

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## GOLDEN GRAIL TECHNOLOGY CORP.

4548 N FEDERAL HWY  
FORT LAUDERDALE, FL 33308  
561-800-3891  
WWW.GOLDENGRAILTECH.COM  
INFO@GOLDENGRAILTECH.COM  
6719

## Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

59,214,100 as of December 31, 2022

59,214,100 as of December 31, 2022

### 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<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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

<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.

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:

4548 N Federal Hwy, Fort Lauderdale, FL 33308

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

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

\_\_\_\_\_

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

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

\_\_\_\_\_

## 2) Security Information

### **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, Utah 84111

### **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:	GOGY	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	38105V105	
Par or stated value:	0.001	
Total shares authorized:	500,000,000	as of date: 12/31/22
Total shares outstanding:	59,214,100	as of date: 12/31/22
Total number of shareholders of record:	628	as of date: 12/31/22

**Other classes of authorized or outstanding equity securities:**

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

Exact title and class of the security:	Series A Preferred Stock	
CUSIP (if applicable):	_____	
Par or stated value:	_____	
Total shares authorized:	<u>4,000,000</u>	as of date: 12/31/22
Total shares outstanding (if applicable):	<u>0</u>	as of date: 12/31/22
Total number of shareholders of record (if applicable):	<u>0</u>	as of date: 12/31/22

Exact title and class of the security:	Series B Preferred Stock	
CUSIP (if applicable):	_____	
Par or stated value:	_____	
Total shares authorized:	<u>1,000,000</u>	as of date: 12/31/22
Total shares outstanding (if applicable):	<u>0</u>	as of date: 12/31/22
Total number of shareholders of record (if applicable):	<u>0</u>	as of date: 12/31/22

Exact title and class of the security:	Series C Preferred Stock	
CUSIP (if applicable):	_____	
Par or stated value:	_____	
Total shares authorized:	<u>19</u>	as of date: 12/31/22
Total shares outstanding (if applicable):	<u>0</u>	as of date: 12/31/22
Total number of shareholders of record (if applicable):	<u>0</u>	as of date: 12/31/22

**Security Description:**

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

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

**One for one voting rights on all common stock, entitled to dividends as determined by the board.**

**No Pre-emptive rights.**

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

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.

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.

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.

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>12/31/2020</u> Common: <u>57,274,100</u> Preferred: <u>0</u>									
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	Individual/ Entity Shares were issued to.  *You must disclose the control person(s)	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

					issuance? (Yes/No)	for any entities listed.	Services Provided		
<u>2/17/22</u>	<u>Issuance</u>	<u>20,000</u>	<u>Common</u>	<u>0.26</u>	<u>No</u>	<u>Phillip D. Ebanks</u>	<u>Advisory Board</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/10/22</u>	<u>Issuance</u>	<u>120,000</u>	<u>Common</u>	<u>0.31</u>	<u>No</u>	<u>Millenex Intl LLC, Anthony Ferlanti</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/3/22</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>0.25</u>	<u>No</u>	<u>Steven Hoffman</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/3/22</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>0.25</u>	<u>No</u>	<u>Ashcam, LLC, Catherine Sulawske-Guck</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>12/30/22</u>	<u>Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>0.25</u>	<u>No</u>	<u>Steven Hoffman</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>10/3/22</u>	<u>Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>0.25</u>	<u>No</u>	<u>Ashcam, LLC, Catherine Sulawske-Guck</u>	<u>Consulting Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
Shares Outstanding on Date of This Report:									
	<u>Ending</u>	<u>Balance</u>							
<u>Ending Balance:</u>									
<u>Date 12/31/22</u>	<u>Common: 59,214,100</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 Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

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

On September 21, 2022, pursuant to a written consent of the board of directors, the Company's board of directors approved amending and restating the Company's Certificate of Incorporation to decrease the Company's authorized Common Stock from 5,000,000,000 shares to 500,000,000 shares.

