifications of the person or persons who prepared the financial statements: Bachelor's in Business with a major in accounting from the University of Maryland and more than 35 years of accounting experience.

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

² 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.

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, Joel DeBellefeuille certify that:

1. I have reviewed this Disclosure Statement for Blockchain Loyalty Corp.
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.

August 10, 2023

/s/ Joel DeBellefeuille

Principal Financial Officer:

I, Joel DeBellefeuille certify that:

1. I have reviewed this Disclosure Statement for Blockchain Loyalty Corp.;
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.

August 10, 2023

/s/ Joel DeBellefeuille

Balance Sheet (unaudited)

ASSETS				
		At		At
		June 30,		December 31,
		2023		2022
Current Assets				
Cash	\$	71,124	\$	117,252
Accounts Receivable		10,120		218
Inventory		-		-
Investment in subsidiary		2,485,611		-
Total Current Assets		2,566,855		117,470
Fixed Assets				
Fixed Assets, net		-		-
Total Fixed Assets		-		-
Other Assets				
Other		17,550		17,550
Total Other Assets		17,550		17,550
TOTAL ASSETS	\$	2,584,405	\$	135,020
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)				
Current Liabilities				
Accounts payable and accrued expenses	\$	125,999	\$	107,367
Notes payable		1,612,061		1,612,061
Total Current Liabilities		1,738,060		1,719,428
TOTAL LIABILITIES		1,738,060		1,719,428
Stockholders' Equity (Deficit)				
Common stock, 21,000,000,000 authorized, par value \$.0001, issued and outstanding 61,463,665 and 17,406,000 at June 30, 2023, and December 31, 2022, respectively		6,146		1,741
Preferred stock, 130,000,000 three classes authorized, par value \$.0001, Issued and outstanding 494,425 and 494,425 on June 30, 2023, and December 31, 2022		49		49
Additional paid in capital		6,569,023		3,942,114
Retained deficit		(5,728,873)		(5,528,312)
Total Stockholders' Equity (Deficit)		846,345		(1,584,408)
Total Liabilities and Stockholders' Deficit	\$	2,584,405	\$	135,020

BlockChain Loyalty Corp.
Statement of Operations
(unaudited)

		Period Ended
		June 30, 2023
Revenue		
Sales	\$	-
Total Revenue		-
Cost of Goods Sold		
Cost of Goods Sold		-
Total Cost of Goods		-
Gross Profit	\$	-
Expenses		
Advertising and marketing	\$	23,473
Accounting		3,054
Bank charges		10,598
Professional fees		94,318
Payroll		23,639
Public company related expenses		17,863
Rent		8,096
Insurance		-
Supplies		2,840
Travel		2,234
Utilities		3,711
Meals and entertainment		2,919
Computer hosting		3,211
Event expense		-
Repairs and maintenance		4,165
General and administrative		440
Total Expenses		200,561
Income (Loss) from Operations		(200,561)
Other Income (Expenses)		
Interest expense		-
Other income (loss)		-
Total Other Income (Expense)		-
Net Income (loss) Before Provision for Income Tax		(200,561)
Provision for income taxes		-
Net Loss	\$	(200,561)
Basic loss per share	\$	(\$0.004)
Weighted average number of common shares – basic		50,048,341

BlockChain Loyalty Corp.
Statement of Cash Flows
(unaudited)

		Period Ended
		June 30, 2023
Net income (loss)	\$	(200,561)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Bad debt		-
Stock issued for services		20,000
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable		(9,902)
(Increase) decrease in inventory		-
Increase (decrease) in accounts payable and accrued expenses		18,632
Net cash used by operating activities		(171,831)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property and equipment		
Net cash (used) in investing activities		-
<u>CASH FLOWS FROM FINANCIANG ACTIVITIES</u>		
Proceeds (payments) from (on) notes payable		200
Proceeds from subscription of common stock		125,503
Net cash provided by financing activities		125,703
Net increase (decrease) in cash and cash equivalents	\$	(46,128)
Cash at beginning of period	\$	117,252
Cash at end of period	\$	71,124
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Interest paid	\$	-
Income taxes paid	\$	-

These financial statements present fairly, in all respects, the financial position of the company and the results of its operations and cash flows for the periods presented in conformity with GAAP in the United States consistently applied,

See accompanying notes to financial statements:

BlockChain Loyalty Corp.
Statement of Stockholders' Deficit
(unaudited)

