OTC Markets

Kona Gold Beverage, Inc.

751 North Drive, Suite 11
Melbourne, FL 32934

(844) 714-2224
www.konagoldbeverage.com
investorrelations@konagoldbeverage.com

Quarterly Report

For the period ending September 30, 2024 **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

4,588,649,454 as of September 30, 2024 (*Current Reporting Period Date or More Recent Date)*

3,436,312,279 as of June 30, 2024 (*Most Recent Reporting Period Date)*

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[4] 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 Company was formerly known as Kona Gold Solutions, Inc., and in October 2020, changed its name to Kona Gold Beverage, Inc., a Delaware corporation.

Current State and Date of Incorporation or Registration: Delaware, US 1997
Standing in this jurisdiction: (e.g. active, default, inactive): active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
Kona Gold Solutions, Inc. – Delaware, US 1997

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

n/a

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

n/a

Address of the issuer's principal executive office:

751 North Drive, Suite 11
Melbourne, FL 32934

Address of the issuer's principal place of business:
X *Check if principal executive office and principal place of business are the same address:*

751 North Drive, Suite 11
Melbourne, FL 32934

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

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

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation

Phone: (469) 633-0101
Email: akeener@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 75093
Plano, TX 75093

Publicly Quoted or Traded Securities:

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

Trading symbol:	KGKG
Exact title and class of securities outstanding:	Common
CUSIP:	50050L 107
Par or stated value:	$0.00001
Total shares authorized:	8,000,000,000 as of date: September 30, 2024
Total shares outstanding:	4,588,649,454 as of date: September 30, 2024
Total number of shareholders of record:	102 as of date: September 30, 2024

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

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 securities outstanding:	Preferred Series B
Par or stated value:	$0.00001
Total shares authorized:	1,200,000 as of date: September 30, 2024
Total shares outstanding:	488,000 as of date: September 30, 2024
Total number of shareholders of record:	8 as of date: September 30, 2024

Exact title and class of securities outstanding:	Preferred Series C
Par or stated value:	$0.00001
Total shares authorized:	2,000 as of date: September 30, 2024
Total shares outstanding:	1,000 as of date: September 30, 2024
Total number of shareholders of record:	1 as of date: September 30, 2024

Exact title and class of securities outstanding:	Preferred Series D
Par or stated value:	$0.00001
Total shares authorized:	500,000 as of date: September 30, 2024
Total shares outstanding:	250,000 as of date: September 30, 2024
Total number of shareholders of record:	1 as of date: September 30, 2024

Exact title and class of securities outstanding:	Preferred Series E
Par or stated value:	$0.0001
Total shares authorized:	8,000,000 as of date: September 30, 2024

Total shares outstanding: 0 as of date: September 30, 2024
Total number of shareholders of record: 0 as of date: September 30, 2024

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

Security Description:

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

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

Each holder of shares of Common Stock shall be entitled to one vote for each share held by him, her, or it. Subject to the rights of holders of any series of outstanding Preferred Stock, holders of shares of Common Stock shall have equal rights of participation in the dividends and other distributions in cash, stock, or property of the Corporation when, as, and if declared thereon by the Board from time to time out of assets or funds of the Corporation legally available therefor and shall have equal rights to receive the assets and funds of the Corporation available for distribution to stockholders in the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary.

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

Preferred B:

All series of preferred stock, whether now or hereafter designated, may by their respective terms have a preference over the Series B Preferred Stock in respect of distribution upon liquidation, dividends, or any other right or matter. The Series B Preferred Stock is senior to the Company's Series C Preferred Stock and the Company's Series D Preferred Stock. Series B Preferred Stock do not have any preferential dividend rights and shall be entitled to receive dividends, if any, only if, when, and as declared by the Board of Directors in its sole and absolute discretion. The holders of the Series B Preferred Stock shall have no voting rights. Each share of the Series B Preferred Stock shall be convertible into one share of common stock, par value $0.00001 per share.

Preferred C:

All series of preferred stock, whether now or hereafter designated, may by their respective terms have a preference over the Series C Preferred Stock in respect of distribution upon liquidation, dividends, or any other right or matter. The Series C Preferred Stock is junior to the Company's Series B Preferred Stock and the Company's Series D Preferred Stock. Each holder of record of Series C Preferred Stock shall be entitled to two million (2,000,000) votes for each share of Series C Preferred Stock held of record by such holder on all matters on which stockholders generally or holders of Series C Preferred Stock as a separate class are entitled to vote (whether voting separately as a class or together with one or more classes of the Company's capital stock). Series C Preferred Stock shall be entitled, upon (i) written notice to the transfer agent (or to the Company if the Company serves as its own transfer agent) and (ii) the satisfaction of the requirements set forth in Section (S)(a)(iii), to convert all or any part of the Series C Preferred Stock then held by such holder into one (1) fully paid and nonassessable share of the Common Stock. Each share of Series C Preferred Stock shall automatically, without further action by the holder thereof, be converted into one fully paid and nonassessable share of Common Stock on the first anniversary of the date on which such share of Series C Preferred Stock was issued.

Preferred D:

All series of preferred stock, whether now or hereafter designated, may by their respective terms have a preference over the Series D Preferred Stock in respect of distribution upon liquidation, dividends, or any other right or matter. The Series D Preferred Stock is junior to the Company's Series B Preferred Stock and senior to the Company's Series C Preferred Stock. The holders of Series D Preferred Stock do not have any preferential dividend rights and shall be entitled to receive dividends, if any, only if, when, and as declared by the Board of Directors in its sole and absolute discretion. Number of Votes. Each share of Series D Preferred Stock shall entitle the holder to one vote, regardless of the number of shares of Common Stock received upon conversion of that share. Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share. Each share of the Series D Preferred Stock shall be convertible into one thousand (1,000) shares of common stock, par value $0.00001 per share (the "Common Stock").

Preferred E:

Series E of preferred stock is hereby designated as Series E Preferred Stock (the "Series E Preferred Stock"). All series of preferred stock, whether now or hereafter designated, may by their respective terms have a preference over the Series E Preferred Stock in respect of distribution upon liquidation, dividends or any other right or matter. Each holder of Series E Preferred Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company. Each share of Series E Preferred Stock shall entitle the holder to one vote, regardless of the number of shares of Common Stock received upon conversion of that share. The Conversion Time, each share of Series E Preferred Stock subject to conversion shall be convertible into 100 shares of Common Stock.

Section

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: x (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date 1/1/2022			Common: 1,004,709,546 Preferred: 988,000	*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.**
01/03/2022	New issuance	42,760,275	Common	$0.0040	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
01/26/2022	New issuance	41,342,465	Common	$0.0038	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
02/14/2022	New issuance	43,127,852	Common	$0.0036	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/07/2022	New issuance	53,870,388	Common	$0.0026	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/07/2022	New issuance	55,846,365	Common	$0.0026	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/10/2022	New issuance	57,887,038	Common	$0.0026	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/11/2022	New issuance	61,590,726	Common	$0.0026	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/22/2022	New issuance	65,811,169	Common	$0.0026	yes	Yorkville Advisors Global, LP - Mark Angel	Debt conversion	unrestricted	none
03/25/2022	New issuance	25,000,000	Common	$0.004	yes	Robert J. Coleman, Jr. Revocable Trust - Robert Coleman	Issued for debt financing	restricted	none

03/25/2022	New issuance	30,842,569	Common	$0.0026	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
04/01/2022	New issuance	1,000,000	Common	$0.0085	no	Peter Troy	Issued for employment services	restricted	none
04/13/2022	New issuance	52,718,630	Common	$0.0040	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
04/29/2022	New issuance	37,037,037	Common	$0.0081	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
05/26/2022	New issuance	29,270,937	Common	$0.0074	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
05/31/2022	New issuance	57,381,710	Common	$0.0074	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
06/30/2022	New issuance	48,926,238	Common	$0.0052	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
07/29/2022	New issuance	72,033,921	Common	$0.0042	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
09/22/2022	New issuance	25,301,370	Common	$ 0.0040	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
11/04/2022	New issuance	34,910,751	Common	$0.0033	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
11/16/2022	New issuance	32,512,593	Common	$0.0031	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
11/29/2022	New issuance	40,256,440	Common	$0.0025	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
12/09/2022	New issuance	40,131,508	Common	$ 0.0025	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
12/16/2022	New issuance	45,506,850	Common	$0.0022	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
12/16/2022	New issuance	500,000	Common	$0.046	no	John Sargent	Issued for employment services	restricted	none
01/10/2023	New issuance	67,164,179	Common	$0.0067	yes	Mast Hill Fund, LP - Patrick Hassani	Warrant	unrestricted	none
02/16/2023	New issuance	1,000	Preferred Series C	$0.008	no	Robert Clark – Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board (1)	Issued for employment services	restricted	none
03/01/2023	New issuance	72,000,000	Common	$0.0022	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none

04/21/2023	New issuance	87,500,000	Common	$0.0022	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
05/15/2023	New issuance	28,000,000	Common	$0.0045	yes	Covert, LLC – Jay Fisher and Elliot Eichler	Issued for debt financing	restricted	none
06/07/2023	New issuance	40,000,000	Common	$ 0.0022	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
07/10/2023	New issuance	40,000,000	Common	$ 0.0021	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
08/25/2023	New issuance	17,482,973	Common	$0.00108	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
09/22/2023	New issuance	30,000,000	Common	$0.00108	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
10/04/2023	New issuance	40,888,889	Common		yes	Mast Hill Fund, LP - Patrick Hassani	Warrant	unrestricted	none
10/04/2023	New issuance	30,000,000	Common	$0.00108	yes	Mast Hill Fund, LP - Patrick Hassani	Debt conversion	unrestricted	none
1/16/2024	New Issuance	8,000,000	Preferred E	$.169	No	Rober Clark	Exchange Agreement	Restricted	None
3/13/2024	New issuance	169,999,860	Common	$.00001	No	Robert Clark	Employment Agreement	Restricted	None
4/2/2024	Cancellation	-130,903	Preferred D	$.0000.1	Yes	Robert Clark	Employment Agreement	Restricted	None
4/2/2024	New Issuance	130,903,000	Common	$.0000.1	Yes	Robert Clark	Employment Agreement	Unrestricted	None
4/3/2024	New Issuance	250,000,000	Common	$.00001	Yes	Covert, LLC	Exchange Agreement	Restricted	None
4/23/2024	New Issuance	35,000,000	Common	$.00001	Yes	Rostco, LLC	Exchange Agreement	Restricted	None
4/23/2024	New Issuance	28,000,000	Common	$.00001	Yes	Darien Cameron	Exchange Agreement	Restricted	None
4/23/2024	Cancellation	-119,097	Preferred D	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
4/23/2024	New Issuance	119,097,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
5/17/2024	Cancellation	-150,000	Preferred D	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
5/17/2024	New Issuance	150,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
6/14/2024	Cancellation	-100,000	Preferred D	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None