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
2/8/2013	-	100,000	23,031	12/31/2016	<u>50% discount to market with a 120 day lookback</u>	IBC Funds, LLC Samuel Oshana	Loan
9/16/2014	150,000	150,000	99,567	9/6/2017	<u>60% discount to market with a 20 day lookback</u>	IBC Equity Holdings, Inc. Samuel Oshana	Loan
11/4/2014	200,000	200,000	130,641	11/4/2017	<u>60% discount to market with a 20 day lookback</u>	IBC Capital Group, Inc. Samuel Oshana	Loan
5/14/2015	145,000	145,000	110,716	12/31/2016	<u>60% discount to market with a 20 day lookback</u>	IBC Funds, LLC Samuel Oshana	Loan
5/21/2015	100,000	100,000	75,195	5/11/2017	<u>60% discount to market with a 20 day lookback</u>	IBC Funds, LLC Samuel Oshana	Loan

11/16/2015	500,000	500,000	337,678	11/15/2017	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/4/2016	50,000	50,000	30,304	10/14/2018	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
3/7/2017	6,000	6,000	3,493	3/7/2019	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
3/7/2017	130,000	130,000	45,411	3/7/2019	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
7/23/2020	50,000	38,000	11,484	7/23/2021	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
5/4/2021	50,000	50,000	7,842	5/4/2022	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
8/26/2021	100,000	100,000	13,479	8/26/2011	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/6/2021	160,000	160,000	15,815	10/5/2026	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
10/27/2021	50,000	50,000	4,712	10/27/2026	Not Applicable	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
12/31/21	50,000	50,000	5,000	12/21/2022	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
1/24/2022	200,000	200,000	18,521	1/24/2024	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
3/7/2022	100,000	100,000	8,192	3/7/2024	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
4/11/2022	50,000	50,000	3,616	4/11/2024	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
5/9/22	100,000	100,000	6,466	5/9/24	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
6/30/22	25,000	25,000	1,260	6/30/24	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
7/27/22	25,000	25,000	1,075	7/27/24	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
9/9/22	100,000	100,000	3,096	9/9/24	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
11/1/22	77,500	77,500	1,274	11/1/24	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan
12/5/22	150,000	150,000	877	2/1/26	<u>60% discount to market with a 20 day lookback</u>	Rockwell Capital Partners, Inc. Samuel Oshana	Loan

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

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on [www.otcm Markets.com](http://www.otcm Markets.com)).

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 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. On January 24, 2022 the Company acquired Tickle Water Brand Assets, Intellectual Property and trademark. On February 2, 2022 the Company licensed the Worldwide rights to manufacture, market and sell Scorpion Energy Products. On March 21, 2022 the Company entered into a co-packing agreement for Cause Water brand. On March 14, 2022 the Company acquired Cause Water Brand Assets, Intellectual Property and trademark. In May 2022, the Company acquired the KOZ Water brand and all intellectual property rights associated therewith. On May 17, 2022 the Company entered into a co-packing agreement for Sketch Can by Tickle Water. On June 20, 2022 the Company entered into a production agreement for KOZ Water brand. On November 15, 2022 the Company entered into an Asset Purchase Agreement to acquire the Assets, Intellectual Property and trademark of Sway Energy Drink. On December 1, 2022 the Company entered into an Agreement for the management of the Company's Beverage Operations. On December 1, 2022 the Company entered into an Agreement for the management of Sales and National Accounts. On December 4, 2022 the Company entered into its first production agreement for Sway Energy brand products.

List any subsidiaries, parent company, or affiliated companies.

None.

B. Describe the issuers' principal products or services.

The Company is the licensed manufacturer of Spider Energy Drink and Scorpion Energy Drink. The Company is the owner and manufacturer of Trevi Essence Water, Tickle Water, Sketch Can by Tickle Water, Cause Water, KOZ Water and Sway Energy Brands.

## 5) Issuer's Facilities

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

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

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

The Company has a two year lease for 1,168 sq feet of office space in Fort Lauderdale, FL. The Company utilizes warehouses in Pompano Beach, FL, Hudsonville, MI and Oregon City, OR for storage of finished goods and raw materials.

