

INTERNATIONAL STAR, INC.

8 The Green
Suite 16020
Dover, DE 19901

640-308-1490
info@ilstinc.com
www.ilstinc.com
SIC Code: 7389

Annual Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

1,936,364,391 as of April 16, 2024 *(Current Reporting Period Date or More Recent Date)*

1,936,364,391 as of December 31, 2023 *(Most Recent Completed 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 Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

⁴ "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.

The name of the issuer is International Star, Inc.

Current State and Date of Incorporation or Registration: Nevada September 5, 1993

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

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

None

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:

On or about February 14, 2023, International Star, Inc. (the "Company") completed its acquisition (the "Acquisition") of Budding Equity Inc. ("Bei"). As a result of the Acquisition, ILST became the sole owner of all of Bei's outstanding shares, making Bei the Company's wholly-owned subsidiary.

Address of the issuer's principal executive office:

8 The Green, Suite 16020, Dover, DE 19901

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:

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of Custodian, after several requests were made to prior management to reinstate the Company's Nevada charter, which had been revoked.

On June 3, 2021, the District Court of Clark County, Nevada entered an Order Granting the Application for Appointment of Alpharidge Capital, LLC (the "Order") as Custodian of the Company. Pursuant to the Order.

Alpharidge Capital, LLC (the "Custodian") was granted the authority to take any actions on behalf of the Company that were reasonable, prudent or done pursuant to the OTC Markets Group Inc.'s Pink Basic Disclosure Guidelines (v3 February 2021), including, but not limited to, issuing shares of stock and issuing new classes of stock, as well as entering into contracts on behalf of the Company.

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

2) Security Information

Transfer Agent

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

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:	ILST
Exact title and class of securities outstanding:	Common Stock
CUSIP:	460371206
Par or stated value:	0.001 par value
Total shares authorized:	6,010,000,000 as of date: December 31, 2023
Total shares outstanding:	1,936,364,391 as of date: December 31, 2023
Total number of shareholders of record:	161 as of date: December 31, 2023

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

None

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:	Preferred Shares
CUSIP (if applicable):	N/A
Par or stated value:	0.001 par value
Total shares authorized:	10,000,000 as of date: December 31, 2023
Total shares outstanding:	See Below
Total number of shareholders of record:	See Below

Exact title and class of the security:	Special 2021 Series A Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	0.001 par value
Total shares authorized:	50 as of December 31, 2023

Total shares outstanding (if Applicable):	50 as of December 31, 2023
Total number of shareholders of record (if applicable):	161 as of December 31, 2023

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	0.001 par value.

Total shares authorized:	168,000 as of December 31, 2023
Total shares outstanding (if applicable):	72,477 as of December 31, 2023
Total number of shareholders of record (if applicable):	3 as of December 31, 2023

The 10,000,000 authorized Preferred Shares include the Company's Special 2021 Series A Preferred Stock and Class B Preferred Shares, which are disclosed separately in this section.

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

None

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:

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

Dividend Rights. Subject to NRS Section 78.288, dividends may be declared by the Company's Board of Directors (the "Board") and paid by the Corporation out of the net earnings of the unreserved and unrestricted earned surplus of the Corporation, or out of the unreserved and unrestricted net earnings of the current fiscal year, or in treasury shares of the Corporation. The decision to pay dividends is made by our Board, in its discretion, and is dependent on our earnings, management's assessment of future capital needs, and other factors. We have not historically paid a dividend, and we do not expect to pay any cash dividends on our common stock in the foreseeable future.

Voting Rights. Each outstanding share of Common Stock is entitled to one (1) vote on each matter submitted to a vote at a shareholder meeting, provided the voted or represented shares are held in compliance with any payment plan, subscription, or stock purchase agreement. **Preemption Rights.** The rights, preferences and privileges of holders of our common stock are subject to the terms of any series of preferred stock that may be issued in the future. The Company's common stock does not have preemption rights.

Preemption Rights. The rights, preferences and privileges of holders of our common stock are subject to the terms of any series of preferred stock that may be issued in the future. The Company's common stock does not have preemption rights.