6/14/2024	New Issuance	100,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
7/9/24	New Issuance	250,000	Preferred D	$.00001	Yes	Covert LLC	Consulting Agreement	Restricted	None
7/11/24	Cancellation	-1,000,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
7/11/24	New Issuance	100,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
7/26/24	Cancellation	-1,500,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
7/26/24	New Issuance	150,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
7/31/24	New Issuance	69,500,000	Common	$.00001	Yes	Mast Hill Fund	Debt conversion	Unrestricted	None
8/5/24	New Issuance	46,300,000	Common	$.00001	Yes	Mast Hill Fund	Debt conversion	Unrestricted	None
8/9/24	Cancellation	-1,500,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
8/9/24	New Issuance	150,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
8/9/24	New Issuance	157,600,000	Common	$.00001	Yes	Mast Hill Fund	Debt conversion	Unrestricted	None
8/15/24	New Issuance	23,363,956	Common	$.00001	Yes	Mast Hill Fund	Debt conversion	Unrestricted	None
8/15/24	New Issuance	55,573,219	Common	$.00001	Yes	Mast Hill Fund	Debt conversion	Unrestricted	None
8/21/24	Cancellation	-1,500,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
8/21/24	New Issuance	150,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
9/10/24	Cancellation	-2,000,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
9/10/24	New Issuance	200,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
9/30/24	Cancellation	-500,000	Preferred E	$.00001	Yes	Robert Clark	Employment Agreement	Restricted	None
9/30/24	New Issuance	50,000,000	Common	$.00001	Yes	Robert Clark	Employment Agreement	Unrestricted	None
Shares Outstanding on Date of This Report: Ending Balance: Date 9/30/2023 Common: 4,588,649,454 Preferred: 739,000									

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:

(1)Robert Clark – Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board

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: X (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.)
July 28, 2022	$0	$595,000	$4,666	July 28, 2023	Lower of (i) Fixed Price, or (ii) 80% of the lowest daily VWAP during the 10 Trading Days prior to conversion date	Mast Hill Fund, LP - Patrick Hassani	loan
March 13, 2023	$401,800	$475,000	$28,521	March 13, 2024	Lower of (i) Fixed Price, or (ii) 80% of the lowest daily VWAP during the 10 Trading Days prior to conversion date	Mast Hill Fund, LP - Patrick Hassani	loan
April 25, 2023	$230,000	$230,000	$15,753	April 25, 2024	Lower of (i) Fixed Price, or (ii) 80% of the lowest daily VWAP during the 10 Trading Days prior to conversion date	Mast Hill Fund, LP - Patrick Hassani	loan
June 14, 2023	$55,706	$55,706	$3,052	June 14, 2024	Lower of (i) Fixed Price, or (ii) 80% of the lowest daily VWAP during the 10 Trading Days prior to conversion date	Mast Hill Fund, LP - Patrick Hassani	loan
August 10, 202	$3,000	$63,000	$1,248	June 14, 2024	Lower of (i) Fixed Price, or (ii) 80% of the lowest daily VWAP during the 10 Trading Days prior to conversion date	Mast Hill Fund, LP - Patrick Hassani	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:

none

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")

Kona Gold Beverage, Inc. (OTCPK: KGKG) is a dynamically driven company focused on becoming a leading Functional Beverage Company. As innovative leaders in the functional beverage and health & wellness space, we are focused on developing world class beverages that resonate with consumers, driving organic growth for our brands.

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

Kona Gold Beverage, Inc., a Delaware corporation, the Company has two wholly-owned subsidiaries:
HighDrate LLC, a Florida limited liability company
Covert LLC, a North Carolina limited liability company

C. Describe the issuers' principal products or services.

HighDrate focuses on the development and marketing of CBD-infused energy waters geared to the fitness and wellness markets.

On September 30, 2023, the Company sold all ownership interests of sparkling and non-sparkling Ooh La Lemin Lemonades. On December 31, 2023, the Company discontinued all Gold Leaf Distribution LLC operations.

On March 7th, 2024, the Company executed an Acquisition Agreement to acquire Covert, LLC. Covert, LLC manufactures and sells high quality gummies, carts, and disposables.

On August 12th, 2024, the Company finalized its sale of Kona Gold, LLC to Bemax, Inc.

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 subleases approximately 12,200 square feet of corporate office and warehouse space located at 751 North Drive, Suite 11, Melbourne, Florida 32934. The lease is for a six-year term and expires on April 30, 2029.

The Company's newly acquired subsidiary, Covert, LLC, leases approximately 7,500 sq ft at 10440 John Price Rd, Ste H, North Carolina 28273.

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
Jared Fisher	Kona Gold Beverage, Inc. Chief Executive Officer	Charlotte, NC	0			n/a
Ellio Eichler	Kona Gold Beverage, Inc. Chief Operating Officer	Charlotte, NC	0			n/a
Jermain Strong	Kona Gold Beverage, Inc. Director	West Palm Beach, FL	100,000,000	Common	1.8%	n/a
Brandon White	Kona Gold Beverage, Inc. President & Chairman	Orlando, Florida	1,000	Preferred Series C	100%	n/a
Steven Bauer	Shareholder	Charlotte, North Carolina	66,000	Preferred Series B	13.5%	n/a
Blake Bolin	Shareholder	Ocala, Florida	25,000	Preferred Series B	5.1%	n/a
Roger A. Eagan Jr.	Shareholder	Charlotte, North Carolina	80,000	Preferred Series B	16.4%	n/a
Terry L. Landers	Shareholder	Melbourne, Florida	150,000	Preferred Series B	30.7%	n/a

Judith A. Wilt	Shareholder	Melbourne, Florida	150,000	Preferred Series B	30.7%	n/a

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);

n/a

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;

n/a

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;

n/a

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

n/a

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.

n/a

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.

n/a

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party 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.

n/a

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
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: Clark Hill PLC
Address 1: 1055 W. 7th St, 24th Floor
Address 2: Los Angeles, CA 90017
Phone: (313) 965-8290
Email: rkatz@clarkhill.com

Name: John E. Dolkart, Jr.
Firm: Dolkart Law PC
Address 1: 100 Pine Street, Suite 1250
Address 2: San Francisco, CA 94111
Phone: 415-707-2717
Email: john@dolkartlaw.com

Accountant or 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:
Firm: _____
Nature of Services:
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

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

Name: Brandon White
Title: President
Relationship to Issuer: President Kona Gold Beverage, Inc.

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): Brandon White received

Name: Brandon White
Title: President
Relationship to Issuer: President Kona Gold Beverage, Inc.
Describe the qualifications of the person or persons who prepared the financial statements:[5] Brandon White received his bachelor's degree in economics from UNC Greensboro. Mr. White has a multitude of years working with fortune 500 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

[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.

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.

KONA GOLD BEVERAGE, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
Quarter Ending September 30, 2024

	September 30, 2024	September 30, 2023
	(unaudited)	**(unaudited)**
ASSETS		
CURRENT ASSETS		
Cash	39,350	369,931
Undeposited funds	50,349	
Accounts receivable	916,775	(120,288)
Inventory	558,367	333,990
Other current assets	43,983	50,306
Total current assets	1,608,824	633,939
NON-CURRENT ASSETS		
PP&E	70,996	279,134
Right of Use	51,020	434,402
Prepaid Expenses	76,191	7,100
Accumulated Depreciation	(102,227)	-
Intangible property, net	-	47,006
Total assets	$ 1,704,804	$ 1,401,581
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accrued expenses and accounts payable	1,905,540	1,849,053
Accrued salary payable	199,271	325,279
Acquisition obligations, current	652,788	652,788
Note payable to affiliate	2,143,793	3,395,238
Loans Payable	14,671	178,074
Total current liabilities	4,916,063	6,400,432
NON-CURRENT LIABILITIES		
Convertible notes payable, net	-	56,835
Lease Liability	38,728	296,983
Total Liabilities	$ 4,954,791	$ 6,754,250
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred Stock, $.00001 par value, 9,702,000 shares authorized, 739,000 issued and outstanding, respectively	8	10

Preferred stock issuable (12,000,000 shares)	120	-
Common Stock, $.00001 par value, 5,614,000,000 authorized, 4,588,649,454 issued and outstanding, respectively	45,885	23,824
Common stock issuable (100,000,000 shares)	1,387,489	1,386,489
Additional paid in capital	22,881,442	20,495,431
Accumulated deficit	(27,564,931)	(27,258,423)
Total stockholders' deficit	$ (3,249,987)	$ (5,352,669)
Total liabilities and stockholders' deficit	$ 1,704,804	$ 1,401,581

KONA GOLD BEVERAGE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Quarter Ending September 30, 2024

	Quarter Ended September 30,	
	2024 (unaudited)	2023 (unaudited)
REVENUES	$ 1,237,616	$ 687,797
Costs of Goods Sold	690,873	501,056
Gross Profit	546,743	186,741
OPERATING EXPENSES		
General and Administrative	323,566	656,607
Total expenses	323,566	656,607
Net (income) / loss	$ 223,177	$ (469,866)
Non Operating Expense		
PTE Expense	110	(48,226)
Total for Non Operating Expense	$ 110	$ (48,226)
Net Profit/Loss	$ 223,287	$ (518,092)
NETLOSS PER COMMON SHARE		
Basic and diluted	$ -	$ -
WEIGHTED AVERAGE NUMBER OF COMMON SHARES		
Basic and diluted	4,025,631,591	2,340,337,120

KONA GOLD BEVERAGE, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
Quarter Ending September 30, 2024
(Unaudited)

	Common Stock $.00001 Par		Preferred Stock $.00001 Par		Common Shares Issuable		Preferred Stock Issuable		Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance December 31, 2022	2,000,276,378	$ 20,003	988,000	10	169,999,860	$ 1,386,497	-	$ -	$ 18,441,303	$ (23,613,208)	$ (3,765,395)
Common stock issued for conversion of convertible debt and accrued interest	299,500,000	2,995							1,335,755		1,338,750
Common stock issued for financing costs (LOC)	28,000,000	280							125,720		126,000
Common stock issued for ELOC	17,482,973	175							78,498		78,673
Warrants related to convertible notes									296,250		296,250
Warrants issued for financing costs (ELOC)									163,000		163,000
Common stock issued upon cashless exercise of warrants	108,053,068	1,080							(1,080)		-
Preferred stock issued to a related party for common stock issuable			1,000	-		(8)			185,008		185,000
Preferred stock issued to related party for debt repayment							8,000,000	80	1,310,420		1,310,500