## 6) Officers, Directors, and Control Persons

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

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Steven Hoffman</u>	<u>Interim CEO &amp; Chairman of the Board</u>	<u>Fort Lauderdale, FL</u>	<u>550,000</u>	<u>Common</u>	<u>0.9</u>	<u>n/a</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>10.4</u>	<u>Beneficial owner and registered agent is Joyce A. Claydon</u>
<u>Southern Point Capital</u>	<u>&gt;5% Shareholder</u>	<u>Brooklyn, NY</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>16.9</u>	<u>Beneficial owner is Mitchell Helfman</u>
<u>Paul Knollmeyer</u>	<u>&gt;5% Shareholder</u>	<u>Plymouth, MA</u>	<u>4,437,274</u>	<u>Common Stock</u>	<u>7.5</u>	<u>n/a</u>

## 7) Legal/Disciplinary History

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

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

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.

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jonathan D. Leinwand  
Address 1: 18305 Biscayne Blvd, Suite 200  
Address 2: Aventura, FL 33160  
Phone: 954-903-7856  
Email: jonathan@jdlpa.com

*All other means of Investor Communication:*

Twitter: <https://twitter.com/goldengrailbev>  
Facebook: <https://www.facebook.com/GoldenGrailBeverages>  
Instagram: <https://www.instagram.com/goldengrailbeverages/>

### 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.

## 9) Financial Statements

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

- IFRS
- U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: Steven Hoffman  
Title: Interim CEO & Chairman of the Board  
Relationship to Issuer: Interim CEO & Chairman of the Board

Describe the qualifications of the person or persons who prepared the financial statements: Over 5 years of business management and fiscal management experience.

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

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

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<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

## 10) Issuer Certification

### *Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Steven Hoffman certify that:

1. I have reviewed this Disclosure Statement for 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, 2023

/s/Steven Hoffman

### *Principal Financial Officer:*

I, Steven Hoffman certify that:

1. I have reviewed this Disclosure Statement for 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, 2023

/s/Steven Hoffman

FINANCIAL STATEMENTS  
& NOTES

PERIOD ENDING  
DECEMBER 31, 2022

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

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash	\$ 56,813	\$ 65,010
Accounts receivable	13,669	-
Prepaid expenses	130,871	58,008
Inventory	62,585	-
Total current assets	263,938	123,018
Intangible assets, net of accumulated amortization of \$9,159 and \$0, respectively	225,766	155,000
Total assets	\$ 489,704	\$ 278,018
Liabilities and deficiency in stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 47,323	\$ 54,744
Accrued interest	958,747	756,670
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	1,401,000
Total current liabilities	3,246,129	3,051,473
Convertible notes payable - due after one year	827,500	-
Notes payable - due after one year	210,000	210,000
Total liabilities	4,283,629	3,261,473
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; 500,000,000 shares authorized, 57,294,100 and 57,274,100 shares issued and outstanding, respectively	59,214	57,274
Additional paid-in capital	3,395,277	3,297,983
Accumulated deficit	(7,248,416)	(6,338,712)
Total deficiency in stockholders' equity	(3,793,925)	(2,983,455)
Total liabilities and deficiency in stockholders' equity	\$ 489,704	\$ 278,018

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

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

	Years ended December 31,	
	2022	2021
Sales	\$ 32,785	\$ -
Cost of sales	35,364	-
Gross profit	(2,579)	-
Operating expenses	705,048	158,606
Loss from operations	(707,627)	(158,606)
Interest expense	(202,077)	(130,788)
Loss before income taxes	(909,704)	(289,394)
Provision for income taxes	-	-
Net loss	\$ (909,704)	\$ (289,394)
Net loss per basic and diluted share	\$ (0.02)	\$ (0.01)
Weighted average shares outstanding, basic and diluted	57,690,319	57,274,100

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

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

	Years Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (909,704)	\$ (289,394)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization	9,159	-
Stock based compensation	99,234	-
Change in assets and liabilities:		
Accounts receivable	(13,669)	-
Prepaid expenses	(72,863)	(58,008)
Inventory	(62,585)	-
Accounts payable and accrued expenses	(7,421)	4,559
Accrued interest	202,077	130,789
	(755,772)	(212,054)
Cash used by operating activities		
Cash flows from investing activities:		
Purchase of intangible assets	(79,925)	(155,000)
Cash flows from financing activities:		
Proceeds from notes payable	-	210,000
Proceeds from convertible notes payable	827,500	212,000
	827,500	422,000
Cash provided by financing activities		
Net increase (decrease) in cash	(8,197)	54,946
Cash, beginning of period	65,010	10,064
Cash, end of period	\$ 56,813	\$ 65,010
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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

