

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

FONU2, Inc.

A Florida Corporation

5112 West Taft Road

Suite M

Liverpool, NY 13088

424-224-5358

www.fonuinc.com

info@fonuinc.com

SIC Code # 5399

Quarterly Report

For the period ending December 31, 2023 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

21,305,174,911 as of December 31, 2023, current reporting period

21,305,174,911 as of September 30, 2023, most recent fiscal year end

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 Control¹⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

¹⁴ “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 and names used by predecessor entities, along with the dates of the name changes.

- 10/25/2011: Incorporated in Nevada as Zaldiva, Inc.
- 04/11/2012: name change to FONU2, Inc.

Current State and Date of Incorporation or Registration: On April 16, 2021, the Company converted to a Florida corporation

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

- 10/25/2011: Incorporated in Nevada as Zaldiva, Inc.
- 04/11/2012: name change to FONU2, Inc.
- 04/16/2021: converted to a Florida domicile entity.
- The Company is currently **active** and in good standing in the state of Florida.

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

- None

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

- The Company has been reorganized.
- The Company has increased its authorized capital stock.
- Going forward, the Company anticipates it will seek to conduct one or more of the following actions; reverse split, forward split, recapitalization, merger, SEC registration statement, acquisition.

Address of the issuer's principal executive office:

- The Company's principal executive office is located at 5112 West Taft Road, Suite M, Liverpool, NY 13088.

Address 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:

- 12/03/2021: The Company entered into a court ordered 3(a)10 settlement agreement.
- 11/20/2023: The Company entered into a court ordered 3(a)10 settlement agreement.

2) Security Information

Transfer Agent

Name: Liberty Stock Transfer, Inc.

Phone: (732) 372-0707

Email: info@@libertystocktransfer.com

Address: 788 Shrewsbury Ave., Suite 2163, Tinton Falls, NJ 07724

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:	FONU
Exact title and class of securities outstanding:	<u>Common Shares</u>
CUSIP:	<u>30255C201</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>39,999,993,746</u> as of date: <u>12/31/2023</u>
Total shares outstanding:	<u>21,305,174,911</u> as of date: <u>12/31/2023</u>
Number of shares in the Public Float ² :	<u>20,272,658,287</u> as of date: <u>12/31/2023</u>
Total number of shareholders of record:	<u>306</u> as of date: <u>12/31/2023</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

- NA

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

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 that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series A Preferred</u>
CUSIP (if applicable):	_____
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>4</u> as of date: <u>12/31/2023</u>
Total shares outstanding (if applicable):	<u>4</u> as of date: <u>12/31/2023</u>
Total number of shareholders of record (if applicable):	<u>1</u> as of date: <u>12/31/2023</u>

Exact title and class of the security:	<u>Series B Preferred</u>
CUSIP (if applicable):	_____
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>6,250</u> as of date: <u>12/31/2023</u>
Total shares outstanding (if applicable):	<u>6,250</u> as of date: <u>12/31/2023</u>
Total number of shareholders of record (if applicable):	<u>1</u> as of date: <u>12/31/2023</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

-NA

Security Description:

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

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.

No dividend. 1:1 voting rights

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

Series A Preferred:

- Voting rights equal to of Sixty Percent (60%) of the issued and outstanding Common Stock for each Series A Preferred Stock held as of the record date for a vote or, if no record date is specified, as of the date of a vote and shall be entitled to vote on all matters submitted to the shareholders for a vote, voting together as a single class with the Common Stock and other securities that vote together with the Common Stock. The holders of the Series A Preferred Stock shall be entitled to notice of all meetings of shareholders and the rights related to voting in accordance with the Act and the Bylaws of the Corporation.
- Dividend: No dividend
- Conversion: No conversion
- Liquidation preference over Series B Preferred & Common Stock

Series B Preferred:

- voting rights 500:1
- Dividend: Yes, when declared.
- Conversion: Yes, subject to conversion notice at \$0.10.
- Liquidation preference over Common Stock

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 for the two most recently completed fiscal years and any subsequent period.