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

2021 Series A Preferred Stock Dividend Rights. The shares of 2021 Series A Preferred Stock are not entitled to any dividends in respect thereof. **Voting Rights.** The holder of the 2021 Series A Preferred Stock votes together with the holders of preferred stock (including on an as converted basis) and common stock as a single class. The 2021 Series A Preferred Stock stockholder is entitled to 60% of all votes (including, but not limited to, common stock, and 6 preferred stock (including on an as converted basis)) entitled to vote at each meeting of stockholders of the Corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Corporation for their action or consideration.

Conversion Rights. Each share of the Company's Special 2021 Series A Preferred Stock can be converted into 200,000,000 shares of the Company's common stock. In the aggregate, all of these 50 shares can be converted into 10,000,000,000 shares of Common Stock.

Liquidation Rights. The shares of the Special 2021 Series A Preferred Stock are not entitled to participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation. Redemption or Sinking Fund Provisions. None. Series B Preferred Stock Dividend Rights. The shares of Series B Preferred Stock are not entitled to any dividends in respect thereof.

Voting Rights. The holder(s) of the shares of Series B Preferred Stock have no voting rights.

Conversion Rights. The shares of Series B Preferred Stock are eligible for conversion ("Conversion") into common shares, par value \$0.001 per share, of the Corporation (the "Common Stock"), subject to the following terms:

All unconverted shares of Series B Preferred Stock may be redeemed by the Company at any time for a cash payment equal to Ten Dollars (\$10.00 USD) per share of Series B Preferred Stock. All Series B Preferred Stock that is so redeemed shall immediately be transferred by the Holder to the Company;

The shares of Series B Preferred Stock may not be converted by the Holders of said shares until the earlier of: (a) a Registration Statement covering the Common Stock shall have been declared effective by the SEC and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority, or (b) a period of at least one year has elapsed since the completion of an audit of the Company's financial statements by an auditing firm registered with the U.S. Public Company Accounting Oversight Board ("PCAOB");

The Conversion value of each share of Series B Preferred Stock shall be Ten Dollars (\$10.00 USD), and the purchase price of the Common Stock into which such Preferred Stock is being converted shall be equal to the average of the daily volume-weighted average price ("VWAP") of the Common Stock during the five (5)-trading days immediately preceding the Conversion date, as reported by Bloomberg L.P. Liquidation Rights. The shares of Series B Preferred Stock do not participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation. Redemption or Sinking Fund Provisions.

Describe any other material rights of common or preferred stockholders.

None

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

None

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.

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 <u>Opening Balance:</u> Date 12/31/2021 Common: 1,936,364,391 Preferred:50			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***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.
2/13/2023	New issuance	24,927	Series B Preferred	\$0.001 par value	No	Daniel Rubin	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
2/13/2023	New issuance	24,927	Series B Preferred	\$0.001 par value	No	909663 Ontario Limited -Robert Kelin has voting control	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
2/13/2023	New issuance	2,623	Series B Preferred	\$0.001 par value	<u>No</u>	<u>Michael Lickver</u>	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
<u>2/27/2023</u>	New issuance	20,000	Series B Preferred	\$0.001 par value	<u>No</u>	<u>Daniel Rubin</u>	<u>Cash investment</u>	Restricted	Rule 144
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date 12/31/2023 Common: Preferred A: 50 Preferred B: 72,477									

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:

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.)
8/10/2022	\$1,164,773 (1)	\$625,000 (1)	\$143,951	(2)	<u>\$0.005 per share (3)</u>	Leonite Fund I, LP (4)	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) On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to \$625,000. The note was issued with an original issue discount of \$75,000, for gross proceeds of up to \$550,000, to be advanced in one or more tranches, with the original issue discount applied on a pro rata basis based on the percentage of the purchase price advanced. The Note is secured by all of the assets of the Company. As of the final day of the reporting period, the Company had received eight tranches of funding and owed \$1,164,773 in principal to Leonite along with accrued interest of \$143,951, for a total of \$1,308,724. The loan bears interest at 12% per annum and each tranche matures 12 months following the advance date. All payments due under the Note are payable at maturity.

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

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

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

4) 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.

