

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Atacama Resources International, Inc.

A Florida corporation
5825 Fairway Lakes Dr.
Sarasota, FL 34243

<https://acrlintl.com>

780-512-3805
SIC: 212221

ANNUAL REPORT

For the Period Ending: December 31, 2021

Outstanding Shares

The number of shares outstanding of our Common Stock was:

992,752,435 as of December 31, 2021.

992,752,435 as of December 31, 2020.

Shell Status

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 and Rule 15c2-11 of the Exchange Act of 1934.):

Yes: ____ No: X

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

Yes: ____ No: X

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

Yes: ____ No: X

⁵"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.

Item 1: Name and address(es) of the issuer and its predecessor (if any)

Atacama Resources International, Inc. (formerly Arrakis Mining Research, Inc, until 1/9/2015)

The Company was incorporated in Florida on June 14, 2013 and has an active standing in that state.

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

A Cease Trade Order was placed on the issuer by the Alberta Securities Commission on July 27, 2018. The Alberta Securities Commission placed the CTO on the Issuer due to a failure to file financial statements with them that conformed to the requirements of section 146 of the Securities Act (Alberta).

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

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

A Florida corporation
361 Ridge Drive
Clearwater, BC, Canada
B0E 1N2

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:*

5825 Fairway Lakes Dr.
Sarasota, FL 34243

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

Yes: ____ No: **X**

Item 2: Security Information

Transfer Agent

Signature Stock Transfer, Inc.
14673 Midway Road
Suite 220
Addison, TX 75001
972-612-4120
<http://www.signaturestocktransfer.com>
info@signaturestocktransfer.com

Publicly Quoted or Traded Securities:

Trading symbol:	ACRL
Exact title and class of securities outstanding:	Common Stock
Par or stated value:	\$0.0001
CUSIP:	04651H106

Total shares authorized:	2,900,000,000	as of date:	December 31, 2021
Total shares outstanding:	992,752,435	as of date:	December 31, 2021
Total number of shareholders of record:	215	as of date:	December 31, 2021

All additional class(es) of publicly traded securities (if any): N/A
None

Other classes of authorized or outstanding equity securities:

Exact title and class of securities outstanding:	Series A Preferred Stock	
CUSIP:	None	
Par or stated value:	\$0.0001	
Total shares authorized:	10	as of date: December 31, 2021
Total shares outstanding:	2	as of date: December 31, 2021
Total number of shareholders of record:	2	as of date: December 31, 2021

Exact title and class of securities outstanding:	Series B Preferred Stock	
CUSIP:	None	
Par or stated value:	\$0.0001	
Total shares authorized:	999,990	as of date: December 31, 2021
Total shares outstanding:	688	as of date: December 31, 2021
Total number of shareholders of record:	51	as of date: December 31, 2021

Security Description:

1. **For common equity, describe any dividend, voting and preemption rights.**
No dividend. One vote per share. No preemptive rights
2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Series A Preferred Stock

1. DESIGNATION. This class of stock of this Corporation shall be named and designated "Series A Preferred Stock". It shall have 10 shares authorized at \$0.0001 par value per share.
2. CONVERSION RIGHTS. There shall be no conversion rights associated with this class of stock.
3. ISSUANCE. Shares of Series A Preferred Stock may only be issued in exchange for the full controlling interest held by the Management or its designee.
4. VOTING RIGHTS.
 - a. If at least one share of Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall have voting rights equal to four times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of Series B Preferred Stocks which are issued and outstanding at the time of voting.
 - b. Each individual share of Series A Preferred Stock shall have the voting rights equal to:

[four times the sum of: {all shares of Common Stock issued and outstanding at time of voting + all shares of Series B Preferred Stocks issued and outstanding at time of voting}]

divided by:

[the number of shares of Series A Preferred Stock issued and outstanding at the time of voting]

Series B Preferred Stock

1. DESIGNATION. This class of stock of this Corporation shall be named and designated "Series B Preferred Stock". It shall have 1,000,000 shares authorized at \$0.0001 par value per share.
2. DIVIDENDS. The holders of Series B Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion.

