

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

## **Golden Grail Technology Corp.**

4581 Weston Road #176

Weston, FL 33331

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### **Annual Report For the Period Ending: December 31, 2021 (the "Reporting Period")**

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 57,274,100

As of September 31, 2021, the number of shares outstanding of our Common Stock was: 57,274,100

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 57,274,100

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

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

December 3, 1985 Intermountain Capital, Inc.  
January 29, 1990 National Health Watch, Inc.,  
March 12, 1990 Intermountain Capital Inc.  
May 14, 1990 ARM Financial. Inc.  
May 29, 1990 ARM Financial Corp.  
June 19, 1992 Rx Medical Services Corp.  
August 21, 2007 Super Blue Domain Technologies Inc.  
April 17, 2009 Golden Energy Corp.  
November 6, 2014 Golden Grail Technology Corp.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The company was incorporated under the laws of the state of Nevada on December 3, 1985, and is currently active.

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

None.

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

None.

The address(es) of the issuer's principal executive office:

4581 Weston Road, #176, Weston, FL 33331

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

*Check box if principal executive office and principal place of business are the same address:* ☒

4581 Weston Road, #176, Weston, FL 33331

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

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

**2) Security Information**

Trading symbol:	<u>GOGY</u>
Exact title and class of securities outstanding:	<u>Common Stock</u>
CUSIP:	<u>38105V105</u>
Par or stated value:	<u>0.001</u>

Total shares authorized: 5,000,000,000 as of date: December 31, 2021  
Total shares outstanding: 57,274,100 as of date: December 31, 2021  
Number of shares in the Public Float<sup>2</sup>: 57,274,000 as of date: December 31, 2021  
Total number of shareholders of record: 623 as of date: December 31, 2021

#### Transfer Agent

Name: Standard Registrar and Transfer Company, Inc.  
Phone: 801-571-8844  
Email: amy@standardregistrar.com  
Address: 440 East 400 South, Suite 200, Salt Lake City, UT 84111

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2019</u> Common: <u>59,024,100</u> Preferred: <u>19</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>6/9/2020</u>	<u>New Issuance</u>	<u>4,000,000</u>	<u>Common</u>	<u>\$0.0024</u>	<u>No</u>	<u>Anthony Ferlanti</u>	<u>Compensation</u>	<u>Restricted</u>	<u>n/a</u>

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

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

<u>6/19/2020</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.0025</u>	<u>No</u>	<u>Beaudon Spalding</u>	<u>Compensation</u>	<u>Restricted</u>	<u>n/a</u>
<u>6/30/2020</u>	<u>Return to Treasury</u>	<u>6,333</u>	<u>Series C Convertible Preferred</u>	<u>n/a</u>	<u>n/a</u>	<u>MAW Capital Advisors, Melanie Fisher</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>6/30/2020</u>	<u>Return to Treasury</u>	<u>6,333</u>	<u>Series C Convertible Preferred</u>	<u>n/a</u>	<u>n/a</u>	<u>Frank Anthony LLC, Frank Mercantini</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>6/30/2020</u>	<u>Return to Treasury</u>	<u>6,333</u>	<u>Series C Convertible Preferred</u>	<u>n/a</u>	<u>n/a</u>	<u>First Capital Venture, Eli Somix</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>12/30/2020</u>	<u>Return to Treasury</u>	<u>6,000,000</u>	<u>Common</u>	<u>\$0.0024</u>	<u>No</u>	<u>Anthony Ferlanti</u>	<u>Compensation</u>	<u>Restricted</u>	<u>n/a</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>	<u>Ending Balance:</u>								
<u>Date 12/31/2021</u>	<u>Common: 57,274,100</u>								
	<u>Preferred: 0</u>								

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

On June 5, 2017 we issued an aggregate of 2,000,000 shares of common stock, valued at \$25,660, to Anthony Ferlanti, for his service as Director, pursuant to a Board Resolution dated May 4, 2017. The certificate contains a legend stating that the shares have not been registered under the Securities Act of 1933 as amended. The May 4, 2017 Board Resolution authorized the issuance of a total of 6,000,000 shares of the Company's common stock to Mr. Ferlanti, with 2,000,000 being vested on that date, and the remaining 4,000,000 to be issued later, between September 30, 2017 and March 31, 2018 when vested. On June 9, 2020, we issued the remaining 4,000,000 shares of common stock, valued at \$9,600 pursuant to the May 4, 2017 Board Resolution. The certificate contains a legend stating that the shares have not been registered under the Securities Act of 1933 as amended.