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

International Star Inc. currently operates, through its wholly-owned subsidiary, Budding Equity Inc., a royalty-based business that owns intellectual property contracts with movie studios which provide for the licensing of that IP to third parties for cannabis hardware. The company also has joint venture partnerships with Ice Cube and Kevin Smith for licensing and branding cannabis products that are sold and distributed by third-party licensed producers. A core focus of ILST remains on acquiring and developing innovative businesses with high growth potential in the cannabis space and beyond. ILST remains intent on growing its current brands through synergistic opportunities. The Company operates a royalty-based business owning IP contracts with movie studios, and it maintains joint ventures with renowned celebrities for licensing and branding cannabis products. Its IP portfolio encompasses Ice Cube's "Good Day" and "Fryday" cannabis lines, Kevin Smith's "Snoogens," "Berzerker" and "Snoochie Boochies" offerings, "Jay and Silent Bob" accessories, and licensing collaborations with Paramount's "Cheech and Chong Up in Smoke" and "Trailer Park Boyz." In addition, during 2023, the Company made two film-related investments, in a film project with the working title, "All My Friends Are Dead" and in a production company, "B Studios," for a combined aggregate investment of \$285,000.

List any subsidiaries, parent company, or affiliated companies.

- The Company has one subsidiary, Budding Equity, Inc., which is wholly-owned by the Company.

Describe the issuers' principal products or services.

Please refer to the Company's response to subsection 4(A) above.

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 utilizes certain third-party logistics ("3PL") providers and, in connection therewith, leases space within the 3PL's facilities.

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

<u>Nochum Greenberg</u>	<u>CEO (Interim), Chairman and Director</u>	<u>Ft. Lauderdale, Florida</u>	<u>0</u>	<u>N/A</u>	<u>--</u>	<u>N/A</u>
<u>Avi Minkowitz</u>	<u>Director</u>	<u>Toronto, Ontario (Canada)</u>	2,000,000	<u>Common</u>	<u>--</u>	<u>N/A</u>
<u>ILST Holdco, Inc.</u>	<u>Owner of more than 5%</u>	<u>Brooklyn, New York</u>	<u>50</u>	<u>Series A Preferred</u>	<u>100</u>	<u>(1)</u>
<u>Daniel Rubin</u>	<u>Owner of more than 5%</u>	<u>Toronto, Ontario (Canada)</u>	44,927	<u>Series B Preferred</u>	<u>62</u>	<u>N/A</u>
<u>909663 Ontario Ltd Robert Klein has voting control</u>	<u>Owner of more than 5%</u>	<u>Toronto, Ontario (Canada)</u>	<u>24,927</u>	<u>Series B Preferred</u>	<u>34</u>	<u>(2)</u>

As of the period end date of this report, ILST Holdco LLC owns Fifty (50) shares of the Company's Special 2021 Series A Preferred Stock, which represents 100% of the issued and outstanding shares of such class of stock. The Fifty (50) shares of Special 2021 Series A Preferred Stock collectively have 60% voting rights and each share can be converted into 200,000,000 shares of the Company's common stock.

The Manager of ILST Holdco is Avi Minkowitz, with a residential address in Toronto, Ontario (Canada). Mr. Minkowitz also serves as a director of the company and as a consultant to Leonite Capital, an affiliate of Leonite Fund I, LP, a creditor of the Company. (See Section 3(B) above.)

The principal of 909663 Ontario Ltd. is Robert Klein, with a residential address in Toronto, Ontario (Canada).

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

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:

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);

No

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;

No

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;

No

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

No

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.

No

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.

No

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.

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.

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:	Zvi Raskin, Attorney At Law
Address 1:	1 Hillcrest Center Drive, Suite 230
Address 2:	Spring Valley, NY 10977
Phone:	845.391.0429
Email:	zr@raskinlegal.com

Accountant or Auditor

Name:	David Natan, CPA
Firm:	Natan & Associates, LLC
Address 1:	6720 NW 74 th Court

Address 2: Parkland, FL. 33067
Phone: 786-412-6085
Email: dn474747@aol.com

Investor Relations

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

All other means of Investor Communication:

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

Other Service Providers

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

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

Name: _____
Title: _____
Relationship to Issuer: _____

The following financial statements were prepared in accordance with:

- ☐ IFRS
☒ U.S. GAAP

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

Name: David Natan

Title: CPA

Relationship to Issuer: Outside Accountant

Describe the qualifications of the person or persons who prepared the financial statements:⁵ David Natan has over 40 years of accounting experience, having served as CFO for five listed public companies.