	Preferred Stock		Common Stock		Additional Paid In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance, December 31, 2019	344,425	\$ 34	17,406,000	\$ 1,741	3,502,392	\$ (5,101,128)	\$ (1,596,961)
Shares issued for potential acquisition.	20,000,000	-	-	-	-	-	-
Net loss for the year ended December 31, 2020	-	-	-	-	-	(600)	(600)
Balance, December 31, 2020	20,344,425	\$ 34	17,406,000	\$ 1,741	3,502,392	\$ (5,101,728)	\$ (1,595,561)
Stock issued for services.	150,000	15	-	-	-	-	15
Cancellation of shares issued for potential acquisition	(20,000,000)	-	-	-	-	-	-
Net loss for the year ended December 31, 2021	-	-	-	-	-	(1,615)	(1,615)
Balance, December 31, 2021	494,425	\$ 49	17,406,000	\$ 1,741	3,502,392	\$ (5,103,343)	\$ (1,599,161)
Net Loss for the year ended December 31, 2022	-	-	-	-	-	(6,100)	(6,100)
Balance, December 31, 2022	494,425	49	17,406,000	1,741	3,502,392	(5,109,443)	(1,605,261)
Stock issued for services	-	-	1,000,000	100	19,900	-	20,000
Stock issued for potential acquisition	-	-	1,163,333	116	348,884	-	349,000
Stock issued for acquisition	-	-	41,894,332	4,189	2,132,422	-	2,136,611
Adjustment for acquisition	-	-	-	-	565,425	(418,869)	146,556
Net income for the six months ended June 30, 2023	-	-	-	-	-	(200,561)	(200,561)
Balance, June 30, 2023	494,425	\$ 49	61,463,665	\$ 6,146	6,569,023	\$ (5,728,873)	\$ 846,345

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

NOTE 1: Summary of Significant Accounting Policies, Nature of Operations and Use of Estimates:

Nature of Business

BlockChain Loyalty Corp. (the "Company") was incorporated under the laws of the State of Delaware in 2000.

On February 8, 2023, the Company entered into a share exchange agreement to purchase Marianna Naturals Corp and Beauty Kitchen. The transaction was completed on February 13, 2023, with the issuance of the common shares required.

Marianna Naturals Corp. is an all-natural genderless, celebrity endorsed, skincare brand incorporated in Canada.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC").

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements, including the estimated useful lives of tangible and intangible assets. Management believes the estimates used in preparing the financial statements are reasonable and accurate. Actual results could differ from these estimates.

Revenue Recognition

Revenue is recognized in accordance with SEC Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements". The Company recognizes revenue when the significant risks and rewards of ownership have been transferred to the customer pursuant to applicable laws and a regulation, including factors such as when there is evidence of a sale arrangement, delivery has occurred, or service has been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions, which 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.

Cash and Cash Equivalents

Cash and Cash equivalents are considered to be highly liquid investments purchased with an initial maturity of six (6) months or less.

Inventories

Inventories are valued at the lower of cost or net realizable value with cost using the first in first out method.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews the allowance by considering factors such as historical experience, credit quality, the age of the account receivable balances and current economic conditions.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Expenditures for maintenance and repairs are charged to operations when incurred, while additions and improvements are capitalized. The Company depreciates the costs of these assets over their estimated useful lives. When assets are retired or disposed, the asset's original cost and related accumulated depreciation are eliminated from accounts and any gain or loss is reflected in income. Depreciation and amortization are generally accounted for using the straight-line method over the estimated useful lives of the assets as follows:

Office, protective and demonstration, and computer equipment	4 Years
Manufacturing equipment	10 Years
Leasehold improvements	lease term

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company periodically evaluates whether events and circumstances have occurred that indicate possible impairment. When impairment indicators exist, the Company uses market quotes, if available or an estimate of the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether or not the asset values are recoverable.

Intangibles

The Company's intangible assets comprise a license, trademarks and patents which are accounted for at cost. The license is amortized over 17 years which is the life of the agreement. The trademarks and patents are amortized straight-line over 20 years. Should the Company determine that there is permanent impairment in the value of the unamortized portion of an intangible asset an appropriate amount of the unamortized balance of the intangible asset would be charged to income at that time.

Research and Development

Research and development costs are expensed as incurred in accordance with SFAS No. 2 Accounting for Research and Development Costs. Material and equipment are capitalized and amortized over their estimated useful lives should management determine that such expenditures meet the criteria.