On June 5, 2017 we issued a stock grant of 250,000 shares of common stock to Beaudon Spalding, the Chief Marketing Officer of our subsidiary, Accurate, valued at \$3,207. The certificate contains a legend stating that the shares have not been registered under the Securities Act of 1933 as amended. Mr. Spalding's shares were issued pursuant to the terms of his Executive Employment Agreement dated March 21, 2017 with Accurate. Under that Agreement, Mr. Spalding's 250,000 shares were earned on April 30, 2017, and an additional 750,000 were to be issued later, between July 31, 2017 and January 31, 2018, upon vesting. Mr. Spaulding resigned from his employment with Accurate on August 15, 2017. On June 19, 2020 an additional 250,000 shares were issued per the terms of the Agreement.

As of June 30, 2020 the Company completed its unwind of the Accurate Merger by returning its ownership of the 100% of the stock of Accurate Venture, Inc. to its original pre-merger stockholders, in exchange for the return to treasury of the 19 shares of Series C Preferred Stock.

In connection with his December 30, 2020 resignation as Director and Chief Executive Officer, Mr. Ferlanti forfeited and returned to treasury 6,000,000 shares of common stock.

## Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

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 (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
2/8/2013	-	100,000	23,031	12/31/2016	50% discount to market with a 120 day lookback	IBC Funds, LLC Samuel Oshana	Loan
9/16/2014	150,000	150,000	87,567	9/6/2017	60% discount to market with a 20 day lookback	IBC Equity Holdings, Inc. Samuel Oshana	Loan
11/4/2014	200,000	200,000	114,641	11/4/2017	60% discount to market with a 20 day lookback	IBC Capital Group, Inc. Samuel Oshana	Loan
5/14/2015	145,000	145,000	96,216	12/31/2016	60% discount to market with a 20 day lookback	IBC Funds, LLC Samuel Oshana	Loan
5/21/2015	100,000	100,000	65,195	5/11/2017	60% discount to market with a 20 day lookback	IBC Funds, LLC Samuel Oshana	Loan
11/16/2015	500,000	500,000	287,678	11/15/2017	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/4/2016	50,000	50,000	25,304	10/14/2018	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
3/7/2017	6,000	6,000	2,893	3/7/2019	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
3/7/2017	130,000	130,000	37,611	3/7/2019	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
7/23/2020	50,000	38,000	6,484	7/23/2021	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
5/4/2021	50,000	50,000	2,842	5/4/2022	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
8/26/2021	100,000	100,000	3,479	8/26/2011	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/6/2021	160,000	160,000	3,016	10/5/2026	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/27/2021	50,000	50,000	712	10/27/2026	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
12/31/21	50,000	50,000	0	12/21/2022	60% discount to market with a 20 day lookback	Rockwell Capital Partners, Inc. Samuel Oshana	Loan

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

On February 18, 2021 the Company received an additional \$12,000 against the July 23, 2020 Convertible Debenture.

#### 4) Financial Statements

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

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Steven Hoffman  
Title: Interim Chief Executive Officer  
Relationship to Issuer: Officer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Unaudited financial statements for the period ending December 31, 2021, are attached to this filing.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## **5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

The Company builds its beverage portfolio through the acquisition of brands that have a proven sales history, loyal consumer following, retail presence and strong value proposition within emerging beverage categories, such as energy, flavored water, sparkling flavored water and mountain spring water. The Company's product offerings reach multiple demographic and lifestyle categories, creating a dynamic, comprehensive and diverse beverage portfolio. After an acquisition, the company utilizes a series of operational technologies to improve the economics and performance of each brand while advancing marketing and distribution for its beverage holdings.

On July 13, 2021 the Company licensed the rights to manufacture, market and sell Spider Energy Products in the United States. On September 1, 2021 the Company entered into an Agreement for contract packaging of the Spider Energy drinks. On September 1, 2021 the company entered into a Brand Development Agreement to relaunch the Spider Energy beverage line as well as identify other proven ready to drink beverages to add to its portfolio. On October 7, 2021 the

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<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Company acquired Trevi Essence Water Brand Assets, Intellectual Property and trademark. On November 21, 2021 the Company expanded its exclusive rights to manufacture, market and sell Spider Energy Products into the Caribbean and Central American markets.

B. Please list any subsidiaries, parents, or affiliated companies.

None.

C. Describe the issuers' principal products or services.

The Company is the licensed manufacturer of Spider Energy Drink and owner and manufacturer of Trevi Essence Water.

## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

On July 1, 2021 the Company entered into an Agreement to lease 885 sq. feet of warehouse space for a period of one year at a rate of \$205 per month. On December 1, 2021 the Company entered into an Agreement to lease 200 sq. feet of warehouse space on a month to month bases at a rate of \$459 per month.