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:

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.

⁵ 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.

INTERNATIONAL STAR, INC.
NOTES TO CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS
FOR THE YEARS
ENDED DECEMBER 31, 2023 AND 2022

INTERNATIONAL STAR, INC.
BALANCE SHEETS
(UNAUDITED)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 16,744	\$ 9,027
Accounts receivable	154,494	-
Inventory	65,434	-
Prepaid interest	-	7,590
Other assets	26,020	-
Total current assets	262,692	16,617
Notes receivable	-	317,304
Investments	285,000	98,825
Total assets	<u>\$ 547,692</u>	<u>\$ 432,746</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	\$ 451,056	\$ 22,499
Accrued interest	143,951	17,898
Government loan	30,243	-
Total current liabilities	625,251	40,396
Notes payable, net of discount	1,164,773	426,050
	<u>1,790,024</u>	<u>466,446</u>
Stockholders' Deficit		
Preferred Series a \$0.0001 par value, 10,000,000 shares authorized, 50 and 50 issued and outstanding, December 31, 2023 and December 31, 2022, respectively	-	-
Preferred Series B \$0.0001 par value, 168,000 shares authorized, 10,000,000 and 72,477 and -0- shares issued and outstanding, December 31, 2023 and December 31, 2022	72	-
Common stock, \$0.0001 par value; 2,000,000,000 shares authorized, 1,936,364,391 shares issued and outstanding June 30, 2023 and December 31, 2022	1,936,364	1,936,364
Additional paid in capital	5,474,712	4,750,014
Accumulated deficit	(8,653,481)	(6,720,078)
Total Stockholders' (Deficit)	<u>(1,242,332)</u>	<u>(33,700)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 547,692</u>	<u>\$ 432,746</u>

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

**INTERNATIONAL STAR INC.
STATEMENTS OF OPERATIONS
(UNAUDITED)**

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue	\$ 478,394	\$ -
Operating Expenses:		
Administrative expenses	587,028	97,795
Royalty expense	293,234	-
Bad debt expense	164,604	-
Impairment of inventory	196,301	-
Impairment of goodwill	1,044,577	-
Total operating expenses	<u>2,285,744</u>	<u>97,795</u>
(Loss) from operations	(1,807,349)	(97,795)
Other (expense) income		
Other income	-	125,632
Interest (expense)	(126,053)	(374,037)
Total other expense	<u>(126,053)</u>	<u>(248,405)</u>
Income (loss) before provision for income taxes	(1,933,403)	(346,200)
Provision for income taxes	-	-
Net (Loss)	<u>\$ (1,933,403)</u>	<u>\$ (346,200)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding	<u>1,936,364,391</u>	<u>1,936,364,391</u>

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

INTERNATIONAL STAR, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

	Series A Preferred		Series B Preferred		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>			
Balance, December 31, 2021	<u>50</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>1,936,364,391</u>	<u>\$1,936,364</u>	<u>\$ 4,437,514</u>	<u>\$ (6,373,878)</u>	<u>\$ -</u>
Amortization of note discount							312,500		312,500
Net loss								(346,200)	(346,200)
Balance, December 31, 2022	<u>50</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>1,936,364,391</u>	<u>\$1,936,364</u>	<u>\$ 4,750,014</u>	<u>\$ (6,720,078)</u>	<u>\$ (33,700)</u>
	Series A Preferred		Series B Preferred		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>			
Balance, December 31, 2022	<u>50</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>1,936,364,391</u>	<u>\$1,936,364</u>	<u>\$ 4,750,014</u>	<u>\$ (6,720,078)</u>	<u>\$ (33,700)</u>
Issuance of Series B Preferred			78,200	78			781,922		782,000
Return of preferred shares for acquisition adjustment			(5,723)	(6)			(57,224)		(57,230)
Net loss								(1,933,403)	(2,180,011)
Balance, December 31, 2023	<u>50</u>	<u>\$ -</u>	<u>72,477</u>	<u>\$ 72</u>	<u>1,936,364,391</u>	<u>\$1,936,364</u>	<u>\$ 5,474,712</u>	<u>\$ (8,653,481)</u>	<u>\$ (1,232,332)</u>

