

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

China Dongsheng International, Inc.

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Las Vegas, NV 89118

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2834

Quarterly Report

For the Period Ending: March 31, 2022

(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was:

67,176,927

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

31,756,927

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

31,756,927

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 Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "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 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

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.)
<u>1.15.15</u>	<u>15,229</u>	<u>15,229</u>	<u>0</u>	<u>Upon Demand</u>	<u>Conversion into Company's common stock based on a conversion price of \$0.00005.</u>	<u>EROP Enterprises, LLC</u> <u>Vince Sbarra</u>	<u>Loan</u>
<u>1.15.15</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>Upon Demand</u>	<u>Conversion into Company's Common Stock based on a conversion price of \$0.00005.</u>	<u>Henning Mager</u>	<u>Loan</u>
<u>3.16.22</u>	<u>250,000</u>	<u>150,000</u>	<u>0</u>	<u>March 16, 2023</u>	<u>Senior Secured Non Convertible Note</u>	<u>EROP Enterprises, LLC</u> <u>Vince Sbarra</u>	<u>Loan</u>

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

Sterling Global sold the note to EROP Enterprises. EROP sold \$ 5,000 of the Note to Henning Mager. The Company and Note Holders Intend to limit the Note Holder upon any conversion to holding no more than 9.99% of the total issued and outstanding shares of common stock of the Company. On March 15, 2022, EROP Enterprises, LLC informed the Company of its decision to cancel \$75,000 of face value of the remaining \$ 90,229 in principal of the Convertible Note held by EROP Enterprises, LLC. After this cancellation, EROP Enterprises, LLC owns \$ 15,229 of the Convertible Note.

1) 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)⁴:

Name: Caren Currier
Title: CFO
Relationship to Issuer: Consultant

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

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

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.

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.

2) 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")

China Dongsheng International, through its owned subsidiary CDSG Holdings, is an emerging diversified investment vehicle. In a major shift from the past business model, the company recently formed its holding division for evaluating and investing in companies as potential partners or acquisitions.

Oil Field Development

On March 10, 2022, CDSG entered into a development agreement with Stallion Energy Group, Inc. ("Stallion") of Houston Texas, for a Working Interest to develop oil production in Frio County, southwest Texas. The drill-ready leasehold is located within an area of two of the most productive oilfields in the San Antonio Oil and Gas district, with over 100 million barrels and 400 billion cubic feet of gas produced. The multimillion-barrel potential of the project was identified after critical evaluation, mapping, and analysis of a large petrophysical database of well logs, mud logs and production analogues completed by Texas based team of petroleum engineers and a geologist with a combined 90+ years of experience. An initial investment of \$ 50,000 was made on March 18, 2022.

The plan is to drill vertical wells using a 40-acre spacing within a 640-acre area of the lease portfolio acquired by Stallion. Our primary production target will be the shallow, oil rich Olmos Formation, which has been a consistent oil producing strata and continues to be an active exploration target in the area. The target horizon offers minimal risk, shallow conventional oil production from several pay zones identified by local offset logs. Texas American Resources (now Trinity Oil & Gas) previously computed volumetric reserves for the Olmos in the direct lease area to have original oil in place (OOIP) of 15-27 million barrels per 640-acre section. At present, this volumetric calculation has not been re-verified by Stallion.

LITHIUM CLAYSTONE PROJECT

On March 17, 2022, CDSG entered into an Agreement with American Lithium Minerals Inc., a Nevada based publicly held corporation, whereby CDSG will have the right to earn up to a Sixty Percent (60%) interest in the West End Lithium Project near Tonopah Nevada. The initial investment of \$ 25,000 was made on April 1, 2022, and subsequent investments of \$ 25,000 are due 90 and 180 days after the signing of the Agreement. CDSG has the right to acquire an additional 50% of the project by committing to expend an additional \$ 1,000,000 in exploration and development expenses over the following 3 years.

The West End Lithium Project is located directly adjacent to the growing resource of the Tonopah Lithium Claims ("TLC") Project of American Lithium Corp. The TLC Project is sedimentary hosted lithium claystone deposit and possesses a NI 43-

101 compliant initial resource of 5.37 million tons Lithium Carbonate Equivalent (“LCE”) in the Measured and Indicated category and 1.76 tons LCE in the Inferred category. The West End and TLC Projects are located just six miles northwest of the town of Tonopah, Nevada and just 200 miles by road from Tesla’s Nevada Gigafactory.