## 7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Southern Point Capital Corp.</u>	<u>&gt;5% Shareholder</u>	<u>Brooklyn, NY</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>15.8%</u>	<u>Beneficial owner is Mitchell Helfman</u>

<u>Corporate Services Northwest</u>	<u>&gt;5% Shareholder</u>	<u>Bellevue, WA</u>	<u>6,130,000</u>	<u>Common Stock</u>	<u>10.7%</u>	<u>Beneficial owner and registered agent is Joyce A. Claydon</u>
<u>Steven Hoffman</u>	<u>Interim CEO &amp; Chairman of the Board</u>	<u>Ft. Lauderdale, FL</u>	<u>None</u>	<u>N/A</u>	<u>N/A</u>	<u>None.</u>

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Jonathan D. Leinwand  
Firm: Jonathan D. Leinwand P.A.  
Address 1: 18305 Biscayne Blvd. Suite 200



Address 2: Aventura, FL 33160  
Phone: 954-903-7856  
Email: jonathan@jdlpa.com

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) or consultant(s) or provided assistance or services to the issuer during the reporting period.

**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, Steven Hoffman certify that:

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

March 31, 2022

/s/ Steven Hoffman

*Principal Financial Officer:*

I, Steven Hoffman certify that:

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

March 31, 2022

/s/ Steven Hoffman

# Financial Statements & Notes

Period Ending  
December 31, 2021

GOLDEN GRAIL TECHNOLOGY CORP.  
CONSOLIDATED BALANCE SHEETS  
(UNAUDITED - Prepared by Management)

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash	\$ 65,010	\$ 10,064
Prepaid expenses	58,008	-
Total current assets	123,018	10,064
Intangible assets	155,000	-
Total assets	<u>\$ 278,018</u>	<u>\$ 10,064</u>
Liabilities and deficiency in stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 54,744	\$ 50,185
Accrued interest	756,670	625,881
Accrued preferred dividends	702,859	702,859
Loans payable	6,200	6,200
Notes payable	130,000	130,000
Convertible notes payable	1,401,000	1,189,000
Total current liabilities	3,051,473	2,704,125
Notes payable - due after one year	210,000	-
Total liabilities	<u>3,261,473</u>	<u>2,704,125</u>
Deficiency in stockholders' equity:		
Preferred stock, Undesignated, par value \$.001 per share; 4,999,981 shares authorized, none issued and outstanding	-	-
Preferred stock, Series A, par value \$.001 per share; 4,000,000 shares authorized, none issued and outstanding	-	-
Preferred stock, Series B, par value \$.001 per share; 1,000,000 shares authorized, none issued and outstanding	-	-
Preferred stock, Series C, par value \$.001 per share; 19 shares authorized, no shares and 19 shares issued and outstanding, respectively	-	-
Common stock, par value \$.001 per share; 5,000,000,000 shares authorized, 57,274,100 and 57,274,100 shares issued and outstanding, respectively	57,274	57,274
Additional paid-in capital	3,297,983	3,297,983
Accumulated deficit	(6,338,712)	(6,049,318)
Total deficiency in stockholders' equity	<u>(2,983,455)</u>	<u>(2,694,061)</u>
Total liabilities and deficiency in stockholders' equity	<u>\$ 278,018</u>	<u>\$ 10,064</u>

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

GOLDEN GRAIL TECHNOLOGY CORP.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED - Prepared by Management)

	Years ended December 31, 2021	2020
Sales	\$ -	\$ -
Operating expenses	<u>158,606</u>	<u>78,961</u>
Loss from operations	(158,606)	(78,961)
Recognized loss on marketable securities	-	(1,379)
Interest expense, net	<u>(130,788)</u>	<u>(118,436)</u>
Loss before income taxes	(289,394)	(198,776)
Provision for income taxes	<u>-</u>	<u>-</u>
Net loss	<u><u>\$ (289,394)</u></u>	<u><u>\$ (198,776)</u></u>
Net loss per basic and diluted share	<u><u>\$ (0.01)</u></u>	<u><u>\$ (0.00)</u></u>
Weighted average shares outstanding, basic and diluted	<u><u>57,274,100</u></u>	<u><u>61,360,166</u></u>

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

GOLDEN GRAIL TECHNOLOGY CORP.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED - Prepared by Management)

	Years Ended December 31, 2021	2020
Cash flows from operating activities:		
Net loss	\$ (289,394)	\$ (198,776)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock based compensation	-	3,600
Recognized (gain) loss on securities	-	1,379
Change in assets and liabilities:		
Prepaid expenses	(58,008)	-
Accounts payable and accrued expenses	4,559	18,649
Accrued interest on notes payable - stockholders	-	574
Accrued interest - other	130,789	117,862
Cash used by operating activities	(212,054)	(56,712)
Cash flows from investing activities:		
Purchase of intangible assets	(155,000)	-
Cash flows from financing activities:		
Proceeds from notes	210,000	-
Proceeds from convertible notes	212,000	38,000
Proceeds from notes payable - stockholders	-	90
Distribution of cash overdraft in settlement	-	13
Cash provided by financing activities	422,000	38,103
Net increase (decrease) in cash	54,946	(18,609)
Cash, beginning of year	10,064	28,673
Cash, end of year	\$ 65,010	\$ 10,064
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-cash financial activities:		
Shares issued as payment of accrued compensation	\$ -	\$ 26,575
Forgiveness of accrued compensation	\$ -	\$ 20,000