Warrants related to services rendered									5,269		5,269
Common shares issuable for services					100,000,000	1,000			59,000		60,000
Net loss	-	-	-	-	-	-			-	(4,266,514)	(4,266,514)
Balance December 31, 2023	2,453,312,419	$ 24,533	989,000	10	269,999,860	$ 1,387,489	8,000,000	$ 80	$ 21,999,143	$ (27,879,722)	$ (4,468,467)
Common stock issued to a related party for common stock issuable	169,999,860	1,699		-	(169,999,86)				882,299		883,998
Acquisition of Covert										772,552	772,552
Preferred stock issued			8,000,000	80			(8,000,000)	-80			0
Net loss	-	-	-	-	-	-			-	(814,865)	(814,865)
Balance March 31, 2024	2,623,312,279	$ 26,232	8,989,000	90	100,000,000	$ 1,387,489	0	$ 0	$ 22,881,442	$ (27,922,035)	$ (3,626,782)
Common stock issued	813,000,000	8,130		-							8,130
Preferred shares canceled			(500,000)	-5							(5)
Net loss	-	-	-	-	-	-			-	133,817	133,817
Balance June 30, 2024	3,436,312,279	$ 34,362	8,489,000	85	100,000,000	$ 1,387,489	0	$ 0	$ 22,881,442	$ (27,788,218)	$ (3,484,840)
Common stock issued	1,152,337,175	11,523		-							11,523
Preferred stock issued to related party for debt repayment							12000000	120			120

Preferred shares canceled			(8,000,000)	-80							(80)
Preferred stock issued			250,000	2.5							3
Net loss	-	-	-	-	-	-			-	223,287	223,287
Balance September 30, 2024	4,588,649,454	$ 45,885	739,000	8	100,000,000	$ 1,387,489	12,000,000	$ 120	$ 22,881,442	$ (27,564,931)	$ (3,249,987)

KONA GOLD BEVERAGE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
Quarter Ending September 30, 2024

	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
CASH USED IN OPERATING ACTIVITIES		
Net Income (loss)	223,287	(3,645,215)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	-	70,353
Change in allowance for doubtful accounts	-	8,645
Right-of-use asset amortization	-	79,792
Amortization of debt discount	-	631,542
Amortization of intangible assets	-	10,719
Preferred stock issued for common stock issuable	-	185,000
Fair value of warrants issued for financing costs	-	367,673
Fair value of warrants issued for services	-	5,269
Loss on sale of property and equipment	-	(1,423)
Gain on extinguishment of debt	-	(42,151)
Loss on extinguishment of debt	-	728,056
Loss on termination of operating lease	-	9,601
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	(79,716)	191,172
Decrease (increase) in inventory	(60,219)	525,188
Decrease (increase) in prepaid expenses	(64,741)	-
Decrease (increase) in assets	(23,339)	(5,044)
Decrease (increase) in deposits		1,775
Increase (decrease) in accounts payable and accrued expenses	(34,795)	759,235
Increase (decrease) in accrued compensation	-	188,195
Increase (decrease) in lease liability	-	(97,106)
Unearned Revenue	429	-
Net cash used in operating activities	**$ (39,094)**	**$ (28,724)**
CASH USED IN INVESTING ACTIVITIES		
Purchase of purchase property, plant and equipment	(8,792)	-
Changes in intellectrual property	-	8,475
Net cash provided by investing activities	(8,792)	**8,475**
CASH PROVIDED BY FINANCING ACTIVITIES		
Proceeds from notes payable, net of expenses	-	222,000
Proceeds from line of credit - related party		-
Repayment of note payable - related party	-	(136,500)
Changes in acquisition obligations	-	(6,762)
Principal repayments of finance lease obligation	-	(5,594)
Proceeds from notes payable, net of expenses	-	800,930

Repayment of notes payable		(1,251,656)
Proceeds from convertible debentures payable, net of expenses	-	727,974
Dividends Paid	-	-
Net cash provided by financing activities	**$ -**	**$ 350,392**
Net cash increase (decrease) for period	(47,886)	330,143
Cash at beginning of period	137,381	39,788
Cash at end of period	**$ 89,495**	**$ 369,931**

KONA GOLD BEVERAGE, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the quarter ended September 30, 2024

NOTE 1 – OPERATIONS AND GOING CONCERN

The Company was formerly known as Kona Gold Solutions, Inc., and in October 2020, changed its name to Kona Gold Beverage, Inc., a Delaware corporation ("Kona Gold," the "Company," "we," "us," or "our"). As of December 31, 2023, the Company has two wholly-owned subsidiaries: HighDrate LLC, a Florida limited liability company ("HighDrate"), and Covert, LLC, a North Carolina limited liability company ("Covert"). HighDrate focuses on the development and marketing of CBD-infused energy waters geared to the fitness and wellness markets. Covert focuses on high quality d8 vapes and gummies.

The Company currently sells its products through resellers, the Company's websites, and distributors that span across nine states. The Company's products are available in wide variety of stores, including convenience and grocery stores, smoke shops, and gift shops.

As used herein, the terms "Kona Gold," the "Company," "we," "us," or "our, refer to Kona Gold individually or, as the context requires, collectively with its subsidiaries on a consolidated basis.

Change in Operations

On September 30, 2023, the Company sold all ownership interests of sparkling and non-sparkling Ooh La Lemin Lemonades. On December 31, 2023, the Company discontinued all Gold Leaf Distribution LLC operations.

On March 7, 2024, the Company entered into an Agreement and Plan of Merger with Covert LLC and its shareholders and acquired all of the capital stock of Covert LLC. In consideration thereof, the Company agreed to pay an aggregate of $2,000,000 to be paid in the form of 250 million restricted shares of Kona Gold Beverage, Inc.'s common stock (the "Acquisition Stock") and 250,000 restricted shares of Kona Gold Beverages, Inc. Preferred D stock. The Company did not grant them any registration rights in respect of the shares of Acquisition Stock.

Change of Control and New Leadership

As of November 30, 2023, the Company's President, Chief Executive Officer, Secretary, and Chairman of the Board, Robert Clark, relinquished all positions with the Company. Mr. Clark's resignation was not the result of any disagreement between the Company and him on any matter relating to the Company's operations, policies, or practices.

As of November 30, 2023, the Company's Chief Financial Officer, Lori Radcliffe, relinquished the position with the Company. Ms. Radcliffe's resignation was not the result of any disagreement between the Company and her on any matter relating to the Company's operations, policies, or practices.

As of November 30, 2023, by majority shareholder consent, the Company resolved to appoint Jermain Strong as the Chief Executive Officer, and Brandon White as President and Chairman of the Board.

Departure of Director

On November 30, 2023, Mr. Matthew Crystal resigned from his position as Director of Kona Gold Beverages, Inc. (the "Company"), which resignation was effective on that date. Mr. Crystal's resignation was not the result of any disagreement between the Company and him on any matter relating to the Company's operations, policies, or practices.

As of March 7, 2024, the Company's Chief Executive Officer, Jermain Strong, relinquished all positions with the Company. Mr. Strong's resignation was not the result of any disagreement between the Company and him on any matter relating to the Company's operations, policies, or practices.

As of March 7, 2024 by majority shareholder consent, the Company resolved to appoint Jared Fisher as the Chief Executive Officer and Elliot Eichler as Chief Operating Officer.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, during the quarter ended September 30, 2024, the Company recorded a net gain of $223,287 and used cash in operations of $323,566 and had a stockholders' deficit of $3,249,987 as of that date. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date of the financial statements being issued. The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. These consolidated financial statements have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles ("GAAP") in the United States.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures 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. Those estimates and assumptions include estimates for reserves of uncollectible accounts receivable, assumptions used in valuing inventories at net realizable value, impairment testing of recorded long-term tangible and intangible assets, the valuation allowance for deferred tax assets, accruals for potential liabilities, assumptions made in valuing stock instruments issued for services, and assumptions used in valuing warrant liabilities, and assumptions used in the determination of the Company's liquidity.

Accounts Receivable

Accounts receivable are generally recorded at the invoiced amounts net of an allowance for expected losses. The Company evaluates the collectability of its trade accounts receivable based on a number of factors. In circumstances where the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded, which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company's historical losses and an overall assessment of past due trade accounts receivable outstanding.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out ("FIFO") basis. The Company's inventories are valued at the lower cost or net realizable value. The Company's inventory consists almost entirely of finished and unfinished goods, and freight. The Company periodically evaluates and adjusts inventories for obsolescence.

Property and Equipment

Property and equipment is stated at cost. Expenditures for major renewals and improvements that extend the useful lives of property and equipment or increase production capacity are capitalized, and expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is calculated using accelerated and straight-line methods over the estimated useful lives of the assets as follows:

Property and Equipment Type	Years of Depreciation
Furniture and fixtures	7
Machinery and equipment	7
Vehicles	5
Computer equipment	5-7

Management assesses the carrying value of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value.

Goodwill and Intangible Assets

Acquisitions and Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and separately identified intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from, acquired technology, trade-marks and trade names, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is the period needed to gather all information necessary to make the purchase price allocation, not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill

In accordance with FASB ASC Topic No. 350, Intangibles-Goodwill and Other, the Company reviews the recoverability of the carrying value of goodwill at least annually or whenever events or circumstances indicate a potential impairment. The Company's impairment testing is performed annually at December 31 (its fiscal year end). Recoverability of goodwill is determined by comparing the fair value of Company's reporting unit to the carrying value of the underlying net assets in the reporting units. If the fair value of a reporting unit is determined to be less than the carrying value of its net assets, goodwill is deemed impaired and an impairment loss is recognized to the extent that the carrying value of goodwill exceeds the difference between the fair value of the reporting unit and the fair value of its other assets and liabilities.

Intangible Assets with Finite Useful Lives

We have certain finite lived intangible assets that were initially recorded at their fair value at the time of acquisition. These intangible assets consist of developed technology. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful life of ten years.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* ("ASC 606"). The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which include (1) identifying the contract or agreement with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied.

Revenue and costs of sales are recognized when control of the products transfers to our customer, which generally occurs upon shipment from our facilities. The Company's performance obligations are satisfied at that time. The Company does not have any significant contracts with customers requiring performance beyond delivery, and contracts with customers contain no incentives or discounts that could cause revenue to be allocated or adjusted over time. Shipping and handling activities are performed before the customer obtains control of the goods and therefore represent a fulfillment activity rather than a promised service to the customer.

All of the Company's products are offered for sale as finished goods only, and there are no performance obligations required post-shipment for customers to derive the expected value from them.