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

**INTERNATIONAL STAR INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)**

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash Flows From Operating Activities:		
Net loss	\$ (1,933,403)	\$ (346,200)
Amortization of note discount	138,723	334,845
Impairment of inventory	196,301	
Bad debt expense	164,604	
Impairment of goodwill	1,044,577	
Accretion of note receivable	-	(26,807)
Changes in assets and liabilities:		
Accounts receivable	(112,764)	
Inventory	-	-
Prepaid interest	-	(7,590)
Other assets	-	
Accounts payable and accrued liabilities	206,965	40,397
Net cash used in operating activities	<u>(294,997)</u>	<u>(5,356)</u>
Cash Flows From Investing Activities:		
Acquisition of Budding Equity Inc., net of cash received	5,594	
Note receivable	-	(290,497)
Investment in Budding Equity	-	(98,825)
Investments, net	(186,175)	-
Net cash used in investing activities	<u>(180,581)</u>	<u>(389,322)</u>
Cash Flows From Financing Activities:		
Proceeds from the Sale of Preferred B Stock		-
Proceeds from loans	738,723	403,706
Payments on promissory notes	(255,429)	-
Net cash provided by (used for) financing activities	<u>483,294</u>	<u>403,706</u>
Net Increase (Decrease) In Cash	7,177	9,027
Cash At The Beginning Of The Period	9,027	-
Cash At The End Of The Period	<u><u>\$ 16,744</u></u>	<u><u>\$ 9,027</u></u>
Supplemental disclosure of Non-Cash financing activity		
Issuance of Preferred B Stock for Acquisition consideration and film rights	<u><u>\$ 782,000</u></u>	<u><u>\$ -</u></u>

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

NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

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

On August 24, 2022, the Company entered into a transaction to acquire Budding Equity, Inc. ("BEi") a Canadian company that partners with movie studios and celebrities to monetize their intellectual property (IP) in the burgeoning global cannabis industry, using best in class manufacturers and distributors. On or about February 14, 2023, the Company completed its acquisition of BEi. As a result, IST became the sole owner of all of BEi's outstanding shares, making BEi the Company's wholly-owned subsidiary.

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

The Company remains active as of the date of this report and provides adequate current public information to meet the requirements under the Securities Act of 1933.

The Company incurred operating losses in previous years, resulting in an accumulated deficit of \$6,419,202 on December 31, 2022. By November 8, 2013, the Company filed Form 15-12G with the SEC to terminate its reporting obligations under the 1934 Act. After their December 31, 2015 quarterly reports of December 31, 2015, the Company stopped all forms of making public reports of its operation and financial results.

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

On June 03, 2021, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of

Alpharidge Capital, LLC (the “Order”), as Custodian of the Company. Pursuant to the Order, Alpharidge Capital, LLC (the “Custodian”) had the authority to take reasonable and prudent actions on behalf of the Company including, but not limited to, issuing shares of stock, and issuing new classes of stock, as well as entering in contracts on behalf of the Company. In addition, the Custodian, pursuant to the Order, was required to meet the requirements under the Nevada charter.

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

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

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

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

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

On July 20, 2021, the preferred shares were transferred to Caren D. Currier for \$75,000 paid in cash. Subsequently, Caren D Currier was elected as President, CEO, secretary, treasurer, and director of the Company. The holder of the 50 Series A preferred shares has control of the Company through 60% voting rights over all classes of stock and the 50 Series A preferred shares are convertible into 10,000,000,000 (50 Series A preferred shares multiplied by 200,000,000) shares of the Company’s common stock. Subsequently, on or about June 10, 2022, ILST Holdco LLC, through a private transaction, acquired the 50 Series A preferred shares from Caren Currier.