GOLDEN GRAIL TECHNOLOGY CORP.  
STATEMENT OF DEFICIENCY IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(UNAUDITED - Prepared by Management)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficiency
	Shares	Amount	Shares	Amount			
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)
Common stock issued for services	-	-	1,940,000	1,940	97,294	-	99,234
Net loss	-	-	-	-	-	(909,704)	(909,704)
Balance, December 31, 2022	-	\$ -	59,214,100	\$ 59,214	\$ 3,395,277	\$ (7,248,416)	\$ (3,793,925)

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

**Golden Grail Technology Corp.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**  
**(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.

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 September 2021 the Company entered into a co-packing agreement for Spider Energy brand. 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. In January 2022, the Company acquired the Tickle Water bottled water brand and all intellectual property rights associated therewith. In February 2022 the Company licensed the worldwide rights to manufacture, market and sell Scorpion Energy Products. In March 2022 the Company entered into a co-packing agreement for Cause Water brand. In March 2022, the Company acquired the Cause Water brand and all intellectual property rights associated therewith. In May 2022, the Company acquired the KOZ Water brand and all intellectual property rights associated therewith. In May 2022 the Company entered into a co-packing agreement for Sketch Can by Tickle Water. On November 15, 2022 the Company entered into an Asset Purchase Agreement to acquire the Assets, Intellectual Property and trademark of Sway Energy Drink. On December 1, 2022 the Company entered into an Agreement for the management of the Company’s Beverage Operations. On December 1, 2022 the Company entered into an Agreement for the management of Sales and National Accounts. On December 4, 2022 the Company entered into its first production agreement for Sway Energy brand products.

**Decrease in Authorized Shares**

On September 21, 2022, pursuant to a written consent of the board of directors, the Company’s board of directors approved amending and restating the Company’s Certificate of Incorporation to decrease the Company’s authorized Common Stock from 5,000,000,000 shares to 500,000,000 shares.

The Company filed the Amended and Restated Certificate of Incorporation with Nevada’s Secretary of State reflecting the foregoing change with an effective date and time of September 21, 2022.

**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, 2022 and 2021 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 \$2,982,191 at December 31, 2022. 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 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 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**

### **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. Significant estimates underlying the Company's reported financial position and results of operations include the allowance for doubtful accounts, fair value of stock-based compensation, and valuation allowance on deferred taxes.

### **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.

### **Accounts receivable**

The Company regularly reviews accounts receivable for any bad debts based on an analysis of the Company's collection experience, customer credit worthiness and current economic trends. Based on management's review of accounts receivable, no allowance for doubtful accounts was deemed necessary at December 31, 2022.

### **Inventory**

Inventory at December 31, 2022 consists of finished goods and is stated at the lower of cost or market, determined by first-in, first-out method, or market. Market is determined based on the net realizable value, with appropriate consideration given to obsolescence, excessive levels, deterioration, and other factors.

### **Revenue recognition**

The Company has adopted the revenue recognition guidelines in accordance with ASC 606, Revenue from Contracts with Customers (ASC 606). The Company analyzes its contracts to assess that they are within the scope and in accordance with ASC 606. In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under each of its agreements, the Company performs the following steps: (i) identification of the

promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company acts as a principal in its revenue transactions as the Company is the primary obligor in the transactions. Generally, the Company recognizes revenue for its products upon shipment to customers, provided no significant obligations remain and collection is probable.

### **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 21,824,687 and 130,742,731 common stock equivalents at December 31, 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021 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, 2022 or December 31, 2021.

### **Intangible Assets**

Intangible assets consist of the assets associated with and related to the Trevi bottled water brand, Tickle Water brand, Cause Water brand and KOZ 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. Intangible assets aggregating \$77,425 were placed in service during 2022, and have an estimated economic life of three years. Amortization expense for the year ended December 31, 2022 was \$9,159. Intangible assets aggregating \$157,500 have not been placed in service at December 31, 2022.