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: 9/30/2022 <u>Opening Balance</u> Common: 25,732,411,563 Preferred A: 0 Preferred B: 6,250			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or canceled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance ? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
10/28/2022	New issue	2,547,508,745	CS	0.000032	Yes	Dr. Judy Goss	debt conversion	unrestricted	4(a)1
12/12/2022	Retired	(2,109,212,316)	CS	N/A	N/A	Bruce Bent	cancel transaction	N/A	N/A
12/12/2022	Retired	(2,547,508,745)	CS	N/A	N/A	Dr. Judy Goss	cancel transaction	N/A	N/A
12/15/2022	Retired	(2,318,024,336)	CS	N/A	N/A	V2IP, Inc./Dawn Bronson	cancel transaction	N/A	N/A
Shares Outstanding on December 31, 2023: <u>Ending Balance:</u> Common: 21,305,174,911 Preferred A: 4 Preferred B: 6,250									

Example: A company with a fiscal year end of December 31st 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

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.)

5/15/2020	\$64,492	\$66,000 ¹	\$5,174.52	1/15/2021	Scaled conversion price beginning with 70%, 60%, 50% at 60 days, 120 days, and thereafter. 18% default rate.	Mammoth Corp- Brad Hare	loan
3/03/2021	\$679,232.88	N/A	N/A	N/A	90 day past due fees convertible at 75% discount to lowest 30 day average closing bid	Selkirk Global Holdings, LLC- Paul Strickland	Management Agreement
9/01/2021	\$22,515.08	\$22,515.08	\$1,945.30	9/01/2022	8% Note. 45% discount 5 day lookback average of lowest bid.	Coventry Enterprises, LLC- Jack Bodenstein	loan
10/10/2022	\$23,064.56 ^{2,3}	4,443.33	\$667.85	10/09/2023	10% Note. 55% discount 20 day lookback average of lowest bid.	Selkirk Global Holdings, LLC- Paul Strickland	loan
12/06/2023	\$19,997.00 ⁴	\$19,997.00	\$0	12/05/2024	0% Note. 50% discount 25 day lookback of average closing price.	Paul Strickland	loan

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

1. \$550,000 Note; \$60,000 initial tranche paid on 5/15/2020 resulting in balance of \$66,000, OID amortized resulting in \$64,492 outstanding balance as of this reporting period.
2. \$50,000 Note, 10% OID, Initial Principal Amount: \$4,443.33
3. Q1 2023 funding= \$2,685.00
4. Convertible Exchange Note of management cash loans to Company

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

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")
 - The Company is in the process of restructuring its business.
- B. List any subsidiaries, parent company, or affiliated companies.
 - None
- C. Describe the issuers' principal products or services.
 - Focused on restructuring its business to pursue real estate acquisitions, development, and value-added development, resource mining and processing.

5) Issuer's Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

- The Company maintains offices located at 5112 West Taft Road, Suite M, Liverpool, NY 13088.
- The Company does not pay rent.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	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
Paul Strickland	Director, Secretary	Olympia, WA	N/A	N/A	N/A	Director since 3/3/2021
Joel A. "Jake" Shapiro	>5%	New York, NY	6,250	Series B pref	100%	former officer
Selkirk Global Holdings, LLC- Paul Strickland	>5%+	Olympia, WA	4	Series A pref	100%	Acquired on 3/3/2021
Selkirk Global Holdings, LLC- Paul Strickland	>5%+	Olympia, WA	770,370,371	CS	3.29%	issued 7/14/2022 as part of management agreement balance conversion

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
 - SEC v. Medient Studios, Inc., FONU2, Inc., Manu Kumaran, Joel A. "Jake" Shapiro, and Roger Miguel
 - Case Number: 16-cv-00253 (United States District Court for the Southern District of Georgia)
 - Date Filed: September 23, 2016
 - Date of Qualifying Judgment/Order: August 3, 2018
2. Been the subject of 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, financial- or investment-related, insurance or banking activities;
 - See above.
3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
 - See above.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or
 - See above.
5. Been the subject 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.
 - See above.
6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.
 - NA

- 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 to 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.
- 4/28/2020: Order granting appointment of universal Management Association as custodian approved in Nevada.
 - 12/03/2021: The Company entered into a court ordered 3(a)10 settlement agreement.
 - 11/20/2023: The Company entered into a court ordered 3(a)10 settlement agreement.