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

GOLDEN GRAIL TECHNOLOGY CORP.  
CONSOLIDATED STATEMENT OF DEFICIENCY IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(UNAUDITED - Prepared by Management)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficiency
	Shares	Amount	Shares	Amount			
Balance, December 31, 2019	19	\$ -	59,024,100	\$ 59,024	\$ 2,974,031	\$ (5,850,542)	\$ (2,817,487)
Shares issued for accrued compensation	-	-	4,250,000	4,250	22,325	-	26,575
Cancellation of preferred shares and distribution of net assets and liabilities of former subsidiary pursuant to separation agreement	(19)	-	-	-	272,027	-	272,027
Stock based compensation	-	-	-	-	3,600	-	3,600
Forgiveness of accrued compensation	-	-	-	-	20,000	-	20,000
Voluntary forfeiture of shares	-	-	(6,000,000)	(6,000)	6,000	-	-
Net loss	-	-	-	-	-	(198,776)	(198,776)
Balance, December 31, 2020	-	-	57,274,100	57,274	3,297,983	(6,049,318)	(2,694,061)
Net loss	-	-	-	-	-	(289,394)	(289,394)
Balance, December 31, 2021	-	\$ -	57,274,100	\$ 57,274	\$ 3,297,983	\$ (6,338,712)	\$ (2,983,455)

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

**Golden Grail Technology Corp.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2021 and 2020**  
**(Unaudited)**

**Note 1 - Nature of Operations and Going Concern**

**Nature of Operations**

Golden Grail Technology Corp. (“Golden Grail” the “Company”, “we”, “us”, “our”) was incorporated in the State of Nevada on December 3, 1985 as Intermountain Capital, Inc. The Company has changed names a number of times since its incorporation and became Golden Grail Technology Corp. on November 6, 2014.

On February 2, 2016 the Company completed the acquisition of Accurate Venture, Inc., a company incorporated pursuant to the laws of the State of Florida (“Accurate”). Accurate developed and marketed specific diet, skincare, wellness and supplement products and contracts with manufacturers for supply. The customer base consisted of the general public, as well as businesses that contract with the Company on a direct basis. Accurate had a large marketing database of customers and offers monthly subscriptions for most of its product line.

On April 6, 2017 Accurate transitioned into a fully vertical cannabis company, producing branded pharmaceutical grade cannabidiol (Hemp CBD) products for health and wellness in the oncology market. The brand bioRenovate is sold through doctors and hospitals with refills sold through the on-line website. Additionally, their consumer GMP products continued to be sold the general public through its mass-market consumer websites.

On or about March 13, 2018, the Company filed a lawsuit against Defendants William Fisher and Accurate in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida (the “Lawsuit”) under Case No. 18-005815(12). Subsequently, on or about July 27, 2018, the Company filed an Amended Complaint in the same case, which added as Defendants Melanie Fisher and Leaf Vertical, Inc., a Florida Corporation. The Company and each of the Defendants entered into a Settlement Agreement and General Release of All Claims January 7, 2019 (the “Settlement Agreement.”) Under the terms of the Settlement Agreement, William Fisher and Accurate arranged for the payment of \$65,000 to the Company, and for the transfer of certain records, databases and software.

Mr. Fisher continued to serve as President of our wholly-owned subsidiary, Accurate, until June 30, 2020, at which time the Company completed its unwind of the Accurate Merger by returning its ownership of the 100% of the stock of Accurate to its original pre-merger stockholders, in exchange for the return to treasury of the 19 shares of Series C Preferred Stock.

On June 30, 2020 the Company entered into a Settlement Completion Agreement with Accurate Venture, Inc. and William Fisher whereby all parties agreed that the shares of Series C Preferred Stock issued pursuant to the 2016 Merger Agreement were returned to the Company. Also, the Company relinquished any right title or interest in the Accurate shares the Company had received under the Merger Agreement. The financial statements include the operations and cash flows of Accurate through June 30, 2020, at which time Accurate was deconsolidated.

In 2021 the Company focused on acquiring brands within emerging beverage categories such as energy, flavored water and sparkling flavored water and utilizing a series of operational technologies to improve the economics and performance of each acquired brand while advancing marketing and distribution.

In July 2021 the Company licensed the rights to manufacture, market and sell Spider Energy Products in the United States. In October 2021, the Company acquired Trevi Essence Water Brand Assets, Intellectual Property and trademark. In November 2021 the Company expanded its exclusive rights to manufacture, market and sell Spider Energy Products into the Caribbean and Central American markets.

**Basis of Presentation**

The accompanying financial statements are unaudited. The unaudited financial statements have been prepared in

accordance with accounting principles generally accepted in the United States ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

These financial statements as of and for the years ended December 31, 2021 and 2020 are unaudited; however, in the opinion of management, such statements include all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods presented.