The Company does not allow for returns, except for damaged products when the damage occurred pre-fulfillment. Damaged product returns have historically been insignificant. Because of this, the stand-alone nature of our products, and our assessment of performance obligations and transaction pricing for our sales contracts, we do not currently maintain a contract asset or liability balance for obligations. We assess our contracts and the reasonableness of our conclusions on a quarterly basis.

Cost of Sales

Cost of revenues consists primarily of expenses associated with products sold to distributors and resellers, including product and shipping costs. Costs also include credit card fees, fees incurred for sales that occur on Amazon.com, and other transaction fees related to the processing of consumer transactions. Typically, we expect that the cost of revenues will increase as a direct correlation to increases in sales. Thus, our cost of revenues increases on an absolute basis versus on a percentage of sales basis. At the same time, when sales increase, thereby increasing our orders with our co-packers, our cost of products decreases because of the volume discounts we receive from our co-packers.

Delivery and Handling Expense

Shipping and handling costs are comprised of purchasing and receiving, inspection, warehousing, transfer freight, and other costs associated with product distribution after manufacture and are included as part of operating expenses.

Advertising Costs

Advertising costs are expensed as incurred and are included in selling and marketing expense. Advertising costs aggregated $2,895 and $0 for the quarters ended September 30, 2024 and 2023, respectively.

Stock Compensation Expense

The Company periodically issues stock options and restricted stock awards to employees and non-employees in non-capital raising transactions for services and for financing costs. The Company accounts for such grants issued and vesting based on ASC 718, *Compensation-Stock Compensation* whereby the value of the award is measured on the date of grant and recognized for employees as compensation expense on the straight-line basis over the vesting period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services. The Company recognizes the fair value of stock-based compensation within its Statements of Operations with classification depending on the nature of the services rendered.

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

Income Taxes

The Company uses an asset and liability approach for accounting and reporting for income taxes that allows recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain. The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense.

Loss per Common Share

Basic earnings (loss) per share is computed by dividing the net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding during the year. Diluted earnings (loss) per share is computed by dividing the net income applicable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued, using the treasury stock method. Potential common shares are excluded from the computation when their effect is antidilutive.

Fair Value of Financial Instruments

The Company uses various inputs in determining the fair value of its financial assets and liabilities and measures these assets on a recurring basis. Financial assets recorded at fair value are categorized by the level of subjectivity associated with the inputs used to measure their fair value. Accounting Standards Codification Section 820 defines the following levels of subjectivity associated with the inputs:

Level 1—Quoted prices in active markets for identical assets or liabilities.
Level 2—Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
Level 3—Unobservable inputs based on the Company's assumptions.

The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, accounts receivable, short-term bank loans, accounts payable, notes payable and other payables, approximate their fair values because of the short maturity of these instruments. The carrying values of capital lease obligations and long-term financing obligations approximate their fair values because interest rates on these obligations are based on prevailing market interest rates. The Company's derivative liabilities are considered Level 3 inputs.

Segments

During the year, the Company consolidated and restructured its operations. The Company now operates in one segment for the manufacture and distribution of our products. In accordance with the "Segment Reporting" Topic of the ASC, the Company's chief operating decision maker has been identified as the Chief Executive Officer and President, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similar customer base and similarities in: economic characteristics; nature of products and services; and procurement, manufacturing and distribution processes. Since the Company operates in one segment, all financial information required by "Segment Reporting" can be found in the accompanying financial statements.

Concentrations

The Company's cash balances on deposit with banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Generally, the Company's policy is to minimize borrowing costs by immediately applying cash receipts to borrowings against its credit facility. From time to time, however, the Company may be exposed to risk for the amounts of funds held in bank accounts in excess of the FDIC limit. To minimize the risk, the Company's policy is to maintain cash balances with high quality financial institutions.

Co-Packers. The raw materials used in the production of the Company's products are obtained by the Company's co-packers and consist primarily of materials such as the flavors, caffeine, sugars or sucralose, taurine, vitamins, CBD, and hemp seed protein contained in its beverages, the bottles in which its beverages are packaged, and the labeling on the outside of its beverages. These principal raw materials are subject to price and availability fluctuations. The Company currently relies on a few key co-packers, which in turn rely on a few key suppliers. The Company continually endeavors to have back-up co-packers, which co-packers would in turn depend on their third-party suppliers to supply certain of the flavors and concentrates that are used in the Company's beverages. The Company is also dependent on these co-packers to negotiate arrangements with their existing suppliers that would enable the Company to obtain access to certain of such concentrates or flavor formulas under certain extraordinary circumstances. Additionally, in a limited number of cases, the Company's co-packers may have contractual restrictions with their suppliers or the Company's co-packers may need to obtain regulatory approvals and licenses that may limit the co-packers' ability to enter into agreements with alternative suppliers. Contractual restrictions in the agreements the Company has with certain distributors may also limit the Company's ability to enter into agreements with alternative distributors. The Company believes that a satisfactory supply of co-packers will continue to be available at competitive prices, although there can be no assurance in this regard. With respect to Gold Leaf's operations, the Company continually endeavors to contract with additional beverage vendors to ensure the Company has adequate inventory. The Company believes that a satisfactory supply of vendors will continue to be available at competitive prices, although there can be no assurance in this regard.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires entities to use a forward-looking approach based on current expected credit losses ("CECL") to estimate credit losses on certain types of financial instruments, including trade receivables. This may result in the earlier recognition of allowances for losses. ASU 2016-13 is effective for the Company beginning January 1, 2023, and early adoption is permitted. The Company does not believe the potential impact of the new guidance and related codification improvements will be material to its financial position, results of operations and cash flows.

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

NOTE 3 – INVENTORY

Inventory is valued at the lower of cost (first-in, first-out) or net realizable value, and net of reserves is comprised of the following:

	September 30, 2024	September 30, 2023
Raw materials	$ -	$ -
Finished goods, net	558,367	551,758
Total	$ 558,367	$ 551,758

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

Property and equipment is comprised of the following:

	September 30, 2024	September 30, 2023
PP&E	$ 70,996	$ 306,078
Total cost	70,966	306,078
Accumulated depreciation	-	-
Property, plant and equipment, net	$ 182,103	$ 306,078

NOTE 6 – INTANGIBLE ASSETS

Intangible asset consisted of the following:

	September 30, 2024	September 30, 2023
Intangible Assets		
Trademarks	$ -	$ 61,324
Total Intangible Assets	$ -	$ 61,324

NOTE 7 – NOTES PAYABLE – RELATED PARTIES

Notes payable with related parties consists of the following at December 31, 2023 and 2022:

	June 30, 2024	June 30, 2023
Note payable – related party (a)	$ -	$ 1,352,651
Note payable – related party (b)	373,500	260,000
Note payable – related party (c)	125,500	125,500
Note payable – related party (d)	46,500	46,000
Note payable – related party (e)	80,675	-
Note payable – related party (f)	55,184	-
Total notes payable – related parties	$ 681,359	$ 1,785,651

(a) On April 4, 2019, the Company entered into an unsecured Line of Credit Agreement with Robert Clark. Mr. Clark is the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $1,500,000. Advances under this line of credit bear interest at the rate of 3.75 percent per annum. The line of credit matures on April 4, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. During the year ended December 31, 2023, Mr. Clark absolved $42,151. On November 7, 2023, the Company issued Mr. Clark 8,000,000 shares of Preferred E stock as payment on $1,310,500. As of December 31, 2023, this stock was issuable, and there was no outstanding principal on the Line of Credit. At December 31, 2022, outstanding principal was $1,352,651.

(b) On May 6, 2022, the Company entered into an unsecured Line of Credit Agreement with Robert Clark. Mr. Clark is the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $300,000. Advances under this line of credit bear interest at the rate of 3.75 percent per annum. The line of credit matures on May 6, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. During the year ended December 31, 2023, Mr. Clark made additional advances of $245,500, and $132,000 of that was repaid by the end of the period. At December 31, 2023 and December 31, 2022, outstanding principal was $373,500 and $260,000, respectively.

(c) On August 29, 2019, the Company entered into an unsecured Line of Credit Agreement with Robert Clark. Mr. Clark is the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $200,000. Advances under this line of credit bear interest at the rate of 3.75 percent per annum. The line of credit matures on August 29, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. At December 31, 2023 and December 31, 2022, outstanding principal was $125,500 and $125,500, respectively.

(d) On February 19, 2019, the Company issued an unsecured Standard Promissory Note in Favor of Robert Clark, as lender, in the original principal amount of $70,000. Mr. Clark is the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The note bears no interest. Principal payments of $500 per month commenced in March 2019, with final payment due in March 2021. On March 15, 2022, the Company issued an Amendment to the original issued Standard Promissory Note in Favor of Robert Clark for the remaining outstanding principal of $58,000. On April 3, 2023, the Company issued an Amendment to the original issued Standard Promissory Note in Favor of Robert Clark for the remaining outstanding principal of $46,000 Principal payment of $500 per month, with final payment due in March 2024. The outstanding principal balance of this note at December 31, 2022 was $47,500. During the year ended December 31, 2023, the Company received an additional amount of $5,000 and made principal payments of $6,000, leaving an outstanding principal balance of $46,500 at December 31, 2023.

(e) On October 1, 2023, the Company entered into an unsecured Line of Credit Agreement with a private party. The agreement established a revolving line of credit in the amount of up to $100,000. Advances under this line of credit bear interest at the rate of 3.75 percent per annum. The line of credit matures on October 1, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. During the year ended December 31, 2023, advances of $80,675 were received. At December 31, 2023 outstanding principal was $80,675.

(f) On October 1, 2023, the Company entered into an unsecured Line of Credit Agreement with a private party. The agreement established a revolving line of credit in the amount of up to $100,000. Advances under this line of credit bear interest at the rate of 3.75 percent per annum. The line of credit matures on October 1, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. During the year ended December 31, 2023, advances of $55,185 were received. At December 31, 2023, outstanding principal was $55,185.

At December 31, 2022, accrued interest on notes payable to related parties was $153,959. During the year ended December 31, 2023, the Company added $58,342 of additional accrued interest, leaving an accrued interest balance on the notes payable to related parties of $212,301 at December 31, 2023. Accrued interest is included in accounts payable and accrued expenses in the accompanying Condensed Consolidated Balance Sheets.