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.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Thomas Beener
 Firm:
 Address 1: 224 Faraday
 Address 2: Carlsbad, CA 92008
 Phone:
 Email: tom.beener.law@gmail.com

Accountant or Auditor

Auditor

Name:
 Firm:
 Address 1: _____
 Address 2: _____
 Phone: _____
 Email:

Investor Relations

Name: _____
 Firm: _____
 Address 1: _____

Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

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: Dave Dreslin
Firm: Coast to Coast CFO, Inc.
Nature of Services: Accounting
Address 1: _____
Address 2: _____
Phone: 727-393-7439
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Paul Strickland
Title: Secretary
Relationship to Issuer: Secretary

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

- ☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Dave Dreslin
Title: Accountant
Relationship to Issuer: Accountant

Describe the qualifications of the person or persons who prepared the financial statements: CPA.³⁵

Provide the following qualifying financial statements:

- ☐ Audit letter, if audited;
- ☐ Balance Sheet;
- ☐ Statement of Income;
- ☐ Statement of Cash Flows;
- ☐ Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- ☐ Financial Notes

Financial Statement Requirements:

³⁵ 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.

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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, Paul Strickland certify that:

1. I have reviewed this Disclosure Statement for FONU2, 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.

March 18, 2024[Date]

/s/ Paul Strickland [Secretary's Signature]

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

Principal Financial Officer:

I, Paul Strickland certify that:

1. I have reviewed this Disclosure Statement for FONU2, 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.

March 18, 2024[Date]

/s/ Paul Strickland [Secretary's Signature]

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

FONU2, INC.
BALANCE SHEETS
(Unaudited)

	December 31, 2023	September 30, 2023
ASSETS		
CURRENT ASSETS		
Total Current Assets	-	-
PROPERTY AND EQUIPMENT, NET	-	-
OTHER ASSETS		
Total Other Assets	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 198,336	\$ 196,836
Accrued interest	359,775	300,979
Accrued management fees	678,710	618,710
Due to related party	40,104	37,419
Convertible notes payable	1,198,914	1,304,375
Total Current Liabilities	<u>2,475,839</u>	<u>2,458,319</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Common stock, 39,999,993,746 shares authorized, \$0.001 par value; 21,305,174,911 and 21,305,174,911 issued and outstanding, respectively	21,305,175	21,305,175
Additional paid-in capital	23,786,164	25,789,144
Accumulated deficit	<u>(49,676,390)</u>	<u>(49,552,638)</u>
Total Stockholders' Deficit	<u>(2,475,839)</u>	<u>(2,458,319)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to unaudited interim financial statements.

FONU2, INC.
STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended December 31,	
	2023	2022
REVENUES	\$ -	\$ -
EXPENSES		
General and administrative expenses	64,185	66,900
Total expenses	64,185	66,900
LOSS FROM OPERATIONS	(64,185)	(66,900)
OTHER INCOME (EXPENSE)		
Interest expense	(58,796)	(32,609)
Imputed interest expense	(771)	(466)
Total other income (expense)	(59,567)	(33,075)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	(123,752)	(99,975)
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	21,992,961,536	21,305,174,911

See accompanying notes to unaudited interim financial statements.