### **Going Concern**

The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company currently has no operating activities. Additionally, the Company has negative cash flows from operations and has a working capital deficit of \$2,928,455 at December 31, 2021. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue existence is dependent upon commencing its planned operations, management's ability to develop and achieve profitable operations and/or upon obtaining additional financing to carry out its planned business. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these matters cannot be predicted at this time.

There can be no assurance that any additional financings will be available to the Company on satisfactory terms and conditions, if at all. In the event we are unable to continue as a going concern, we may elect or be required to seek protection from our creditors by filing a voluntary petition in bankruptcy or may be subject to an involuntary petition in bankruptcy. To date, management has not considered this alternative, nor does management view it as a likely occurrence.

The accompanying unaudited consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

## **Note 2 - Summary of Significant Accounting Policies**

### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All material intercompany transactions and balances have been eliminated in consolidation. As discussed in note 1, the Company relinquished any right title or interest in its subsidiary shares as of June 30, 2020. The financial statements include the operations and cash flows of Accurate through June 30, 2020, at which time Accurate was deconsolidated.

### **Use of estimates**

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"), which requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from these estimates.

### **Cash and cash equivalents**

For purposes of the statement of cash flows, cash and cash equivalents includes demand deposits, saving accounts and money market accounts. The Company considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash and cash equivalents. The Company has no cash equivalents.



### **Basic and diluted loss per share**

We utilize ASC 260, “Earnings Per Share” for calculating the basic and diluted loss per share. In accordance with ASC 260, the basic and diluted loss per share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per share is computed similar to basic loss per share except that the denominator is adjusted for the potential dilution that could occur if stock options, warrants, and other convertible securities were exercised or converted into common stock. Potentially dilutive securities are not included in the calculation of the diluted loss per share if their effect would be anti-dilutive. The Company has 130,742,731 and 1,256,539,623 common stock equivalents at December 31, 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020 these potential shares were excluded from the shares used to calculate diluted earnings per share as their inclusion would reduce net loss per share.

### **Fair value of financial instruments**

Our short-term financial instruments, including cash, accounts payable and notes payable, consist primarily of instruments without extended maturities, the fair value of which, based on management’s estimates, reasonably approximate their book value.

### **Income taxes**

The Company utilizes ASC 740 “Income Taxes” which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

### **Concentrations of Credit Risk**

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash.

The Company places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Company from time to time may have amounts on deposit in excess of the insured limits. The Company had no uninsured balances at December 31, 2021 or December 31, 2020.

### **Intangible Assets**

Intangible assets consist of the assets associated with and related to the Trevi bottled water brand and all associated intellectual property rights, including recipes, trademarks, service marks, designs, logos, websites and common law rights and customer and vendor lists. These assets have not been placed in service at December 31, 2021.

### **Marketable Securities**

The Company adopted ASU 2016-01, “Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities.” ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost.

Marketable securities were held by Accurate, whose shares were returned to the original owner pursuant to the Settlement Completion Agreement discussed in Note 1.

## **Recently Issued Accounting Standards**

Recent accounting pronouncements issued by the FASB and the SEC did not, or are not believed by management to have a material impact on the Company's present or future financial statements.

## **Note 3 – Acquisition**

On February 1, 2016 the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Accurate Venture, Inc., a company incorporated pursuant to the laws of the State of Florida, and Golden Grail Merger Corp., a Nevada corporation and a wholly-owned subsidiary of the Company (“Merger Sub”).

On February 2, 2016, the Closing for the Merger Agreement was held and pursuant to which, Accurate merged with and into Merger Sub, with Merger Sub continuing as the surviving entity that succeeded to all of the assets, liabilities and operations of Accurate and Accurate effectively became our wholly-owned operating subsidiary (the “Merger”).

At the effective time of the Merger, all of the outstanding shares of Accurate automatically converted into the right to receive all 19 shares of the Company’s newly created Series C Preferred Stock as consideration for the Merger. Since each share of Series C Preferred Stock converts into 1% of the total outstanding, the new shareholders who received Series C Preferred Shares under the terms of the Merger agreement now effectively control approximately 19% of the Company’s voting power. The consideration issued has been valued at \$242,332.

The Merger Agreement contained customary terms and conditions for agreements of this type, including completion of due diligence by the parties and approval of the Merger by Accurate shareholders, as well as an Escrow Agreement. Under the terms of the Escrow Agreement, Accurate is required to complete a PCAOB audit of the prior two (2) fiscal years ending on December 31, 2015 and December 31, 2014, as well as demonstrate certain increases in revenue following receipt of certain financing from the Company. The audits were completed in 2017.

The Merger became effective upon the filing of the Articles of Merger Secretary of State for the State of Nevada, which occurred on February 2, 2016.