NOTE 8 – NOTES PAYABLE

Notes payable consists of the following at March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
Note payable (a)	$ 20,323	$ 25,354
Note payable (b)	37,708	43,613
Note payable (c)	41,348	40,256
Note payable (d)	160,576	250,000
Note payable (e)	206,222	207,175
Note payable (f)	50,798	85,000
Note payable (g)	38,698	196,588
Note payable (h)	-	-
Note payable (i)	268,735	-
Note payable (j)	16,206	-
Total notes payable	840,614	847,986
Less debt discount	(101,080)	(57,234)
Total notes payable, net	739,534	790,752
Notes payable, current portion	(701,182)	(732,753)
Notes payable, net of current portion	$ 38,352	$ 57,999

(a) On August 21, 2021, the Company financed the purchase of a vehicle for $34,763, after making a down payment of $20,000. The loan term is for 60 months, annual interest rate of 5.44%, with monthly principal and interest payments of $665, and secured by the purchased vehicle. At December 31, 2022, the loan balance was $26,994. During the year ended December 31, 2023, the Company made principal payments of $6,671, leaving a loan balance of $20,323 at December 31, 2023.

(b) On September 30, 2022, the Company financed the purchase of a vehicle for $46,576, after making a down payment. The loan term is for 60 months, annual interest rate of 9.44%, with monthly principal and interest payments of $980, and secured by the purchased vehicle. At December 31, 2022, the loan balance was $44,550. During the year ended December 31, 2023, the Company made principal payments of $6,842, leaving a loan balance of $37,708 at December 31, 2023.

(c) In April 2021, the Company entered into a Line of Credit Agreement with Wells Fargo Bank. The Line of Credit is personally guaranteed by Robert Clark, the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $42,000. Advances under this line of credit bear interest at the rate of 11.50% per annum. The line of credit matures in 2024, at which time all outstanding principal amounts and accrued interest are due and payable. As of December 31, 2023 and December 31, 2022, the outstanding principal was $41,348 and $40,103, respectively, which was recorded as the current portion of loan payable on the accompanying Consolidated Balance Sheet.

(d) On March 25, 2022, the Company entered into a secured debenture with an otherwise unaffiliated individual in the principal amount of $250,000 that was due on March 23, 2023. On March 23, 2023, the Company entered into a First Amendment to Secured Debenture (the "First Amendment") to amend a Secured Debenture (the "Debenture"), dated as of March 25, 2022. The Debenture is amended and restated in its entirety with the following terms (i) maturity date was extended to March 24, 2024; (ii) interest accrues on the outstanding principal at a rate equal to 12% per annum; (iii) monthly payments of principal and interest shall be made in the amount of $22,212, starting April 24, 2023 until the maturity date, at which date the entirety of the balance of principal plus interest is due. The secured debenture is secured by nine identified motor vehicles of the Company. At December 31, 2022, the outstanding balance of the secured debentures amounted to $250,000. During the year ended December 31, 2023, the Company made principal payments of $89,424, leaving a loan balance of $160,576 at December 31, 2023.

In connection with the issuance of the original debenture in 2022, the Company issued to the lender 25 million shares of the Company's common stock at a price of $0.004 per share. The Company determined the fair value of the 25 million shares was $135,000, which was recorded as a debt discount against the secured debenture. At December 31, 2022, there wa unamortized debt discount was $31,531. During the year ended December 31, 2023, the Company amortized debt discount of $31,531 to interest expense on the loan, leaving no remaining unamortized debt discount at December 31, 2023.

(e) During the year ended December 31, 2022, the Company entered into secured non-interest-bearing advance agreements with unaffiliated third parties for the purchase of future receipts/revenues. Under the agreements, the Company received an aggregate lump sum payment of $561,957, and, in return, the purchaser received a secured right to collect a fix sum of future receipts/revenue of $798,456 to be collected by the Company. During the nine months ended September 30, 2023, the Company entered into additional secured non-interest bearing advance agreements for which the Company received an aggregate lump sum payment of $501,000, and, in return, the purchaser received a secured right to collect a fix sum of future receipts/revenue of $597,500 to be collected by the Company. In accordance with the agreements, the Company agreed to sell, assign, and transfer to the purchaser of all the Company's payments, receipts, settlements, and funds paid to or received by or for the account of the Company from time to time on and after the dates of the agreements in payment or settlement of the Company's existing and future accounts, payment intangibles, credit, debit, and/or stored value card transactions, contract rights, and other entitlements arising from or relating to the payment of monies from the Company's customers and/or other payors or obligors. The agreements require aggregate daily to weekly payments ranging from $1,291 to $1,958 The Company's obligations under the agreements are secured by the assets described above, and guaranteed by Robert Clark, the Company's Chief Executive Officer. As of December 31, 2022, the outstanding balance to be paid amounted to $626,388. During the year ended December 31, 2023, the Company entered into additional agreements of $633,060, and made payments of $1,053,226, leaving an aggregate outstanding amount to be paid of $206,222 at December 31, 2023.

During the year ended December 31, 2022, upon execution of the advance and receipt of funds, the Company recorded the difference of $236,499 between the cash collected and the face amount of the obligation as a "note discount" and will amortize the "note discount" as interest expense over the life of the advance. At December 31, 2022, the unamortized "note discount" was $186,950. During the year ended December 31, 2023, the recorded an additional unamortized "note discount" of $237,459 related to new advance agreements, and the Company amortized "note discount" of $323,329 to interest expense on the obligation. As of December 31, 2023, the unamortized "note discount" was $101,080.

(f) On March 9, 2023, the Company entered into a Line of Credit Agreement with American Express National Bank. The Line of Credit is personally guaranteed by Robert Clark, the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $85,000. Advances under this line of credit bear interest at the rate of 19.32% per annum. The line of credit matures on September 9, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. The line of credit requires minimum monthly payments of $5,572. At December 31, 2023, the outstanding principal was $50,798.

(g) On March 7, 2023, the Company entered into a Line of Credit Agreement with Celtic Bank. The Line of Credit is personally guaranteed by Robert Clark, the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The agreement established a revolving line of credit in the amount of up to $200,000. Advances under this line of credit bear interest at the rate of 35.90 percent per annum. The line of credit matures on March 7, 2024, at which time all outstanding principal amounts and accrued interest are due and payable. At December 31, 2023, the outstanding principal was $36,698.

(h) On June 30, 2023, the Company entered into a note payable with IQ Financial, Inc. in the principal amount of $110,000, with an original issue discount of $10,000, resulting in net proceeds for $100,000. The note has no stated interest and is due on July 31, 2023. For so long as the note remains unpaid, the Company shall pay within two days of receipt of customer payments on specific customer invoices listed in the note payable. At December 31, 2023, there was no outstanding balance.

The original issue discount of $10,000 was recorded as a debt discount against the note payable, at December, 2023, there was no remaining unamortized debt discount.

(i) On May 15, 2023, the Company entered into a Revolving Credit Agreement (the "Revolver") with a vendor. The Revolver allows the Company to purchase goods from its vendor time to time. The unpaid principal balance of the Revolver may not exceed $250,000 through May 31, 2023, $225,000 through July 31, 2023, and $200,000 through $200,000 through December 31, 2023, at any one time. The Revolver has a maturity date of December 31, 2023 and bears no interest rate. At December 31, 2023, the outstanding balance of the Revolver was $268,735.

In connection with the issuance of the Revolver, the Company issued to the vendor 28 million shares of the Company's common stock at a price of $0.0045 per share. The Company determined the fair value of the 28 million shares was $126,000, which was recorded as financing costs in the condensed consolidated statement of operations during the year ended December 31, 2023.

(j) On June 2, 2023, the Company entered into a note payable with RFMD-LLC in the principal amount of $16,206, with an interest rate of 8% per annum, and a maturity date of December 31, 2023. The note was issued in related to the termination of an operating lease (see Note 13). At December 31, 2023, the outstanding principal was $16,206. original issue discount of $10,000, resulting in net proceeds for $100,000. The note has no stated interest and is due on December 31, 2023. For so long as the note remains unpaid, the Company shall pay within two days of receipt of customer payments on specific customer invoices listed in the note payable. At December 31, 2023, the outstanding balance of the note was $16,206.

At December 31, 2022 on item (d), accrued interest on the notes payable was $1,874. During the year ended December 30, 2023, the Company added $17,228 of additional accrued interest on item (d), leaving $19,102 of accrued interest balance on the notes payable item (d) at December 31, 2023. Accrued interest is included in accounts payable and accrued expenses in the accompanying Condensed Consolidated Balance Sheets.

As of December 31, 2022, the unamortized debt discount was $218,481. During the year ended December 31, 2023, the Company added $247,459 of debt discount related to the issuance of debentures, and amortized debt discount of $364,860 to interest expense on the loans. As of December 31, 2023, the unamortized debt discount was $101,080.

NOTE 9 – SECURED CONVERTIBLE DEBENTURES

Secured debentures that are payable to an otherwise unaffiliated third party consists of the following as of September 30, 2024 and 2023:

	March 31, 2024	**March 31, 2023**
Mast Hill Note 1	-	472,648
Mast Hill Note 2	401,800	475,000
Mast Hill Note 3	230,000	-
Mast Hill Note 4	55,707	-
Mast Hill Note 5	3,000	-

Less debt discount		(156,978)		(318,270)
Secured debentures, net	$	652,835	$	629,378

Mast Hill

On July 28, 2022, the Company issued senior secured debentures to an otherwise unaffiliated third-party investor (the "Investor") in the aggregate of $595,000. The debentures bear interest at a rate of 10% per annum, mature on July 28, 2023, and is convertible into shares of our common stock at a conversion price of $0.0045 per share. If the Company issues subsequent equity instruments at an effective price per share that is lower than the conversion price of $0.0045 per shares, then the conversion price shall be reduced, at the option of the Holder, to a price equal to the Weighted Average Price (as defined), provided, further, that if the conversion price is equal to or less than $0.003, then the conversion price shall be reduced at the option of the Holder to a price equal to the lower price. The senior secured debentures is secured by all of the Company's assets and the assets of each of its subsidiaries pursuant to the Security Agreement. The security interest granted to the Investor under the Security Agreement was subordinate to the continuing security interest that remains in effect pursuant to the previous grant of a security interest in connection with a then outstanding debenture to an earlier investor all tangible and intangible assets. In connection with the issuances of the debentures, the Company granted to the Investor warrants to purchase up to 100 million shares of the Company's common stock, which expire on July 28, 2027. The warrants are exercisable at $0.0045 per share. As a result of these issuances and grants, we incurred the following (a) relative fair value of the warrants granted of $223,000; and (b) original issue discounts of $92,325 of the debentures for a total of $315,325 which was allocated as debt discount. The debt discount is being amortized to interest expense over the term of the corresponding debentures. As of December 31, 2022, the unamortized debt discount was $183,940. During the year ended December 31, 2023, the Company amortized debt discount of $183,940 to interest expense on the loan. As of December 31, 2023, there was no remaining unamortized debt discount.