3. **LIQUIDATION RIGHTS.** Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any stock ranking junior to the Series B Preferred Stock, the holders of the Series B Preferred Stock shall be entitled to be paid out of the assets of the Corporation an amount equal to \$1.00 per share or, in the event of an aggregate subscription by a single subscriber for Series B Preferred Stock in excess of \$100,000, \$0.997 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) (the “Preference Value”), plus all declared but unpaid dividends, for each share of Series B Preferred Stock held by them. After the payment of the full applicable Preference Value of each share of the Series B Preferred Stock as set forth herein, the remaining assets of the Corporation legally available for distribution, if any, shall be distributed ratably to the holders of the Corporation’s Common Stock.
4. **CONVERSION AND ANTI-DILUTION.**
- (a) Each share of Series B Preferred Stock shall be convertible, at any time, and/or from time to time, into the number of shares of the Corporation’s Common Stock, par value \$0.0001 per share, equal to the price of the Series B Preferred Stock, divided by the par value of the Common Stock, subject to adjustment as may be determined by the Board of Directors from time to time (the “Conversion Rate”). For example, assuming a \$2.50 price per share of Series B Preferred Stock, and a par value of \$0.0001 per share for Common Stock, each share of Series B Preferred Stock would be convertible into 500,000 shares of Common Stock. Such conversion shall be deemed to be effective on the business day (the “Conversion Date”) following the receipt by the Corporation of written notice from the holder of the Series B Preferred Stock of the holder’s intention to convert the shares of Series B Stock, together with the holder’s stock certificate or certificates evidencing the Series B Preferred Stock to be converted.
- (b) Promptly after the Conversion Date, the Corporation shall issue and deliver to such holder a certificate or certificates for the number of full shares of Common Stock issuable to the holder pursuant to the holder’s conversion of Series B Preferred Shares in accordance with the provisions of this Section. The stock certificate(s) evidencing the Common Stock shall be issued with a restrictive legend indicating that it was issued in a transaction exempt from registration under the Securities Act, and that it cannot be transferred unless it is so registered, or an exemption from registration is available, in the opinion of counsel to the Corporation. The Common Stock shall be issued in the same name as the person who is the holder of the Series B Preferred Stock unless, in the opinion of counsel to the Corporation, such transfer can be made in compliance with applicable securities laws. The person in whose name the certificate(s) of Common Stock are so registered shall be treated as a holder of shares of Common Stock of the Corporation on the date the Common Stock certificate(s) are so issued.
- All shares of Common Stock delivered upon conversion of the Series B Preferred Shares as provided herein shall be duly and validly issued and fully paid and non- assessable. Effective as of the Conversion Date, such converted Series B Preferred Shares shall no longer be deemed to be outstanding and all rights of the holder with respect to such shares shall immediately terminate except the right to receive the shares of Common Stock issuable upon such conversion.
- (c) The Corporation covenants that, within 30 days of receipt of a conversion notice from any holder of shares of Series B Preferred Stock wherein which such conversion would create more shares of Common Stock than are authorized, the Corporation will increase the authorized number of shares of Common Stock sufficient to satisfy such holder of shares of Series B submitting such conversion notice.
- (d) Shares of Series B Preferred Stock are anti-dilutive to reverse splits, and therefore in the case of a reverse split, are convertible to the number of Common Shares after the reverse split as would have been equal to the ratio established prior to the reverse split. The conversion rate of shares of Series B Preferred Stock, however, would increase proportionately in the case of forward splits, and may not be diluted by a reverse split following a forward split.
5. **VOTING RIGHTS.** Each share of Series B Preferred Stock shall have ten votes for any election or other vote placed before the shareholders of the Corporation.
6. **PRICE.**
- (a) The initial price of each share of Series B Preferred Stock shall be \$2.50.

(b) The price of each share of Series B Preferred Stock may be changed either through a majority vote of the Board of Directors through a resolution at a meeting of the Board, or through a resolution passed at an Action Without Meeting of the unanimous Board, until such time as a listed secondary and/or listed public market develops for the shares.

7. **LOCK-UP RESTRICTIONS ON CONVERSION.** Shares of Series B Preferred Stock may not be converted into shares of Common Stock for a period of: a) six (6) months after purchase, if the Company voluntarily or involuntarily files public reports pursuant to Section 12 or 15 of the Securities Exchange Act of 1934; or b) twelve (12) months if the Company does not file such public reports.