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

CDSG Holdings, LLC

C. Describe the issuers’ principal products or services.

Oil Field Development

The Company has entered into a strategic development agreement with Stallion Energy Group, Inc. (“Stallion”) of Houston Texas, for a Working Interest to develop oil production in Frio County, southwest Texas. The drill-ready leasehold is located within an area of two of the most productive oilfields in the San Antonio Oil and Gas district, with over 100 million barrels and 400 billion cubic feet of gas produced. The plan is to drill vertical wells using a 40-acre spacing within a 640-acre area of the lease portfolio acquired by Stallion. Our primary production target will be the shallow, oil rich Olmos Formation, which has been a consistent oil producing strata and continues to be an active exploration target in the area. The target horizon offers minimal risk, shallow conventional oil production from several pay zones identified by local offset logs. Texas American Resources (now Trinity Oil & Gas) previously computed volumetric reserves for the Olmos in the direct lease area to have original oil in place (OOIP) of 15-27 million barrels per 640-acre section. At present, this volumetric calculation has not been re-verified by Stallion.

LITHIUM CLAYSTONE PROJECT

The Company entered into an Agreement with American Lithium Minerals Inc., whereby CDSG will have the right to earn up to a Sixty Percent (60%) interest in the West End Lithium Project near Tonopah Nevada. The West End Lithium Project is located directly adjacent to the growing resource of the Tonopah Lithium Claims (“TLC”) Project of American Lithium Corp. The TLC Project is sedimentary hosted lithium claystone deposit and possesses a NI 43-101 compliant initial resource of 5.37 million tons Lithium Carbonate Equivalent (“LCE”) in the Measured and Indicated category and 1.76 tons LCE in the Inferred category. The West End and TLC Projects are located just 6 miles northwest of the town of Tonopah, Nevada and just 200 miles by road from Tesla’s Nevada Gigafactory.

3) 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.

The Company utilizes office space provided by its CEO at no cost. On April 1, 2022, the Company entered into a 9-month lease for the same space at a cost of \$ 1,333 per month.

4) 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% of 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>Verde Capital LTD</u> Harpreet Sangha	<u>Interim CEO, Board Member</u>	<u>Las Vegas, NV</u>	<u>10,000,000</u>	<u>Preferred A</u>	<u>100%</u>	
<u>Caren Currier</u>	<u>CFO, Board Member</u>	<u>Texas</u>	<u>-</u>			
<u>Aidong Yu</u>	<u>5%</u>	<u>New York, NY</u>	<u>16,856,601</u>	<u>Common</u>	<u>53.080%</u>	

5) 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).

None

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.

None

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

None

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.

None

- 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

6) Third Party Providers

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

Securities Counsel

Name: Scott Doney
Firm: The Doney Law Firm
Address 1: 4955 S. Durango Dr. Suite 165
Address 2: Las Vegas, NV, 89113
Phone: (702) 982-5686
Email: sean@doneylawfirm.com

Accountant or Auditor

Name: Yinka Oyebola
Firm: Olayinka Oyebola & Co
Address 1: 2nd Floor Nurses House PC 43 Churchgate St
Address 2: Victoria Island, Lagos
Phone: 0803 333 8600
Email: yinka@olayinkaoyebolaandco.com

Investor Relations

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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.

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

7) 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, Harpreet Sangha certify that:

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

May 12, 2022 [Date]

/s/ Harpreet Sangha [CEO's Signature]

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

Principal Financial Officer:

I, Caren Currier certify that:

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

May 12, 2022 [Date]

/s/ Caren Currier [CFO's Signature]

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

China Dongsheng International, Inc.
Balance Sheet Prev Year Comparison
As of March 31, 2022