Any approved Canadian government tax credits are recorded as a reduction of related expenses or cost of the assets acquired. The benefits are recognized when the Company has complied with the terms and conditions of the approved grant program or applicable tax legislation.

Accounting for Stock Based Compensation

The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense in the financial statements based on their fair values. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation awards issued to non-employees for services and financing arrangements, as prescribed by FASB ASC 505-50, *Equity-Based Payments to Non-Employees*, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable. The fair value of common stock issued for services is based on the closing stock price on the date the common stock was issued.

In September 2006, the Financial Accounting Standards Board (FASB) introduced a framework for measuring fair value and expanded required disclosure about fair value measurements of assets and liabilities. The Company adopted the standard for those financial assets and liabilities as of the beginning of the 2008 fiscal Six months and the impact of adoption was not significant. FASB Accounting Standards Codification (ASC) 820 "*Fair Value Measurements and Disclosures*" (ASC 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of Six broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Six levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2022. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, other current assets, accounts payable, accrued compensation and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the nine months 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 as income in the period that included the enactment date. Due to the Company's continued losses, the Company has placed a full valuation allowance against the deferred tax asset.

The Company records stock as issued at the time consideration is received or the obligation is incurred.

Basic and diluted earnings per share are computed by dividing net income (loss) by the weighted-average number of shares of common shares outstanding during the nine months. Diluted earnings per share are computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding and dilutive options outstanding during the nine months. Common stock to be issued upon conversion of preferred stock, convertible debt and common stock options has not been included in dilutive earnings per share due to the Company's losses and their anti-dilutive effect.

Foreign Currency Translation

The accompanying consolidated financial statements are expressed in U.S. dollars, which is the Company's functional currency. Gains and losses arising upon settlement of foreign currency denominated transactions or balances are included in the determination of net and comprehensive income. Transactions in foreign currency are translated into U.S. Dollars from Canadian Dollars in accordance with SFAS No. 52, Foreign Currency Translation, as follows:

- i. monetary items at the rate prevailing, at the balance sheet date
- ii non-monetary items at the historical exchange rate
- iii revenue and expenses at the average rate in effect during the applicable reporting period

Income Taxes

The Company complies with the Provisions of SFAS No. 109 "Accounting for Income Taxes". Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts and are based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amount expected to be realized.

Income (Loss) Per Share

In accordance with SFAS No. 128, "Earnings Per Share", the basic net loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per common share is computed similar to basic net loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of the date of these financial statements, diluted net loss per share is equivalent to basic net loss per share as there were no dilutive securities outstanding, and the Company net loss is deemed anti-dilutive.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents and accounts receivables. The Company places its cash with high quality financial institutions which at times may exceed the FDIC \$250,000 insurance limit. The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required. Accounts are "written-off" when deemed uncollectible.

New Accounting Pronouncements

None that are applicable in fiscal 2023 to company operations.

Preferred Stock Designations

Class A Preferred

If at least one share of Class A Preferred stock is outstanding, then the total aggregate shares of Class A Preferred stock outstanding at any given time, regardless of their number, shall have voting rights equal to four times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of Class B Preferred shares and Class C Preferred shares which are issued and outstanding at the time of the voting.

Class B Preferred

Prior to February 12, 2023, each share of Series B Preferred stock would have been convertible, at any time, and/or from time to time, into the number of shares of the Corporation's Common Stock, par value per share \$0.0001, equal to the price of the Preferred B shares (\$2.00 per shares) divided by the par value of the Common Stock (\$0.0001) subject to adjustment as may be determined by the Board of Directors from time to time. On this basis, one share of Series B Preferred stock may be converted into 20,000 shares of Common Stock. Each share of Series B Preferred stock shall have ten (10) votes for any election, or any other vote placed before the shareholders of the Company.

Subsequent to the December 31, 2022 year end, on February 12, 2023, in anticipation of the completion of a new business acquisition arrangement with an operating company, it was determined that the conversion terms for the Preferred Class B should be changed. As a result of such change, each share of Series B Preferred Stock shall now be convertible, at any time, and/or from time to time, into five (5) shares of the Corporation's common stock, par value \$0.0001 per share (the "Common Stock"). Such conversion shall be deemed to be effective on the business day (the "Conversion Date") following the receipt by the Corporation of written notice from the holder of the Series B Preferred Stock of the holder's intention to convert the shares of Series B Stock, together with the holder's stock certificate or certificates evidencing the Series B Preferred Stock to be converted. This amendment to the designation terms of this class was adopted by the sole director of the Company at that time and filed with the State of Delaware Corporation Division.