As of December 31, 2022 the balance due under the obligation was $595,000. During the year ended December 31, 2023, the Company converted $475,694 of principal and accrued interest into 239,500,000 shares of common stock with a fair value of $1,075,355 resulting in a loss on extinguishment of debt of $513,520. As of December 31, 2023, $119,306 was due under the note.

M*ast Hill Debenture 2*

On March 13, 2023, the Company issued an additional senior secured debenture to the Investor in the aggregate of $475,000. The debenture bears interest at a rate of 10% per annum, matures on March 13, 2024, and is convertible into shares of our common stock at a conversion price of $0.0045 per share.

At our option, we have the right to redeem, in full, the outstanding principal and interest under the debenture prior to its maturity date; *provided*, *that*, as of the date of the then-holder's receipt of the redemption notice, there has not been an Event of Default. We must pay an amount equal to the principal amount being redeemed plus outstanding and accrued interest thereon, as well as a $750 administrative fee (the "Redemption Amount"). We must provide seven Trading Days' (as such term is defined in the debenture) prior notice to the then-holder of the debenture of our intent to make a redemption. If such notice of redemption is received six months after the Issue Date, the then-holder has the right to convert any or all of such to-be-prepaid amount into shares of our Common Stock in accordance with the conversion provisions of the debenture prior to such redemption.

Further, commencing on May 10, 2023, and continuing on the tenth day of each calendar month thereafter, we are required to redeem an amount equivalent to the sum of $2.00 for each 12-count case of our beverages that we sell in the ordinary course, calculated two months in arrears. Accordingly, the first redemption payment is due and payable on May 10, 2023 for the cases sold during the month of March, 2023. Mandatory redemption payments are based upon revenues recognized by us in accordance with US GAAP for each such month, rather than upon the receipt by us of funds received from sales during a relevant month. The above-referenced seven trading days' prior notice and conversion provisions do not apply to any of the mandatory redemption payments.

In connection with the issuances of the debentures, the Company granted to the Investor warrants to purchase up to 80 million shares of the Company's common stock, which expire on March 13, 2028. The warrants are exercisable at $0.0045 per share. As a result of these issuances and grants, we incurred the following (a) relative fair value of the warrants granted of $150,000; and (b) original issue discounts and fees of $74,000 of the debentures for a total of $224,000 which was allocated as debt discount. The debt discount is being amortized to interest expense over the term of the corresponding debentures. During the year ended December 31, 2023, the Company amortized debt discount of $115,538 to interest expense on the loan. As of December 31, 2023, the unamortized debt discount was $108,462.

During the year ended December 31, 2023, the Company made principal payments of $11,128 and converted $79,633 of principal and accrued interest into 77,482,973 shares of common stock with a fair value of $348,673 resulting in a loss on extinguishment of debt of $269,040. As of December 31, 2023, $401,800 was due under the note.

M*ast Hill Debenture 3*

On April 25, 2023, the Company issued an additional senior secured debenture to the Investor in the aggregate of $230,000. The debenture bears interest at a rate of 10% per annum, matures on April 25, 2024, and is convertible into shares of our common stock at a conversion price of $0.0040 per share.

At our option, we have the right to redeem, in full, the outstanding principal and interest under the debenture prior to its maturity date; *provided*, *that*, as of the date of the then-holder's receipt of the redemption notice, there has not been an Event of Default. We must pay an amount equal to the principal amount being redeemed plus outstanding and accrued interest thereon, as well as a $750 administrative fee (the "Redemption Amount"). We must provide seven Trading Days' (as such term is defined in the debenture) prior notice to the then-holder of the debenture of our intent to make a redemption. If such notice of redemption is received six months after the Issue Date, the then-holder has the right to convert any or all of such to-be-prepaid amount into shares of our Common Stock in accordance with the conversion provisions of the debenture prior to such redemption.

Further, commencing on May 10, 2023, and continuing on the tenth day of each calendar month thereafter, we are required to redeem an amount equivalent to the sum of $2.00 for each 12-count case of our beverages that we sell in the ordinary course, calculated two months in arrears. Accordingly, the first redemption payment is due and payable on May 10, 2023 for the cases sold during the month of March, 2023. Mandatory redemption payments are based upon revenues recognized by us in accordance with US GAAP for each such month, rather than upon the receipt by us of funds received from sales during a relevant month. The above-referenced seven trading days' prior notice and conversion provisions do not apply to any of the mandatory redemption payments.

In connection with the issuances of the debentures, the Company granted to the Investor warrants to purchase up to 43.6 million shares of the Company's common stock, which expire on April 25, 2028. The warrants are exercisable at $0.0040 per share. As a result of these issuances and grants, we incurred the following (a) relative fair value of the warrants granted of $56,000; and (b) original issue discounts and fees of $28,000 of the debentures for a total of $84,300 which was allocated as debt discount. The debt discount is being amortized to interest expense over the term of the corresponding debentures. During the year ended December 31 2023, the Company amortized debt discount of $45,668 to interest expense on the loan. As of December 31, 2023, the unamortized debt discount was $38,632.

As of December 31, 2023, $230,000 was due under the note.

M*ast Hill Debenture 4*

On June 14, 2023, the Company issued an additional senior secured debenture to the Investor in the aggregate of $55,706. The debenture bears interest at a rate of 10% per annum, matures on June 14, 2024, and is convertible into shares of our common stock at a conversion price of $0.0040 per share.

At our option, we have the right to redeem, in full, the outstanding principal and interest under the debenture prior to its maturity date; *provided*, *that*, as of the date of the then-holder's receipt of the redemption notice, there has not been an Event of Default. We must pay an amount equal to the principal amount being redeemed plus outstanding and accrued interest thereon, as well as a $750 administrative fee (the "Redemption Amount"). We must provide seven Trading Days' (as such term is defined in the debenture) prior notice to the then-holder of the debenture of our intent to make a redemption. If such notice of redemption is received six months after the Issue Date, the then-holder has the right to convert any or all of such to-be-prepaid amount into shares of our Common Stock in accordance with the conversion provisions of the debenture prior to such redemption.

Further, commencing on July 10, 2023, and continuing on the tenth day of each calendar month thereafter, we are required to redeem an amount equivalent to the sum of $2.00 for each 12-count case of our beverages that we sell in the ordinary course, calculated two months in arrears. Accordingly, the first redemption payment is due and payable on July 10, 2023 for the cases sold during the month of March, 2023. Mandatory redemption payments are based upon revenues recognized by us in accordance with US GAAP for each such month, rather than upon the receipt by us of funds received from sales during a relevant month. The above-referenced seven trading days' prior notice and conversion provisions do not apply to any of the mandatory redemption payments.

In connection with the issuances of the debentures, the Company granted to the Investor warrants to purchase up to approximately 20.9 million shares of the Company's common stock, which expire on June 14, 2028. The warrants are exercisable at $0.0040 per share. As a result of these issuances and grants, we incurred the following (a) relative fair value of the warrants granted of $19,000; and (b) original issue discounts and fees of $8,457 of the debentures for a total of $27,457 which was allocated as debt discount. The debt discount is being amortized to interest expense over the term of the corresponding debentures. During the year ended December 31, 2023, the Company amortized debt discount of $18,161 to interest expense on the loan. As of December 31, 2023, the unamortized debt discount was $9,296.

As of December 31, 2023, $55,706 was due under the note.

<u>M*ast Hill Debenture 5*</u>

On August 10, 2023, the Company issued an additional senior secured debenture to the Investor in the aggregate of $63,000. The debenture bears interest at a rate of 12% per annum, matures on June 14, 2024, and is convertible into shares of our common stock at a conversion price of $0.0030 per share.

At our option, we have the right to redeem, in full, the outstanding principal and interest under the debenture prior to its maturity date; *provided*, *that*, as of the date of the then-holder's receipt of the redemption notice, there has not been an Event of Default. We must pay an amount equal to the principal amount being redeemed plus outstanding and accrued interest thereon, as well as a $1,000 administrative fee (the "Redemption Amount"). We must provide seven Trading Days' (as such term is defined in the debenture) prior notice to the then-holder of the debenture of our intent to make a redemption. If such notice of redemption is received six months after the Issue Date, the then-holder has the right to convert any or all of such to-be-prepaid amount into shares of our Common Stock in accordance with the conversion provisions of the debenture prior to such redemption.

Further, commencing on July 10, 2023, and continuing on the tenth day of each calendar month thereafter, we are required to redeem an amount equivalent to the sum of $2.00 for each 12-count case of our beverages that we sell in the ordinary course, calculated two months in arrears. Accordingly, the first redemption payment is due and payable on July 10, 2023 for the cases sold during the month of March, 2023. Mandatory redemption payments are based upon revenues recognized by us in accordance with US GAAP for each such month, rather than upon the receipt by us of funds received from sales during a relevant month. The above-referenced seven trading days' prior notice and conversion provisions do not apply to any of the mandatory redemption payments.

In connection with the issuances of the debentures, the Company granted to the Investor warrants to purchase up to approximately 28.6 million shares of the Company's common stock, which expire on August 10, 2028. The warrants are exercisable at $0.0030 per share. As a result of these issuances and grants, we incurred the following (a) relative fair value of the warrants granted of $8,580; and (b) original issue discounts and fees of $4,390 of the debentures for a total of $12,970 which was allocated as debt discount. The debt discount is being amortized to interest expense over the term of the corresponding debentures. During the year ended December 31, 2023, the Company amortized debt discount of $12,382 to interest expense on the loan. As of December 31, 2023, the unamortized debt discount was $588.

During the year ended December 31, 2023, the Company made principal payments of $60,000. As of December 31, 2023, $3,000 was due under the note.

At December 31, 2022, accrued interest on the convertible notes payable was $25,756. During the nine months ended September 30, 2023, the Company added $96,535 of additional accrued interest, and converted $67,768 of accrued interest, leaving an accrued interest balance on the convertible notes payable of $54,523 at December 31, 2023. Accrued interest is included in accounts payable and accrued expenses in the accompanying Condensed Consolidated Balance Sheets.

As of December 31, 2022, the unamortized debt discount was $183,940. During the year ended December 31, 2023, the Company added $348,727 related to the issuance of secured debentures, and amortized debt discount of $375,689 to interest expense on the loans. As of December 31, 2023, the unamortized debt discount was $156,978.