	<u>Mar 31, 22</u>	<u>Mar 31, 21</u>
ASSETS		
Current Assets		
Checking/Savings	39,727.50	0.00
Other Current Assets		
Note Rec - Jagjit Dhaliwal	35,000.00	0.00
Total Other Current Assets	35,000.00	0.00
Total Current Assets	74,727.50	0.00
Other Assets		
Investment - Barrel Energy	41,200.00	0.00
Investment - Stallion Oil	50,000.00	0.00
Total Other Assets	91,200.00	0.00
TOTAL ASSETS	<u>165,927.50</u>	<u>0.00</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Due to Related Party	17,500.00	0.00
Notes Payable	270,229.00	96,000.00
Total Other Current Liabili...	287,729.00	96,000.00
Total Current Liabilities	287,729.00	96,000.00
Total Liabilities	287,729.00	96,000.00
Equity		
Additional Paid In Capital	1,084,546.00	1,084,546.00
Common Stock	67,177.00	31,546.00
Preferred Stock	10,000.00	0.00
Retained Earnings	-1222092.00	-1212092.00
Net Income	-61,432.50	0.00
Total Equity	-121,801.50	-96,000.00
TOTAL LIABILITIES & EQUITY	<u>165,927.50</u>	<u>0.00</u>

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Accrual Basis

China Dongsheng International, Inc.
Profit & Loss Prev Year Comparison
January through March 2022

	Jan - Mar 22	Jan - Mar 21
Ordinary Income/Expense		
Expense		
Dues and Subscriptions	1,020.00	0.00
Office Supplies	400.00	0.00
Officer Salary	46,795.00	0.00
Officer Salary - Alford	15,000.00	0.00
Professional Fees	12,550.00	0.00
Rent Expense	12,000.00	0.00
Total Expense	87,765.00	0.00
Net Ordinary Income	-87,765.00	0.00
Other Income/Expense		
Other Income		
Debt Forgiveness	40,720.00	0.00
Total Other Income	40,720.00	0.00
Net Other Income	40,720.00	0.00
Net Income	-47,045.00	0.00

China Dongsheng International, Inc.

Statement of Cash Flows

January through March 2022

	<u>Jan - Mar 22</u>
OPERATING ACTIVITIES	
Net Income	-47,045.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Note Rec - Jagjit Dhaliwal	-35,000.00
Notes Payable:Note - EROP Enterprises	169,229.00
Notes Payable:Note - Henning Mager	5,000.00
	<hr/>
Net cash provided by Operating Activities	92,184.00
INVESTING ACTIVITIES	
Investment - Barrel Energy	-41,200.00
Investment - Stallion Oil	-50,000.00
	<hr/>
Net cash provided by Investing Activities	-91,200.00
FINANCING ACTIVITIES	
Common Stock	35,631.00
	<hr/>
Net cash provided by Financing Activities	35,631.00
Net cash increase for period	36,615.00
Cash at beginning of period	3,112.50
	<hr/>
Cash at end of period	<u><u>39,727.50</u></u>

China Dongsheng International, Inc.
Statements of Shareholders' Equity (Deficit)

	Preferred S hares	Amount	Common Stock Shares	Amount	Additional Paid- in Capital	Accumulated Deficit	Total
Balance at September 30, 2017	0	\$ 0	31,756,927	\$31,756	\$1,084,546	\$(1,212,092)	\$ (95,790)
Net Loss							
Balance at September 30, 2018	0	0	31,756,927	\$31,756	\$1,084,546	\$(1,212,092)	\$(95,790)
Net Loss							
Balance at September 30, 2019	0	0	31,756,927	\$31,756	\$1,084,546	\$(1,212,092)	\$(95,790)
Net Loss							
Balance at September 30, 2020	0	0	31,756,927	\$31,756	\$1,084,546	\$(1,212,092)	\$(95,790)
Net Loss	10000000	10,000				\$ (10,000)	
Balance at June 30, 2021	10,000,000	10,000	31,756,927	\$31,756	\$1,084,546	\$(1,222,092)	\$(95,790)
Net Loss							
Balance at September 30, 2021	10,000,000	10,000	31,756,927	\$31,756	\$1,084,546	\$(1,222,092)	\$(95,790)
Net Loss						\$ (14,388)	\$ (14,388)
Balance at December 31, 2021	10,000,000	10,000	31,756,927	\$31,756	\$1,084,546	\$(1,236,480)	\$(110,178)
Net Loss			35,420,000	\$ 35,421		\$ (47,045)	\$ (11,624)
Balance at March 31, 2022	10,000,000	10,000	67,176,927	\$67,177	\$1,084,546	\$(1,283,525)	\$(121,802)

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For The Period Ended March 31, 2022

NOTE 1: THE COMPANY AND THE SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

Organizational Information: China Dongsheng International, Inc. (the Company) was incorporated in 1992 in the State of Delaware.