Class C Preferred

Each share of Class C Preferred stock shall be convertible, at any time, and/or from time to time, into 500 shares of the Corporation's Common Stock, par value per share \$0.0001.

Each share of Class C Preferred stock shall have one (1) vote for any election, or any other vote placed before the shareholders of the Company.

NOTE 2: Related Party Transactions

Certain stockholders had made certain advances to the Company on an interest free basis, payable upon demand. The Company has not computed interest on the advances and has treated the interest of \$0 as contributed capital with an offset to interest expense.

During the three months ended March 31, 2023, the officer paid expenses on the Company's behalf and advanced the Company a net amount of \$0.

NOTE 3: Non-Cash Transactions

The non-cash investing and financing activities which occurred during the period from January 1, 2023, through June 30, 2023 involved the issuance of Common shares for the Marianna Naturals Corp. transaction.

On April 14, 2023, the Company entered into a Letter of Intent Acquisition Agreement to purchase the assets of Luscious Group LLC issuing 1,163,333 restricted common shares valued at \$349,000.

On April 14, 2023, the Company issued 1,000,000 restricted shares for services valued at \$20,000.

NOTE 4: Management's discussion and analysis or plan of operations:**A. Plan of Operation**

(i) We cannot currently satisfy our cash needs for planned acquisitions and will need to raise additional capital through borrowing, sale of equity or some form of revenue derived from possible future business operations during the next twelve months.

(ii) The Company is currently seeking capital for expansion, the acquisition of new products or product marketing agreements or other business opportunities.

(iii) We do not expect to purchase additional plant or equipment except as required from sales growth.

(iv) We expect to hire additional full-time staff with the increase in sales or as required by acquisitions.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**1. Six months ended period**

(i) The accompanying financial statements represent accurately the condition of the business showing an upward trend in expenses. We expect our sales to improve once an acquisition is accomplished.

(ii) We have no commitments for capital expenditures.

(iii) No known trends are expected that have not already impacted us.

(iv) All significant elements of income or loss come from our continued operations.

(v) The company increased its expenses in the six months ended June 30, 2023, from the same period in 2022 by \$16,485 most of which was caused by bringing the accounting up to date, consulting services and paying a partial fee to OTC Markets of \$3,500.

(vi) We have no products or services which are seasonal.

C. Off Balance Sheet Arrangements

None are known or anticipated.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. No adjustments have been made for any other outcome.

NOTE 5: Legal proceedings.

Neither the company, nor any of its officers, directors, or control persons are currently involved in, or have been involved in, any legal or regulatory matters or proceedings which have, or could have an adverse effect on the current business or future prospects of the company.

NOTE 6: Restatement of prior period accounting.

On February 8, 2023, and effective on February 13, 2023, the Company entered into and completed an Asset Purchase whereby the public company in the U.S. is merging with the Canadian company it purchased. This will be accounted for as a reverse merger and each quarterly report and year-end report will be adjusted throughout the year to reflect the operations of the acquired company. All operations have been consolidated and the expenses of the public company included in all prior year comparisons.

This amendment adjusts just the portion of the purchase transaction involving Marianna Naturals Corp and now excluding any portion that was originally reported relative to the Beauty Kitchen operation. Management provided the following statement:

"Pursuant to the Letter of Intent (LOI) entered into by Blockchain Loyalty Corp with Heather Marianna LLC Dba Beauty Kitchen on March 7th, 2023, with the expected closing date of April 7th, 2023 having passed without a completed closing; both companies have decided to delay the transaction at this time. Blockchain Loyalty Corp. may seek to explore this potential opportunity at a later date."

NOTE 7: Subsequent Events.

An expected closing of the transaction for the purchase of the assets of Luscious Group LLC is expected to be concluded in August 2023 by paying the remaining cash amount to the Seller.

To facilitate the transaction, the Company entered into a loan agreement and an amendment dated July 5, 2023 to borrow \$560,000 and to issue 2,500,000 restricted common shares in July and an additional 555,000 restricted common shares to cover the cost of the financial considerations exchange rate.

As of the date of this filing, \$541,000 has been paid toward the final purchase price.