FONU2, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in capital	Deficit	Stockholders' (Deficit)
Balance, September 30, 2022	25,732,411,563	\$ 25,732,411	\$ 21,586,545	\$ (49,097,657)	\$ (1,778,701)
Common stock issued for payment on convertible promissory notes for the quarter ending December 31, 2022	2,547,508,745	2,547,509	(2,465,989)		81,520
Common stock previously issued for payment on convertible promissory notes retired during the quarter ending December 31, 2022	(6,974,745,397)	(6,974,745)	6,666,162		(308,583)
Imputed Interest on amounts due to related party			466		466
Net loss for the three months ending December 31, 2022				(99,975)	(99,975)
Balance, December 31, 2022	21,305,174,911	\$ 21,305,175	\$ 25,787,184	\$ (49,197,632)	\$ (2,105,273)
Imputed Interest on amounts due to related party			562		562
Net loss for the three months ending March 31, 2023				(115,763)	(115,763)
Balance, March 31, 2023	21,305,174,911	\$ 21,305,175	\$ 25,787,746	\$ (49,313,395)	\$ (2,220,474)
Imputed Interest on amounts due to related party			675		675
Net loss for the three months ending June 30, 2023				(116,524)	(116,524)
Balance, June 30, 2023	21,305,174,911	\$ 21,305,175	\$ 25,788,421	\$ (49,429,919)	\$ (2,336,323)
Imputed Interest on amounts due to related party			723		723
Net loss for the three months ending September 30, 2023				(122,719)	(122,719)
Balance, September 30, 2023	21,305,174,911	\$ 21,305,175	\$ 25,789,144	\$ (49,552,638)	\$ (2,458,319)
Common stock issued for payment on convertible promissory notes for the quarter ending December 31, 2023	2,109,212,316	2,109,212	(2,003,751)		105,461
Imputed Interest on amounts due to related party			771		771
Net loss for the three months ending December 31, 2023				(123,752)	(123,752)
Balance, December 31, 2023	23,414,387,227	\$ 23,414,387	\$ 23,786,164	\$ (49,676,390)	\$ (2,475,839)

See accompanying notes to unaudited interim financial statements.

FONU2, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended December 31,	
	2023	2022
Cash Flows From Operating Activities:		
Net loss	\$ (123,752)	\$ (99,975)
Adjustments to reconcile net loss to net cash used in operating activities:		
Imputed interest on amounts due to related party	771	466
Changes in operating assets and liabilities		
Increase in accounts payable and accrued expenses	1,500	1,500
Increase in accrued interest	58,796	32,609
Increase in accrued management fees	60,000	60,000
Net cash used in operating activities	<u>(2,685)</u>	<u>(5,400)</u>
Cash Flows From Financing Activities:		
Proceeds from related party	<u>2,685</u>	<u>5,400</u>
Net cash provided by financing activities	<u>2,685</u>	<u>5,400</u>
Increase (decrease) in Cash	-	-
Cash and cash equivalents, beginning of period	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
NON-CASH TRANSACTIONS		
Conversion of convertible debt into common stock	<u>\$ 105,461</u>	<u>\$ -</u>

See accompanying notes to unaudited interim financial statements.

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Note 1 — Organization and Operations

The Company was incorporated in Nevada on October 25, 2011 as Zaldiva, Inc. On April 11, 2012, the Company changed its name to FONU2, Inc. On April 16, 2021 the Company converted to a Florida domicile entity. The Company is currently active and in good standing in the state of Florida.

Note 2 — Basis of Presentation and Going Concern

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for financial information. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation are included.

Going Concern

The Company's unaudited financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As of December 31, 2023, the Company had an accumulated deficit of \$49,676,390 million and requires additional funds to support its operations and to achieve its business development goals, the attainment of which are not assured. The Company has been able to satisfy certain liabilities with convertible debentures and common shares and enter into debt settlement arrangements. Convertible instruments have also been converted into equity. However, substantial indebtedness remains and recurring losses from operations and additional liabilities continue to be incurred.

These factors and uncertainties raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might incur in the event the Company cannot continue in existence. Management intends to seek additional capital from new equity securities offerings, from debt financing and debt restructuring to provide funds needed to increase liquidity, fund internal growth and fully implement its business plan. However, management can give no assurance that these funds will be available in adequate amounts, or if available, on terms that would be satisfactory to the Company.

The timing and amount of the Company's capital requirements will depend on a number of factors, including maintaining its status as a public company and supporting shareholder and investor relations.

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Note 3 — Summary of Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) 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.