Basis of Presentation: The accounting records of the Company are maintained on the accrual basis and the accompanying financial statements are presented on the accrual basis.

Depreciation and Amortization: The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the accelerated recovery periods of the Internal Revenue Service. Purchased software is amortized on the straight-line basis over five years; organization expense and trademarks are amortized on the straight-line method over sixty months.

Accounts Receivable: The accounts receivable arises in the normal course of business of providing services to Customers. Accounts are written-off as they are deemed uncollectible based upon a periodic review of the accounts. At this time, the company has no receivables.

Concentration of Credit Risk: Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of bank deposits and trade accounts receivable. The Company has concentrated its credit risk for cash by maintaining deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). There are no excess deposit liabilities at this time. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash. Concentrations of credit risk with respect to accounts receivable arise because the Company grants unsecured credit in the form of trade accounts receivable to its customers.

Management Estimations: The preparation of financial statements in conformity with accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates. China Dongsheng International, Inc.

Cash and Equivalents: For purposes of reporting cash flows, the Company considers all cash accounts which are not subject to withdrawal restrictions or penalties, and certificates of deposit with original maturities of 90 days or less to be cash or cash equivalents.

Revenue Recognition: Revenues on subscription contracts are recognized monthly over the life of the contract. Amounts that have been invoiced are recorded in accounts receivable and revenue or deferred revenue, depending upon whether the revenue recognition criteria have been met.

Inventory: The Company maintains its inventory on a perpetual basis utilizing the first-in first-out (FIFO) method. There is no inventory at this time.

NOTE 2: GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has minimal working capital and net losses from inception. This condition raises substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required, and to attain profitability. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3: INCOME TAX

The Company provides for income taxes under Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. SFAS 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse. SFAS 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Consequently, because of uncertainty about the Company's ability to realize any future tax benefits from its unused net operating losses, no deferred tax asset relating to those losses has been recorded.

NOTE 4: COMMITMENTS

Through March 2022, the company utilized office space provided by its CEO. On April 1, 2022, the Company entered into a Commercial Lease for office space in Las Vegas. The Company entered into a 9-month lease with a monthly payment of \$ 1,333 per month. The full amount of \$ 12,000 representing the entire lease payment was paid on March 23, 2022.

NOTE 5: NOTES PAYABLE

The company had one convertible note dated January 15, 2015, with Sterling Global in the amount of \$96,000. The note has a conversion price of \$0.00005. This note was sold and transferred 100% to EROP Enterprises, LLC as of September 29, 2021. On March 11, 2022, EROP Enterprises sold \$ 5,000 of this Note to a third party. On March 15, 2022, EROP Enterprises informed the Company of its decision to cancel \$ 75,000 of principal from the Note. After this cancellation, EROP Enterprises, LLC has \$ 15,229 of principal remaining on the note.

On March 16, 2022, EROP Enterprises, LLC reached an agreement to invest \$ 250,000 into the Company in the form of a 2-year Non-Convertible Note.

NOTE 6: CONSOLIDATION INFORMATION

None

NOTE 7: SHAREHOLDER NOTES PAYABLE

None

NOTE 8: LITIGATION

None

NOTE 9: OTHER INFORMATION:

In March 2022, the Company made investments totaling \$ 41,200 into a publicly traded company operated by its CEO and President. The investment is in the form of 10% Secured Convertible Notes. The Notes have a conversion provision of the lesser of (i) \$.01 or (ii) 70% of the lowest trade during the five days prior to conversion.

On March 18, 2022, the Company lent \$ 35,000 to a shareholder in the form of a 2% 60-day promissory note.

NOTE 10: SUBSEQUENT EVENTS:

We have begun the process of changing the company name to CDSG Holdings, Inc.