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

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

On February 14, 2023, the Company completed its acquisition (the “Acquisition”) of Budding Equity Inc. (“BEi”), and the Company is now the sole owner of all of BEi’s outstanding shares, making BEi the Company’s wholly-owned subsidiary. As of February 14, 2023, upon the completion of the Acquisition, the Company believes that it has ceased to be a shell company,” With the BEi acquisition, the Company is now operating an established cannabis royalty business with significant licensing agreements in place. This business generates royalty revenues from both the sale of celebrity cannabis strains (in multiple states) as well as licensed and branded cannabis-related hardware.

NOTE 2 – BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation

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

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of December 31, 2023, the Company had an accumulated deficit of \$8,653,481 and \$294,997 in cash used in operating activities. The Company cannot be certain that it will be successful even if it obtains outside funding. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Cash and Cash Equivalents

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

Financial Instruments

The FASB issued ASC 820-10, Fair Value Measurements and Disclosures, for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements.

ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

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

Concentrations and Credit Risks

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

Foreign Currency Translation

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

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

Share-Based Compensation

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

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

As of December 31, 2022 and 2021, respectively, there was \$-0- and \$-0- of recognized expense related to non-vested stock-based compensation arrangements granted. There have been no options granted during the year ended December 31,

2023.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs.

A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Deferred tax assets or liabilities were offset by a 100% valuation allowance, therefore there has been no recognized benefit as of December 31, 2023 and 2022, respectively. Further it is unlikely with the change of control that the Company will have the ability to realize any future tax benefits that may exist.

Commitments and Contingencies

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

Earnings Per Share

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

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding on December 31, 2023 and December 31, 2022. Due to net operating loss, there is no presentation of dilutive earnings per share, as it would be anti-dilutive.

Accounting Pronouncements

There are no recently issued accounting pronouncements that will have a material impact on the Company.

NOTE 4 – INVESTMENTS

During the three months ending March 31, 2023, the Company invested \$200,000 in a film project. An additional \$85,000 was invested in another film project in the months ending September 30, 2023. The balance outstanding of investments was \$285,000 as of December 31, 2023.

NOTE 5 – BUSINESS ACQUISITION, PROMISSORY NOTE ACQUISITION

On February 14, 2023, the “Company” completed its acquisition (the “Acquisition”) of Budding Equity Inc. (“BEi”), and the Company is now the sole owner of all of BEi’s outstanding shares, making BEi the Company’s wholly-owned subsidiary. As of February 14, 2023, upon the completion of the Acquisition, the Company believes that it has ceased to be a “shell company.” With the BEi acquisition, the Company is now operating an established cannabis royalty business with significant licensing agreements in place. This business generates royalty revenues from both the sale of celebrity cannabis strains (in multiple states) as well as licensed and branded cannabis-related hardware.

The Company had previously acquired 7.5% of the common stock of BEi. Under the terms of the Acquisition the Company acquired the remaining 92.5% of the common stock of BEi by issuing a Promissory Note in the amount of \$1,094,000 with a zero percent interest rate (0%). On the date of acquisition, the Company also assumed \$47,666 in net liabilities, resulting in total purchase consideration and goodwill of \$1,144,996. As of March 31, 2023, the Company fully impaired the goodwill of \$1,144,996 resulting in an impairment charge of the same amount on its Consolidated Statements of Operations.

Subsequent to the Acquisition, the Company paid down the \$1,094,000 Promissory Note by issuing 58,200 Preferred B shares valued at \$582,000 -see Note 7 Equity, and by paying \$158,857 in cash during the three months ended March 31, 2023. During the three months ended June 30, 2023 the Company made additional payments of \$176,571 against the Promissory Note.

During the three months ended September 30, 2023 the Company made an additional payment of \$120,000 against the Promissory Note reducing the outstanding balance due to \$56,571. On September 22, 2023 the Company entered into a Modification Agreement (“Modification”) with the Sellers of BEi to reduce the balance due on the Promissory Note of \$56,571 to \$-0-, and for the sellers to return 5,723 shares of Preferred B shares they had received valued at \$57,230. These modification arose as a result of the Company receiving less assets than originally forecast. The total value of the modification to the Company amounted to \$113,801 and reducing the impairment of goodwill to \$1,044,577.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to \$625,000 payable in tranches. The loan bears interest at 12% per annum and each tranche matures 12 months following the advance date. All payments due under the Note are payable at maturity. The Note is convertible into common shares at the option of the holder at a fixed price of \$0.005 per share. The Note has both conversion price protection and anti-dilution protection provisions. The Note is secured by all of the assets of the Company. During the second and third quarters, the Company received an additional \$400,000 in drawdowns from Leonite, net of discount. As of December 31, 2023, all note discount had been expensed to interest charges and the Convertible Note Balance amounted to \$1,164,773.