Other than stated above the Series A Preferred Stock and Series B Preferred Stock do not have redemption or sinking fund provisions.

3. **Describe any other material rights of common or preferred stockholders.**

None

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.**

None.

Item 3: Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

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:									
Opening Balance:									
Date: <u>12/31/2019</u>		Common: <u>999,277,144</u>							
		Preferred: <u>714</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 issuance ? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed)	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
3/16/20	Cancellation	(8)	Series B Preferred	0	No	Stephen Spivak	Cancellation	Restricted	4(a)(2)

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance ? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed)	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
3/16/20	Cancellation	(10)	Series B Preferred	0	No	John Grant	Cancellation	Restricted	4(a)(2)
6/1/20	Cancellation	(6)	Series B Preferred	0	No	Mike Khoury	Conversion to Common	Restricted	4(a)(2)
6/1/20	New issuance	3,000,000	Common	300	Yes	Mike Khoury	Conversion Preferred B to Common	Restricted	4(a)(2)
6/1/20	Cancellation	(9,534,709)	Common	(953)	No	Cougar Pipelines Inspection and Consulting Ltd. Fred Gingras, President	Cancellation	Restricted	4(a)(2)
Shares Outstanding on December 31, 2021 :									
Ending Balance:	Ending Balance:								
Date: <u>12/31/2021</u>	Common: <u>992,752,435</u>								
	Series A Preferred: <u>2</u>								
	Series B Preferred: <u>688</u>								

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

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 (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
-	-	-	-	-	-	-	-

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

Item 4: Issuer's Business, Products and Services

Atacama Resources International, Inc., is a mineral exploration company with assets located in northeastern Ontario, Canada.

Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons.

Not applicable

Principal Products or Services, and their markets. **Exploration – the Company either holds or holds options to approximately 3000 acres of mineral claims in northeastern Ontario. Potential minerals under exploration include gold, silver, copper, cobalt, graphite, and diamonds.**

Item 5: Issuer's Facilities:

The Company's primary office is located at 5825 Fairway Lakes Dr., Sarasota, FL 34243.

Item 6: Officers, Directors and Control Persons at December 31, 2021

Name of All Officers, Directors or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstandin	Names of Control person(s) if a corporate entity
David Berry	Chairman, Board of Directors	Toronto, ON	0		0%	
Colin Keith	President, CEO	Da Costa, Quebec	0		0%	
Glenn Grant	Interim CEO/CFO	Clearwater, BC	80,144,074	Common	8%	
			1	Preferred A	50%	
			82	Preferred B	11%	

Item 7: Legal/Disciplinary History

A. Please identify whether any of the foregoing persons 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 proceed and the relief south. Include similar information as to any such proceedings know to be contemplated by governmental authorities.

None

Item 8: Third Party Providers

Securities Counsel (must include Counsel preparing Attorney Letters).

Jody Walker
J.M Walker & Associates
7841 South Garfield Way
Centennial, CO 80122
(303) 850-7637
jmwlr85@gmail.com

Accountant or Auditor
Christopher Hiestand, CPA
Accell Audit & Compliance, PA
3001 N. Rocky Point Drive East, Suite 200
Tampa, FL 33607
(813) 367-3527
chiestand@accell-ac.com

Investor Relations

All other means of Investor Communications

Twitter:	<u>N/A</u>
Discord:	<u>N/A</u>
LinkedIn:	<u>N/A</u>
Facebook:	<u>N/A</u>
[Other]	<u>N/A</u>

Other Service Providers

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

Name:	<u>Robin W Hunt</u>
Firm:	<u>Interactive Edgar Corp.</u>
Nature of Services:	<u>Contract Services, Bookkeeping</u>
Address :	<u>17318 Dawkins Rd, New Haven, IN 46774</u>

Item 9: Financial Statements.