On or about March 13, 2018, the Company filed a lawsuit against Defendant’s William Fisher and Accurate in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida (the “Lawsuit”) under Case No. 18-005815(12). Subsequently, on or about July 27, 2018, the Company filed an Amended Complaint in the same case, which added as Defendants Melanie Fisher and Leaf Vertical, Inc., a Florida Corporation. The Company and each of the Defendants entered into a Settlement Agreement and General Release of All Claims January 7, 2019 (the “Settlement Agreement.”) Under the terms of the Settlement Agreement, William Fisher and Accurate arranged for the payment of \$65,000 to the Company, and for the transfer of certain records, databases and software.

Mr. Fisher continued to serve as President of Accurate until June 30, 2020, at which time the Company completed its unwind of the Accurate Merger by returning its ownership of the 100% of the stock of Accurate to its original pre-merger stockholders, in exchange for the return to treasury of the 19 shares of Series C Preferred Stock.

### **Terms and Timeframe of Accurate Unwind**

On June 30, 2020 the Company entered into a Settlement Completion Agreement with Accurate and William Fisher whereby all parties agreed that the shares of Series C Preferred Stock issued pursuant to the 2016 Merger Agreement were returned to the Company. Also, the Company relinquished any right title or interest in the Accurate shares the Company had received under the Merger Agreement. The financial statements include the operations and cash flows of Accurate through June 30, 2020, at which time Accurate was deconsolidated.

## **Note 4 - Stockholders’ Equity**

### **Preferred stock:**

The Company is authorized to issue 10,000,000 shares of its preferred stock, with par value of \$0.001 per share. The Company has designated 4,000,000 shares of preferred stock as Series A, 1,000,000 shares of preferred stock as Series

B and 19 shares of preferred stock as Series C. There are 4,999,981 shares of preferred stock that remain undesignated.

#### Series A Preferred Stock

The Company has designated 4,000,000 shares of preferred stock as Series A preferred stock. There are no shares of Series A preferred stock issued and outstanding at December 31, 2021 and 2020. The Series A preferred shares have a liquidation value of \$1.00 per share. They have the right to receive a quarterly dividend equal to 40% of the quarterly net income of the Company, but not less than \$0.0015 per share. The dividend is to be paid in cash or common shares on the Company, at the option of the holder. The shares are convertible in at least 1,000 shares increments, each increment representing 10,000 shares of common stock. On the fifth anniversary of issuance, all unconverted shares of Series A preferred stock will automatically convert into common shares.

#### Series B Preferred Stock

The Company has designated 1,000,000 shares of preferred stock as Series B preferred stock. There are no shares of Series B preferred stock issued and outstanding at December 31, 2021 and 2020. The Series B shares were issued in 2009. The Series B preferred shares have a liquidation value of \$4.00 per share. They have the right to receive a quarterly dividend equal to \$0.03 per share. The dividend is to be paid in cash or common shares on the Company, at the option of the holder. The shares are convertible in at least 1,000 shares increments, each increment representing 4,000 shares of common stock. On the fifth anniversary of issuance, all unconverted shares of Series B preferred stock were to automatically convert into common shares.

On September 19, 2014 the holders of the Series B preferred stock acknowledged that the preferred shares were not automatically converted into common stock on the fifth anniversary of issue and have waived the requirement for such automatic conversion. The designations of the Series A and Series B preferred stock have been amended to remove the automatic conversion features and to remove the option for the holder to receive payment of dividends in common stock.

On June 6, 2016 the holder of the Series B preferred stock converted all 425,000 outstanding shares into 1,700,000 shares of common stock.

#### Series C Preferred Stock

The Company has designated 19 shares of preferred stock as Series C preferred stock. There are no shares of Series C preferred stock outstanding at December 31, 2021 and 2020. The Series C preferred shares have liquidation rights upon dissolution. Each share is convertible into such number of shares of the Company's common stock that shall equal 1% of the total issued and outstanding shares of common stock on the date of conversion. The holders of the Series C preferred stock shall vote together as a single class with the holders of any other class or series of shares entitled to vote with the common stockholders. The holders of all 19 shares of the Series C preferred stock are together entitled to a total of 19% of the total votes regardless of the actual number of shares of common stock then outstanding, with the remaining 81% of the total votes allocated among the holders of all other classes of common and preferred stock.

As of June 30, 2020, the former Accurate shareholders which held 19 issued and outstanding shares of Series C preferred stock agreed to return such Series C shares to treasury in exchange for the return of 100% of the stock in Accurate. As a result, Accurate was deconsolidated as of June 30, 2020. The company has recorded a credit to paid in capital of \$272,027 to reflect the deconsolidation of Accurate's net assets and liabilities.

#### Common stock:

The Company is authorized to issue 5,000,000,000 shares of its common stock, with par value of \$0.001 per share. There were 57,274,100 shares of common stock issued and outstanding as of December 31, 2021 and 2020.