As of December 31, 2023, the Company had accrued \$143,951 in interest on the Leonite convertible notes.

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

Scholes methodology, these warrants were valued at \$312,500 and immediately expensed as a financing cost during the year ended December 31, 2022.

NOTE 7 - EQUITY

Common stock

The Company has 6,000,000,000 shares of \$0.001 par value common stock authorized. As of December 31, 2023 and 2022 there were 1,936,364,391 shares of common stock issued and outstanding.

Preferred Stock

The Company has 10,000,000 shares of \$0.001 par value preferred stock authorized.

Series A Preferred Stock

As of December 31, 2023 and December 31, 2022 there were 50 Series A preferred shares outstanding with each share convertible at 1 into 200,000,000 common shares, and having voting rights of 60% of all votes. These shares are held by ILST Holdco LLC.

Series B Preferred Stock

As of December 31, 2023, a total of 168,000 shares of Series B Preferred Stock, par value \$0.001, were designated and there were 72,477 shares of Series B Preferred Stock outstanding. 52,477 Series B stock is held by the Sellers of BEi (see Note 5) and 20,000 Series B shares are held by Daniel Rubin

Voting Rights. Except as otherwise required by law, the holder of the shares of Series B Preferred Stock shall have no voting rights.

Conversion to Common Shares. The shares of Series B Preferred Stock are eligible for conversion ("Conversion") into common shares, par value \$0.001 per share, of the Corporation (the "Common Stock"), subject to the following terms:

- (i) The unconverted shares of Series B Preferred Stock may be redeemed by the Company at any time, in whole or in part, upon election by the Company, for a cash payment equal to Ten Dollars (\$10.00 USD) per share of Series B Preferred Stock. All Series B Preferred Stock that is so redeemed shall immediately be transferred by the Holder to the Company;
- (ii) The shares of Series B Preferred Stock may not be converted by the Holders of said shares until the earlier of: (a) a Registration Statement covering the Common Stock shall have been declared effective by the SEC and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority, or (b) a period of at least one year has elapsed since the completion of an audit of the Company's financial statements by an auditing firm registered with the U.S. Public Company Accounting Oversight Board ("PCAOB");
- (iii) The Conversion value of each share of Series B Preferred Stock shall be Ten Dollars (\$10.00 USD), and the purchase price of the Common Stock into which such Preferred Stock is being converted shall be equal to the average of the daily

volume-weighted average price (“VWAP”) of the Common Stock during the five (5)-trading days immediately preceding the Conversion date, as reported by Bloomberg L.P.

Dividends, Liquidation. The shares of Series B Preferred Stock shall not be entitled to any dividends in respect thereof and shall not participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation.

No Impairment. The Corporation shall not intentionally take any action which would impair the rights and privileges of the Series B Preferred Stock set forth herein or the rights of the holder thereof. The Corporation will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions herein and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of the Series B Preferred Stock against impairment.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Risks and Uncertainties

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

Legal and other matters

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

NOTE 9- SUBSEQUENT EVENTS

In April 2024, Todd Masse was appointed Chief Executive Officer of the Company.

Subsequent to December 31, 2023, Leonite advanced an additional \$30,000 to the Company pursuant to the existing terms and conversion ratios.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Nochum Greenberg, certify that:

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

April 16, 2024 [Date] Chairman of the Board; and CEO as of end of reporting period.

/s/ Nochum Greenberg [CEO's Signature]

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

Principal Financial Officer:

I, Nochum Greenberg certify that:

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

April 16, 2024 [Date] Chairman of the Board; and CFO as of the end of reporting period.

/s/Nochum Greenberg [CFO's Signature]

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