Stock-Based Compensation

The Company issues stock options and warrants, shares of Common Stock, and equity interests as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation to employees in accordance with FASB ASC 718, Compensation – Stock Compensation. Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period.

The fair value of the Company's common stock option and warrant grants is estimated using the Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

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

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

The carrying amounts of the Company's other financial assets and liabilities, such as cash, prepaid expense, accounts payable and accrued payables and notes payable, approximate their fair values because of the short maturity of these instruments.

Property and Equipment

Expenditures for major equipment are capitalized when such costs are determined to extend the useful life of the asset or are part of the cost of acquiring the asset. Maintenance and repairs costs are charged to expense as incurred. Gains and losses on sales of property used in operations are classified within operating expenses.

For financial reporting purposes, we record depreciation and amortization of property and equipment on a straight-line basis over the asset's service life or related lease term, if shorter. For income tax purposes, depreciation is computed using accelerated methods when applicable.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Revenue Recognition

On January 1 2018, we adopted Accounting Standards Update No. 2014-09, (*Revenue from Contracts with Customers*) (*Topic 606*), which supersedes the revenue recognition requirements in Accounting Standards Codification (ASC), *Revenue Recognition*. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606. The impact of adopting the new

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revenue standard was not material to our financial statements and there was no adjustment to beginning retained earnings on January 1, 2018.

Topic Under 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract;
- and
- recognition of revenue when, or as, we satisfy a performance obligation.

The Company recognizes revenues based on monthly fees for services provided to customers. Some customers prepay for annual services and the Company defers such amounts and amortizes them into revenues as the service is provided.

The adoption of Topic 606 has no impact on the Company's financials as the Company has not generated any revenues.

Net Income (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of common shares and the dilutive effect of contingent shares outstanding during the period. Potentially dilutive contingent shares, which primarily consist of convertible notes, stock issuable to the exercise of stock options and warrants have been excluded from the diluted loss per share calculation because their effect is anti-dilutive.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Company's Statements of Operations in the period that includes the enactment date.

Recently Issued Accounting Pronouncements

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

Note 4 – Convertible Notes Payable

	December 31, 2023	September 30, 2023
Convertible promissory notes issued between August 26, 2014 and December 6, 2023 with interest ranging from 8% to 18%. The conversion prices range from 35% to 75% discount of the lowest trading price of the Company's common stock during a range of 5 and as much as 30 consecutive trading days prior to the date on which Holder elects to convert all or part of the Note.	\$1,198,914	\$1,304,375
Total Convertible Debt	\$1,198,914	\$1,304,375

Note 5– Stockholders' Equity

The Company is authorized to issue 39,999,993,746 shares of \$0.001 par value common stock. The increase to the Company's authorized shares occurred on August 10, 2022. The Company has 23,414,387,227 and 21,305,174,911 common shares issued and outstanding as of December 31, 2023 and September 30, 2023.

Note 6– Common Stock Retirements

During the quarter ended December 31, 2022 the Company retired 6,974,745,397 shares that were previously issued for the conversion of notes payable in the amount of \$308,583. The parties involved reassessed their conversions in light of market conditions that were not favorable to them at the time and cancelled the conversions.

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Note 7 – Related Party Transactions

Related party transactions of the company during the quarter ended December 31, 2022 and December 31, 2023 consist of the following:

For the quarter ended December 31, 2022, the Company's Chief Executive Officer, Paul Strickland, directly paid for various company expenses in the amount of \$5,400. The amount is unsecured, non-interest bearing, and due on demand.

For the quarter ended December 31, 2023, the Company's Chief Executive Officer, Paul Strickland, directly paid for various company expenses in the amount of \$2,685. The amount is unsecured, bears interest at a rate of 10% and it convertible into the Company's common stock. The conversion price shall be equal to 55% of the average closing price of the Company's common stock during the 20 consecutive trading days prior to the date on which holder elects to convert all or part of the note.

Note 8 – Subsequent Events

Management has evaluated all activity since December 31, 2023 through the date the financial statements were issued and has concluded that no additional subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.