NOTE 10 – DERIVITIVE LIABILITIES

The FASB has issued authoritative guidance whereby instruments which do not have fixed settlement provisions are deemed to be derivative instruments. During fiscal years 2022 and 2023, the Company issued convertible debentures, which if converted into common stock, can potentially exceed the current number of available authorized shares of the Company (see Note 9). Since the number of shares is not explicitly limited, the Company is unable to conclude that enough authorized and unissued shares are available to settle the conversion option. In accordance with the FASB authoritative guidance, the conversion features have been characterized as derivative liabilities to be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

The risk-free interest rate was based on rates established by the Federal Reserve Bank. The Company uses the historical volatility of its common stock to estimate the future volatility for its common stock. The expected life of the conversion feature of the notes was based on the remaining term of the notes. The expected dividend yield was based on the fact that the Company has not customarily paid dividends in the past and does not expect to pay dividends in the future.

As discussed in Note 9, during the year ended December 31, 2022, the Company recognized derivative liabilities of $680,000 upon issuance of additional secured convertible debentures, and the Company converted $3,500,000 of convertible notes. At issuance it was determined that the conversion feature of these notes contained a conversion feature that resulted in a derivative liability, the fair value of which was $2,121,000 at December 31, 2022. These convertible notes were converted to common shares during the period. As such, prior to conversion the Company revalued the derivatives to their fair value at the date of extinguishment of $4,324,000, resulting in change in fair value of $1,523,000. The Company removed the fair value of derivative of $4,324,000 at date of extinguishment, which has been included in the net loss on extinguishment, leaving no derivative liabilities at December 31, 2023, and 2022, respectively.

NOTE 11 – EQUITY LINE OF CREDIT

2023 Equity Purchase Agreement

Pursuant to an Equity Purchase Agreement (the “Purchase Agreement”) dated as of March 30, 2023 (the “EPA”), the Company (i) agreed to sell to the same entity with whom we had entered into the Securities Purchase Agreement dated as of March 13, 2023 up to Five Million Dollars ($5,000,000.00) (the “Maximum Commitment Amount”) of shares of our Common Stock (the “Put Shares”) and (ii) granted to that Investor a Common Stock Purchase Warrant (the “Warrant”) that is exercisable for the purchase of up to an aggregate of 56,000,000 shares (the “Warrant Shares”) of our Common Stock.

Upon the terms and conditions set forth in the Purchase Agreement, the Company has the right, but not the obligation, to direct the Investor, by delivery to the Investor of a Put Notice from time to time, to purchase shares of our Common Stock (i) in a minimum amount not less than $25,000.00 and (ii) in a maximum amount up to the lesser of (a) $500,000.00 or (b) 150% of the Average Daily Trading Value of our Common Stock (as defined in the Purchase Agreement). At any time and from time to time through and including March 30, 2025 (the “Commitment Period”), except as provided in the Purchase Agreement, the Company may deliver a Put Notice to the Investor.

The Commitment Period commences on the Execution Date, and ends on the earlier of (i) the date on which the Investor shall have purchased Put Shares pursuant to the Purchase Agreement equal to the Maximum Commitment Amount, (ii) March 30, 2025, (iii) written notice of termination by the Company to the Investor (which shall not occur during any Valuation Period or at any time that the Investor holds any of the Put Shares), (iv) the Registration Statement for the Put Shares is no longer effective after its initial effective date, or (v) the date that, pursuant to or within the meaning of any Bankruptcy Law, the Company commences a voluntary case or any person commences a proceeding against the Company, a Custodian is appointed for the Company or for all or substantially all of its property, or the Company makes a general assignment for the benefit of its creditors.

We also granted the Warrant to purchase up to an aggregate of the 56,000,000 Warrant Shares. The Warrant has a five-year term and is immediately exercisable at an exercise price of $0.0045 per share, subject to adjustment and is exercisable by the then-holder on a “cashless” basis. The Warrant contains an adjustment provision that, subject to certain exceptions, reduces the exercise price if we issue shares of Common Stock or common stock equivalents at a price lower than the then-current exercise price of the Warrant. Any stock splits, reverse stock splits, recapitalizations, mergers, combinations and asset sales, stock dividends, and similar events will result in an equitable adjustment of the exercise price of the Warrant and, in certain circumstances, the number of Warrant Shares. The Warrant is subject to an “exercise blocker,” such that the Investor cannot exercise any portion of the Warrant that would result in the Investor and its affiliates holding more than 4.99% of the then-issued and outstanding shares of Common Stock following such exercise (excluding, for purposes of such determination, shares of the Common Stock issuable upon exercise of the Warrant or Put Notice that had not then been exercised, respectively).

As of December 31, 2023, no Put Shares of the Company's common stock pursuant to the Purchase Agreement had been issued by the Company.

NOTE 12 – LINE OF CREDIT

On January 22, 2024 the Company entered into a Line of Credit Agreement with a private party. The Line of Credit. The agreement established a revolving line of credit in the amount of up to $5,000,000. Advances under this line of credit bear interest at the rate of 10.0 percent per annum. The line of credit matures on January 22, 2029 at which time all outstanding principal amounts and accrued interest are due and payable.

NOTE 13 – ACQUISITION OBLIGATION

On January 21, 2021, the Company entered into an Agreement and Plan of Merger with S and S and its shareholders and acquired all of the capital stock of S and S. In consideration thereof, the Company issued to them an aggregate of nine million restricted shares of Kona Gold Beverage, Inc.'s common stock (the "Acquisition Stock") of a fair value of $243,000. The Company did not grant them any registration rights in respect of the shares of Acquisition Stock. The Company also agreed to pay an aggregate of $1,050,000 (the "Aggregate Acquisition Payments"), the majority of which is allocated to certain creditors of S and S (including one of the S and S's legacy shareholders) and approximately $89,249 was allocated and paid to the five S and S legacy shareholders on a pro rata basis. The Company paid approximately $400,000 of the Aggregate Acquisition Payments at the closing of the transaction. The remaining Aggregate Acquisition Payments, including the Remaining Acquisition Payments, are scheduled to be paid in monthly installments, in arrears on the tenth calendar day of each month, commencing on March 10, 2021, at a rate equivalent to $2.00 per case of Lemin Superior Lemonade (the product line of S and S that we have now branded as Ooh La Lemin) that we sell until the Aggregate Acquisition Payments have been paid in full. During the year ended December 31, 2022, the Company paid $15,767 of the remaining Aggregate Acquisition Payments, leaving an acquisition obligation balance of $659,550 at December 31, 2022. During the year ended December 31, 2023, the Company paid $6,762 of the remaining Aggregate Acquisition Payments, leaving an acquisition obligation balance of $652,788 at December 31, 2023.

NOTE 14 – LEASE LIABILITIES

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The Company leases its office and warehouse locations, and certain warehouse equipment. Leases with an initial term of 12 months or less are not included on the balance sheets.

Operating Leases

The Company sub-leases approximately 12,500 square feet of corporate office and warehouse space located at 751 North Drive, Suite 11, Melbourne, Florida 32934. The lease is for a five-year term and expires on March 31, 2029. The monthly base rent increases annually by 3 percent. In May 2023, the Company extended the lease through May 31, 2024. The initial monthly base rent was approximately $4,628, plus state taxes.

NOTE 15 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company's issued and outstanding preferred stock, par value $0.00001 per share, at September 30, 2024 and 2023 was 739,000 and 988,000, respectively. The Board, without further stockholder approval, may issue preferred stock in one or more series from time to time and fix or alter the designations, relative rights, priorities, preferences, qualifications, limitations and restrictions of the shares of each series.

Series A Preferred Stock

The Company had authorized 0 shares of Series A Preferred Stock, par value of $0.00001 per share (the "Series A Preferred Stock"), of which no shares were issued or outstanding at September 30, 2024 and September 30, 2023, respectively. Each share of Series A Preferred Stock, when outstanding, could have been converted into one share of Common Stock.

Series B Preferred Stock

The Company had authorized 1,200,000 shares of Series B Preferred Stock, par value of $0.00001 per share (the "Series B Preferred Stock"), of which 488,000 were issued and outstanding at September 30, 2024 and September 30, 2023, respectively. Each share of Series B Preferred Stock may be converted into one share of Common Stock.

Series C Preferred Stock

On February 13, 2023, the Company increased the authorized number of Series C Preferred Stock from 250 to 2,000 shares, par value $0.00001 per share (the "Series C Preferred Stock"), by filing a Certificate of Designation of the Preferences, Rights, and Limitations of the Series C Preferred Stock with the Secretary of State of the State of Delaware. On July 8, 2020, the Company amended the terms of the Series C Preferred Stock filed a Certificate of Designation of the Preferences, Rights, and Limitations of the Series C Preferred Stock with the Secretary of State of the State of Delaware. The holders of shares of the Series Preferred C Stock are now entitled to 2,000,000 votes for every share of our Series Preferred C Stock held. The holders of the Series Preferred C Stock are not entitled to receive dividends. Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, before any distribution or payment will be made to the holders of any stock ranking junior to the Series C Preferred Stock, the holders of the Series C Preferred Stock will be entitled to be paid out of the Company's assets an amount equal to $1.00 in the aggregate for all issued and outstanding shares of the Series C Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations, and the like with respect to such shares) (the "Preference Value"). After the payment of the full applicable Preference Value of each share of the Series C Preferred Stock, our remaining assets legally available for distribution, if any, will be distributed ratably to the holders of the Common Stock. The Series C Preferred Stock has conversion rights, whereby each share of the Series C Preferred Stock automatically converts into one share of Common Stock on the one-year anniversary of the issuance date.

At September 30, 2024, 1,000 shares of Series C Preferred Stock were issued and outstanding, and at September 30, 2023, no shares of Series C Preferred Stock were issued and outstanding.

Series D Preferred Stock

The Company had authorized 500,000 shares of Series D Preferred Stock, par value of $0.00001 per share (the "Series D Preferred Stock"), of which 250,000 shares were issued and outstanding at September 30, 2024 and 500,000 were issued and outstanding at June 30, 2023, respectively. Each share of the Series D Preferred Stock may be converted into 1,000 shares of Common Stock.

Series E Preferred Stock

On December 4, 2023, the Company has authorized 8,000,000 shares of Series E Preferred Stock, par value of $0.00001 per share (the "Series E Preferred Stock"), by filing a Certificate of Designation of the Preferences, Rights, and Limitations of the Series E Preferred Stock with the Secretary of State of the State of Delaware. 0 shares were issued and outstanding at September 30, 2024. Each share of the Series E Preferred Stock may be converted into 100 shares of Common Stock

Common Stock

On August 1, 2024, the Company increased the authorized number of Common Stock from 5,600,000,000 to 8,000,000,000 shares, par value $0.00001 per share (the "Common Stock"), by filing a Certificate of Designation of the Preferences, Rights, and Limitations of the Common Stock with the Secretary of State of the State of Delaware. The Company has authorized 8,000,000,000 shares of the Common Stock, respectively, of which 4,588,649,454 shares were issued and outstanding at September 30, 2024, and 2,294,940,557 were issued and outstanding at September 30, 2023.