On June 19, 2020, the Company issued 250,000 shares of common stock to a former employee of its subsidiary pursuant to a June 5, 2017 employment agreement. The shares had been valued at \$2,675 which was included in accrued expense at December 31, 2019.

On June 9, 2020, the Company issued 4,000,000 shares of common to its Director and Chief Executive Officer pursuant to a May 4, 2017 Board Agreement (see below). The shares had been valued at \$23,900 which was included in accrued expense at December 31, 2019.

On August 1, 2020, the Company entered into a Board of Directors Agreement with Anthony Ferlanti with compensation of three million shares which were to vest 2,000,000 shares on September 30, 2020, 250,000 shares on December 31, 2020, 250,000 shares on March 31, 2021, 250,000 shares on June 30, 2021 and 250,000 shares on July 31, 2021. The shares were to be issued on a post-split basis. No shares have been issued pursuant to this agreement. Should Ferlanti cease to be a member of the Board at any time during the vesting period for any reason than any unvested shares shall be forfeited. The Agreement had a term of one year. Compensation expense of \$3,600 was recorded during the year ended December 31, 2020 (see below).

In connection with his December 30, 2020 resignation as Director and Chief Executive Officer, Mr. Ferlanti forfeited the 6,000,000 shares of stock that he held at that date. He also forfeited the right to the 2,000,000 shares that vested on September 30, 2020, as described above. Additionally, Mr. Ferlanti forfeited accrued compensation of \$20,000 due to him at the date of resignation. This amount has been credited to paid in capital.

On August 28, 2020, the shareholders approved a reverse split of the shares of common stock issued and outstanding at a ratio of 100 to 1. The reverse split has not gone effective as of December 31, 2021.

#### **Note 5—Notes Payable**

##### September 16, 2014 Note

On September 16, 2014, the Company entered into a Securities Purchase Agreement with IBC Equity Holdings, Inc. (“IBC Equity”) providing for the sale by the Company to IBC Equity of an 8% convertible debenture in the principal amount of \$150,000. The debenture matured on September 16, 2017 and bears an interest rate of 8% per annum, payable annually. IBC Equity may convert the outstanding principal and accrued interest on the debenture into shares of the Company’s common stock at a conversion price per share equal to 40% of lowest closing bid price of the common stock during the twenty (20) trading days immediately preceding the date of conversion as quoted by Bloomberg, LP.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

##### November 4, 2014 Note

On November 4, 2014, the Company entered into a Securities Purchase Agreement with IBC Capital Group, Inc. (“IBC Capital”) providing for the sale by the Company to IBC Capital of an 8% convertible debenture in the principal amount of \$200,000. The debenture matured on November 4, 2017 and bears an interest rate of 8% per annum, payable on the Maturity Date. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company’s common stock, par value \$0.001 per share (“Common Stock”) at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company’s stock during the previous 20 trading days.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### May 14, 2015 Note

On May 14, 2015, the Company entered into a Securities Purchase Agreement with IBC Funds, LLC providing for the sale by the Company to IBC of a 10% convertible debenture in the principal amount of \$145,000. The debenture was scheduled to mature on April 7, 2016 and bears an interest rate of 10% per annum, payable annually. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

On April 6, 2016 the May 14, 2015 Note was amended to extend the maturity date to December 31, 2016.

#### May 21, 2015 Note

On May 21, 2015, the Company entered into a Securities Purchase Agreement with IBC Funds, LLC providing for the sale by the Company to IBC of a 10% convertible debenture in the principal amount of up to \$100,000. The debenture was scheduled to mature on May 21, 2016 and bears an interest rate of 10% per annum, payable annually. IBC may convert, after six months, the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$100,000 pursuant to this note.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

On August 11, 2016 the May 21, 2015 Note was amended to extend the maturity date to November 11, 2016. On November 11, 2016 the maturity date was extended to May 11, 2017.

#### November 16, 2015 Note

On November 16, 2015, the Company entered into a Securities Purchase Agreement with Rockwell Capital Partners, Inc. ("Rockwell") providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$500,000. The debenture matured on November 16, 2017 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$500,000 pursuant to this note.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### October 14, 2016 Note

On October 14, 2016, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$50,000. The

debenture matured on October 14, 2018 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$50,000 pursuant to this note.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### March 7, 2017 Note

On March 7, 2017, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$250,000. The debenture matured on March 7, 2019 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$6,000 pursuant to this note at December 31, 2021.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### March 7, 2017 Note

On March 7, 2017 the Company entered into a \$130,000 Promissory Note with Rockwell. This Note carries an original issue discount of \$20,000. In addition, Borrower agreed to pay \$10,000 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note. The Note matured on June 7, 2017 and bears an interest rate of 6% per annum.