On January 1, 2022, we entered into a Services Agreement with Harp Sangha, our CEO, in which we will pay \$ 3,000 per month for his services. On April 1, 2022, we modified the Services Agreement with Harp Sangha. On April 1, 2022, the Company revised the Services Agreement with its CEO, Harp Sanga. Mr. Sangha will be paid \$5,206 per month for the remainder of 2022, with the entire amount due of \$ 46,856 paid during the month of March 2022.

On April 1, 2022, we appointed Craig Alford as President of the firm. Mr. Alford will be paid \$ 3,000 per month and an initial payment was made in the amount of \$ 15,000 for the first 5 months of the agreement.

On April 1, 2022, the Company entered into a Commercial Lease for office space in Las Vegas. The Company entered into a 9-month lease with a monthly payment of \$ 1,333 per month. The full amount of \$ 12,000 representing the entire lease payment was paid on March 23, 2022.

The Company invested an additional \$ 12,000 into Barrel Energy on April 1, 2022, under similar terms as the prior notes.

Walker Ridge

The Company is currently engaged in identifying and assessing new business opportunities. In this regard, the Company entered into a Mining Lease effective April 12, 2022, with Oliver Geoservices LLC under which the Company received an exclusive lease to mine certain unpatented lode mining claims known as the Walker Ridge located in Elko County, Nevada for a period of five years. The lease can be extended for an additional twenty years if certain extension payments are made within the term of the lease. The Company is required to make an initial payment of \$25,000 no later than May 30, 2022, and 100,000 shares of common stock of CDSG to secure the lease and is required to make advance royalty payments to maintain its exclusivity commencing December 1, 2022, starting at \$25,000 and increasing to \$50,000 on December 1, 2023, \$ 75,000 on December 1, 2024, and \$100,000 for December 1, 2025, and 2026. In addition to each advance royalty payment of 2023 – 2026 there is an additional issuance of 200,000 shares issued per year. There is also a 3% net smelter fee royalty on all mineral production from the leased property. The foregoing description of the Agreement does not purport to be complete.

About Walker Ridge

Location

The Walker Ridge Property is located in Elko County, Nevada, approximately 40 air miles (64 km) north of Elko. It is reached by driving north approximately 55 miles (88 km) from Elko on highway 225 to the PX ranch near mile marker 55. Traveling west on the gravel road for 20 miles (32 km) reaches the eastern boundary of the property. The center of the target area is at a latitude/longitude of 41 30'38" North and 115 55'48" West. Driving time from Elko to the property is approximately one hour.



Walker Ridge Property History

A large area (boundaries uncertain), located between the Jerritt Canyon and Big Springs properties, including ground covered by the present Walker Ridge Property claims, was explored by Tenneco (subsequently acquired by Echo Bay). From 1985-87, Tenneco/Echo Bay conducted geologic mapping, rock chip and soil geochemistry sampling (3400 samples) and drilled 31 shallow holes (maximum depth 400 ft or 122m), mostly to the southwest of the Walker Ridge Property. There are no useable maps available from this work, only summary reports. One shallow hole drilled within the present claim block (Figure 7.3), hole number FC1-87, intercepted Snow Canyon Fm below McAfee Quartzite at 245 feet (75m). It was anomalous in gold from there to TD at 300 feet (91m).

Independence Mining Company optioned the same property from Echo Bay between 1988 and 1993, drilling 6 holes totaling 4,920 feet (1,500m), southwest of the present claims. A deep rotary/core hole reached favorable Carlin-style host lithologies (Roberts Mountain Formation) at 1,495 feet (456m), or approximately 6,000 feet (1,830m) above mean sea level. There are no maps showing this work currently available, only summary reports. Echo Bay was absorbed by Kinross several years ago. It is possible that some of that data may be preserved in the archives of Kinross.

In 2007 an infill soil sampling program was carried out by Stratos over the central part of the current claim block to reduce the sample spacing to 200 feet (60m). The Company optioned the property in 2011. At the direction of the Company, Walker Ridge Gold Corp staked additional claims in 2011 and 2012. All claim staking has been paid by the Company and all additional claims have become a part of the option agreement. The Company has carried out gravity and CSAMT geophysical surveys in the fall of 2012.

There are no resource estimates, historical or current, and no recorded production from the property.