Equity Transactions

During the quarter ended September 30, 2024, the Company issued an aggregate of 1,152,337,175 shares of Common Stock.

During the quarter ended June 30, 2024, the Company issued to the vendor, Covert LLC, 250,000,000 of Common Stock in exchange to extinguish all accounts payables owed to that vendor.

During the quarter ended June 30, 2024, the Company issued to the vendor, RostCo, LLC and Darien Cameron 35,000,000 and 28,000,000 Common Shares to extinguish all account payables owed to New Standard Hemp and Friendly respectively.

NOTE 16 – SHARE BASED COMPENSATION

Employee Shares

On April 1, 2022, the Company granted 1,000,000 shares of Common Stock to Peter Troy pursuant to that certain Employment Agreement dated October 1, 2021, by and between Mr. Troy and the Company. At the date of grant, the fair market value of the shares was $0.0085 per share based on the closing price of the Common Stock, for a total value of $8,500.

On December 16, 2022, the Company granted 500,000 shares of Common Stock to John Sargent pursuant to that certain Employment Agreement dated February 1, 2021, by and between Mr. Sargent and the Company. At the date of grant, the fair market value of the shares was $0.0046 per share based on the closing price of the Common Stock, for a total value of $23,000.

Common Stock Issuable

On August 12, 2015, the Company entered into an Employment Agreement with Robert Clark (the "Clark Employment Agreement"). On December 1, 2016, the Company entered into an Amendment to Employment Agreement (the "Clark Amendment"; and, together with the Clark Employment Agreement, the "Amended Clark Employment Agreement"). Pursuant to the terms of the Amendment Clark Employment Agreement, the Company agreed to issue, among other securities, 200,000,000 shares of the Common Stock. Immediately, Mr. Clark decided to defer receipt of 80,000,000 of such shares; thus leaving 120,000,000 shares of the Common Stock to be issued to him.

The 120,000,000 shares of the Common Stock were issued to Mr. Clark, as follows: (i) on October 28, 2015, the Company issued 30,000,000 of such shares; (ii) on March 2, 2016, the Company issued 40,000,000 of such, and (iii) on Mary 16, 2016, the Company issued 50,000,000 of such shares. On April 19, 2018, (i) 40,000,000 shares were cancelled and returned to the Company, and on July 31, 2019, (ii) an additional 50,000,000 shares were cancelled and returned to the Company. Accordingly, as of December 31, 2019, the Company owed to Mr. Clark an aggregate of 169,999,860 shares to be reissued to him upon his request pursuant to the terms of the oral agreement with him which were valued at $1,386,497 based on their fair value at the date of grant. During the year ended December 31, 2021, the Company reclassified its accrued stock compensation, previously reflected as a liability, to common shares issuable, a component of stockholders' equity. The reclassification was recorded after the Company concluded its accrued stock compensation had a fixed and determinable price with no cash payment provision.

On November 30, 2023, the Company entered into an Employment Agreement with Jermain Strong (the "Strong Employment Agreement"). Pursuant to the terms of the Agreement, the Company agreed to issue, 100,000,000 shares of the Company's Common Stock. The shares were valued at $60,000 based on the fair value at the date of the grant. At December 31, 2023, the Company owed Mr. Strong these shares to be issued to him upon his request.

Preferred Stock Issuable

On November 7, 2023, the Company entered into an Exchange Agreement Robert Clark, the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The Exchange Agreement issued to Mr. Clark 8,000,000 shares of the Company's Preferred E stock at a price of $0.169 per share in exchange for amounts due under the Original Line of Credit totaling

$1,310,500 (see Note 7). At December 31, 2023, the Company owed Mr. Clark an aggregate of 8,000,000 shares to be issued. On January 16, 2024 these shares were issued to Mr. Clark.

On August 29, 2024, the Company entered into an Exchange Agreement Robert Clark, the Company's former President, Chief Executive Officer, Secretary, and Chairman of the Board. The Exchange Agreement issued to Mr. Clark 20,000,000 shares of the Company's Preferred E stock at a price of $0.013 per share in exchange for amounts due under the Original Line of Credit totaling $260,000 (see Note 7, section b). The cost basis of the shares was determined off the August 29, 2024 closing price of $0.0004. At August 29, 2024, the Company owed Mr. Clark an aggregate of 20,000,000 shares to be issued.

Summary of Warrants

A summary of warrants for the quarter ended June 30, 2024, is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance outstanding, December 31, 2021	170,000,000	$	0.03
Warrants granted	108,333,333		0.065
Warrants exercised	-		-
Warrants expired or forfeited	-		-
Balance outstanding, December 31, 2022	278,333,333		0.0223
Warrants granted	232,006,057		0.0045
Warrants exercised	(108,053,068)		0.0045
Warrants expired or forfeited	(20,000,000)		0.005
Balance outstanding, June 30, 2024	382,286,322	$	0.004
Balance exercisable, June 30, 2024	382,286,322	$	0.004

Information relating to outstanding warrants at December 31, 2023, summarized by exercise price, is as follows:

		Outstanding				Exercisable		
Exercise Price Per Share		Shares	Life (Years)		Weighted Average Exercise Price	Shares		Weighted Average Exercise Price
$	0.0045	127,946,932	4.09	$	0.0045	127,946,932	$	0.0045
$	0.004	43,600,000	4.32	$	0.004	43,600,000	$	0.004
$	0.0043	2,916,112	4.46	$	0.0043	2,916,112	$	0.0043
$	0.003	207,823,278	2.23	$	0.003	207,823,278	$	0.003
		382,286,322	4.05	$	0.036	382,286,322	$	0.0036

Based on the fair market value of $0.0004 per share on December 31, 2023, there was no intrinsic value attributed to both the outstanding and exercisable warrants at December 31, 2023.

In connection with the issuance of senior convertible secured debentures on March 13, 2023 (see Note 9), the Company granted warrants with a relative fair value of $285,000 to purchase up to an aggregate of 80,000,000 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an exercise price of $0.0045 per share, subject to adjustment. The relative fair value of these warrants at grant date was $285,000, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0044 per share, the expected term of three years, volatility of 257%, dividend rate of 0%, and risk-free interest rate of 3.88%.

In connection with the issuance of 2023 Equity Purchase Agreement on March 30, 2023 (see Note 12), the Company granted warrants to purchase up to an aggregate of 56,000,000 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an exercise price of $0.0045 per share, subject to adjustment. The fair value of these warrants at grant date was $165,000, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0044 per share, the expected term of three years, volatility of 257%, dividend rate of 0%, and risk-free interest rate of 3.88%.

In connection with the issuance of senior convertible secured debentures on April 25, 2023 (see Note 9), the Company granted warrants with a relative fair value of $89,000 to purchase up to an aggregate of 43,600,000 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an exercise price of $0.0040 per share, subject to adjustment. The relative fair value of these warrants at grant date was $89,000, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0028 per share, the expected term of three years, volatility of 233%, dividend rate of 0%, and risk-free interest rate of 3.62%.

In connection with the issuance of senior convertible secured debentures on June 14, 2023 (see Note 9), the Company granted warrants with a relative fair value of $37,000 to purchase up to an aggregate of 20,889,945 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an exercise price of $0.0030 per share, subject to adjustment. The relative fair value of these warrants at grant date was $37,000, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0024 per share, the expected term of three years, volatility of 232%, dividend rate of 0%, and risk-free interest rate of 4.37%.

In connection with a broker that is assisting the Company in its financing transactions, the Company granted warrants to purchase up to an aggregate of 2,916,112 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an weighted average exercise price of $0.0043 per share, subject to adjustment. The fair value of these warrants at grant date was $5,269, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0026 per share, the expected term of three years, volatility of 225%, dividend rate of 0%, and weighted average risk-free interest rate of 3.28%.

In connection with the issuance of senior convertible secured debentures on August 8, 2023 (see Note 9), the Company granted warrants with a relative fair value of $8,580 to purchase up to an aggregate of 28,600,000 shares of the Common Stock. Each warrant has a five-year term from issuance and is immediately exercisable at an exercise price of $0.0030 per share, subject to adjustment. The relative fair value of these warrants at grant date was $8,580, which was determined using a Black-Scholes-Merton option pricing model with the following assumptions: fair value of our stock price of $0.0024 per share, the expected term of three years, volatility of 232%, dividend rate of 0%, and risk-free interest rate of 4.37%.

NOTE 17 – INCOME TAXES

At December 31, 2023, the Company had available Federal and state net operating loss carryforwards to reduce future taxable income. The amounts available were approximately $15,460,000 for Federal and state purposes. The carryforwards expire in various amounts through 2042. Given the Company's history of net operating losses, management has determined that it is more likely than not that the Company will not be able to realize the tax benefit of the carryforwards. Accordingly, the Company has not recognized a deferred tax asset for this benefit. Section 382 generally limits the use of NOLs and credits following an ownership change, which occurs when one or more 5 percent shareholders increase their ownership, in aggregate, by more than 50 percentage points over the lowest percentage of stock owned by such shareholders at any time during the "testing period" (generally three years).

Effective January 1, 2007, the Company adopted FASB guidelines that address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. This guidance also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. At the date of adoption, and as of December 31, 2023 and 2022, the Company did not have a liability for unrecognized tax benefits, and no adjustment was required at adoption.

The Company's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of December 31, 2023, and 2022, the Company has not accrued interest or penalties related to uncertain tax positions. Additionally, tax years 2019 through 2023 remain open to examination by the major taxing jurisdictions to which the Company is subject.

Upon the attainment of taxable income by the Company, management will assess the likelihood of realizing the tax benefit associated with the use of the carryforwards and will recognize the appropriate deferred tax asset at that time.

The Company's effective income tax rate differs from the amount computed by applying the federal statutory income tax rate to loss before income taxes as follows:

	September 30, 2024	September 30, 2023
Income tax benefit at federal statutory rate	(21.0)%	(21.0)%
State income tax benefit, net of federal benefit	(6.0)%	(6.0)%
Change in valuation allowance	27.00%	27.00%

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, Jared Fisher certify that:

1. I have reviewed this Disclosure Statement for Kona Gold Beverage, 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.

November 15, 2024 [Date]

/s/ Jared Fisher [CEO's Signature]

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

President and Chairman:

I, Brandon White certify that:

1. I have reviewed this Disclosure Statement for Kona Gold Beverage, 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.

November 15, 2024 [Date]

/s/ Brandon White [President and Chairman Signature]

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