### **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 - 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, 2022 and 2021. 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, 2022 and 2021. 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, 2022 and 2021. 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.

#### **Common stock:**

On September 21, 2022, pursuant to a written consent of the board of directors, the Company's board of directors approved amending and restating the Company's Certificate of Incorporation to decrease the Company's authorized Common Stock from 5,000,000,000 shares to 500,000,000 shares.

The Company filed the Amended and Restated Certificate of Incorporation with Nevada's Secretary of State reflecting the foregoing change with an effective date and time of September 21, 2022.

The Company is authorized to issue 5,000,000 shares of its common stock, with par value of \$0.001 per share. There were 59,214,100 and 57,274,100 shares of common stock issued and outstanding as of December 31, 2022 and 2021, respectively.

During 2022, the Company issued 20,000 shares of common stock, valued at \$5,341, for consulting services.

During the fourth quarter of 2022, the Company issued 1,920,000 shares of common stock, valued at \$532,200, for consulting services. Of these shares, 120,000 vest ninety days after issuance and 1,800,000 shares vest on the one year anniversary of issuance. Compensation expense will be recognized over the vesting periods. During 2022, compensation expense of \$93,893 has been recognized.

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 September 30, 2022.

#### **Note 4—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.

#### January 24, 2022 Note

On January 24, 2022, 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 \$200,000. The debenture matures on January 24, 2024 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.

#### March 2, 2022 Note

On March 2, 2022, 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 \$100,000. The debenture matures on March 2, 2024 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.

#### April 11, 2022 Note

On April 11, 2022, 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 April 11, 2024 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.

#### May 9, 2022 Note

On May 9, 2022, 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 \$100,000. The debenture matures on May 9, 2024 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.

#### June 30, 2022 Note

On June 30, 2022, 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 \$25,000. The debenture matures on June 30, 2024 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.

#### July 27, 2022 Note

On July 27, 2022, 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 \$25,000. The debenture matures on July 27, 2024 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.

#### September 9, 2022 Note

On September 9, 2022, 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 \$100,000. The debenture matures on September 9, 2024 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.

#### November 1, 2022 Note

On November 1, 2022, 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 \$77,500. The debenture matures on November 1, 2024 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.

#### December 2022 Note

In December 2022, 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 \$600,000. The debenture matures on February 1, 2026 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.

#### **Note 5 - Income Taxes**

The Company had, subject to limitation, approximately \$1.8 million of net operating loss carryforwards at December 31, 2022, 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 \$223,000 and \$71,000 for the years ended December 31, 2022 and 2021, respectively. Significant components of deferred tax assets and liabilities are as follows:

	<u>2022</u>	<u>2021</u>
Deferred tax assets:		
Net operating loss carryover	\$ 441,000	\$ 292,000
Stock based compensation	23,000	—
Amortization	2,000	—
Accrued compensation	6,000	6,000
Accrued interest	236,000	187,000
Contributions	5,000	5,000
Total deferred tax assets	<u>713,000</u>	<u>490,000</u>
Less: valuation allowance	<u>(713,000)</u>	<u>(490,000)</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, 2020 and 2019 (computed by applying the U.S. Federal Corporate tax rate of 21% to income before taxes) are as follows:

	<u>2022</u>	<u>2021</u>
Statutory federal income tax rate	(21.0)%	(21.0)%
State income taxes, net of federal benefits	(3.5)%	(3.5)%
Non-deductible items	—%	—%
Valuation allowance	<u>24.5%</u>	<u>24.5%</u>

Effective income tax rate

—% —%

The Company's tax returns for the years 2016 through 2022 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 6 – Subsequent Events**

In the month of January 2023 the Company received an aggregate of \$300,000 under the December 2022 Convertible Debenture.

In the month of February 2023 the Company received 135,000 under the December 2022 Convertible Debenture.

In the month of March 2023 the Company received \$74,000 under the December 2022 Convertible Debenture.

On February 20, 2023, the Company issued 97,748 shares of common stock in connection with consulting services.

On March 7, 2023, the Company issued 5,000,000 shares of common stock to its CEO & Chairman of the Board, Steven Hoffman.