#### July 23, 2020 Note

On July 23, 2020, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$50,000. The debenture matures on July 23, 2021 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We received \$12,000 pursuant to this note during the six months ended June 30, 2021. We have received \$50,000 and \$38,000 pursuant to this note at December 31, 2021 and 2020, respectively.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### May 4, 2021 Note

On May 4, 2021, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$50,000. The debenture

matures on May 4, 2022 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$50,000 pursuant to this note at June 30, 2021.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### August 26, 2021 Note

On August 26, 2021, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of up to \$100,000. The debenture matures on August 26, 2022 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days. We have received \$100,000 pursuant to this note at September 30, 2021.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

#### October 6, 2021 Note

On October 6, 2021, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% senior secured promissory note in the principal amount of \$160,000. The note matures on October 5, 2026 and bears an interest rate of 10% per annum, payable at maturity. The note is secured by substantially all of the Company's assets.

#### October 27, 2021 Note

On October 27, 2021, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% senior secured promissory note in the principal amount of \$50,000. The note matures on October 27, 2026 and bears an interest rate of 10% per annum, payable at maturity. The note is secured by substantially all of the Company's assets.

#### December 31, 2021 Note

On December 31, 2021, the Company entered into a Securities Purchase Agreement with Rockwell providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of \$50,000. The debenture matures on December 31, 2022 and bears an interest rate of 10% per annum, payable annually. Rockwell may convert the outstanding principal and accrued interest on the debenture into shares of the Company's common stock, par value \$0.001 per share ("Common Stock") at a conversion price equal to 40% of the lowest closing bid price as of 4 pm (New York Time) for the Company's stock during the previous 20 trading days.

For as long as the debenture is outstanding, the Conversion Price of the debenture shall be subject to adjustment for issuances of Common Stock or securities convertible into common stock or exercisable for shares of Common Stock at a purchase price of less than the then-effective Conversion Price, on any unconverted amounts, such that the then applicable Conversion Price shall be adjusted using full-ratchet anti-dilution on such new issuances, subject to certain excepted issuances, as defined.

## Note 6 - Income Taxes

The Company had, subject to limitation, approximately \$1.2 million of net operating loss carryforwards at December 31, 2021, of which approximately \$0.9 million will expire at various dates through 2037. The Company has provided a 100% valuation allowance for the deferred tax benefits resulting from the net operating loss carryover and our tax credits due to its lack of earnings history. In addressing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. The valuation allowance increased by approximately \$71,000 and \$37,000 for the years ended December 31, 2021 and 2020, respectively. Significant components of deferred tax assets and liabilities are as follows:

	<u>2021</u>	<u>2020</u>
Deferred tax assets:		
Net operating loss carryover	\$ 292,000	\$ 253,000
Accrued compensation	6,000	6,000
Accrued interest	187,000	155,000
Contributions	<u>5,000</u>	<u>5,000</u>
Total deferred tax assets	490,000	419,000
Less: valuation allowance	<u>(490,000)</u>	<u>(419,000)</u>
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

The actual tax benefit differs from the expected tax benefit for the years ended December 31, 2021 and 2020 (computed by applying the U.S. Federal Corporate tax rate of 21% to income before taxes) are as follows:

	<u>2021</u>	<u>2020</u>
Statutory federal income tax rate	(21.0)%	(21.0)%
State income taxes, net of federal benefits	(3.5)%	(3.5)%
Non-deductible items	— %	5.4%
Valuation allowance	<u>24.5 %</u>	<u>19.1%</u>
Effective income tax rate	<u>— %</u>	<u>—%</u>

The Company's tax returns for the years 2016 through 2020 remain open for audit by the respective tax jurisdictions.

The provisions of ASC 740 require companies to recognize in their financial statements the impact of a tax position if that position is more likely than not to be sustained upon audit, based upon the technical merits of the position. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. Accordingly, the adoption of these provisions of ASC 740 did not have a material effect on the Company's financial statements. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

## Note 7 – Subsequent Events

On January 24, 2022, the Company entered into an Asset Purchase Agreement for any and all assets associated with and related to the Tickle Water bottled water brand and all intellectual property rights associated therewith, including without limitations recipes, trademarks, service marks, designs, logos, websites and common law rights associated therewith.



On January 24, 2022, the Company entered into a Securities Purchase Agreement with Rockwell Capital Partners, Inc. providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of \$200,000.

On February 22, 2022, the Company licensed the worldwide rights to manufacture, market and sell Scorpion Energy Products.

On March 7, 2022, the Company entered into a Securities Purchase Agreement with Rockwell Capital Partners, Inc. providing for the sale by the Company to Rockwell of a 10% convertible debenture in the principal amount of \$100,000.

On March 14, 2022, the Company entered into an Asset Purchase Agreement for any and all assets associated with and related to the Cause Water brand and all intellectual property rights associated therewith, including without limitations recipes, trademarks, service marks, designs, logos, websites and common law rights associated therewith.