A: The following financial statements were prepared in accordance with
U.S. GAAP: **X**
IFRS:

B: The financial Statements for this reporting period were prepared by
Name: **Robin W. Hunt**
Title: **President, Interactive Edgar Corp**
Relationship to Issuer: **Contract Service Provider**

ATACAMA RESOURCES INTERNATIONAL, INC. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

ATACAMA RESOURCES INTERNATIONAL, INC.
Consolidated Balance Sheets

	December 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 74	\$ ----
Total Current Assets	<u>74</u>	<u>----</u>
TOTAL ASSETS	<u>\$ 74</u>	<u>\$ ----</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	\$ 506,593	\$ 501,852
Accrued compensation	1,102,405	631,098
Total Current Liabilities	<u>1,608,998</u>	<u>1,132,950</u>
TOTAL LIABILITIES	<u>1,608,998</u>	<u>1,132,950</u>
COMMITMENTS AND CONTINGENCIES (Note 7)		
STOCKHOLDERS' DEFICIT		
Preferred stock: \$0.0001 par value 1,000,000 authorized; 690 and 690 shares issued and outstanding, respectively	----	----
Common stock: \$0.0001 par value 2,900,000,000 authorized; 992,752,435 and 992,752,435 shares issued and outstanding	99,275	99,275
Additional paid in capital	4,606,685	4,606,685
Accumulated deficit	(6,280,496)	(5,805,927)
Accumulated other comprehensive loss	(34,388)	(32,983)
Total Stockholders' Deficit	<u>(1,608,924)</u>	<u>(1,132,950)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 74</u>	<u>\$ ----</u>

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

ATACAMA RESOURCES INTERNATIONAL, INC.
Consolidated Statements of Operations and Comprehensive Loss

		For the Years Ended	
		December 31,	
		2021	2020
Revenues	\$	----	\$ 307
Cost of goods sold		----	----
Gross profit		----	307
Operating Expenses			
Consulting fees		----	21,753
Management fees		470,702	440,258
Professional fees		3,293	30,633
Selling, general and administrative expenses		574	13,587
Total operating expenses		474,569	506,231
Net loss from operations		(474,569)	(505,924)
Net loss	\$	<u>(474,569)</u>	<u>(505,924)</u>
Foreign translation loss		(1,405)	(28,993)
Comprehensive loss	\$	<u>(475,974)</u>	<u>(534,917)</u>
Basic and diluted loss per share	\$	<u>(0.000)</u>	<u>(0.001)</u>
Weighted average number of shares outstanding		<u>992,742,435</u>	<u>995,468,738</u>

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

ATACAMA RESOURCES INTERNATIONAL, INC.
Consolidated Statement of Stockholders' Deficit

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Other Comprehensive Income	Total
	Shares	Amount	Shares	Amount				
Balance, December 31, 2019	714	\$ ---	999,277,144	\$99,927	\$4,606,033	\$(5,300,003)	\$(3,990)	\$ (598,033)
Cancellation of stock	(18)	---	(9,524,709)	(952)	952	---	---	---
Stock issued for conversion of Preferred B	(6)	---	3,000,000	300	(300)	---	---	---
Net loss	---	---	---	---	---	(505,924)	---	(505,924)
Foreign translation loss	---	---	---	---	---	---	(28,993)	(28,993)
Balance, December 31, 2020	690	\$ ---	992,752,435	\$99,275	\$4,606,685	\$(5,805,927)	\$(32,983)	\$ (1,132,950)
Net loss	---	---	---	---	---	(474,569)	---	(474,569)
Foreign translation loss	---	---	---	---	---	---	(1,405)	(1,405)
Balance, December 31, 2021	690	\$ ---	992,752,435	\$99,275	\$4,606,685	\$(6,280,496)	\$(34,388)	\$ (1,608,924)

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

ATACAMA RESOURCES INTERNATIONAL, INC.
Consolidated Statements of Cash Flows

	For the Years Ended	
	December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (474,569)	\$ (505,924)
Adjustments to reconcile net loss to net cash used by operations:		
Changes in assets and liabilities:		
Accounts payable	4,741	36,792
Accrued expenses	471,307	467,130
Net Cash used in operating activities	1,479	(2,002)
Foreign Currency Translation	(1,405)	(28,993)
Net increase (decrease) in cash and cash equivalents	74	(30,995)
Cash and cash equivalents		
Beginning of period	----	30,995
End of period	\$ 74	\$ ----
Supplemental cash flow information		
Cash paid for interest	\$ ---	\$ ---
Cash paid for taxes	\$ ---	\$ ---

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

Atacama Resources International, Inc.
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

NOTE 1. NATURE OF BUSINESS

ORGANIZATION

Atacama Resources International, Inc. (hereinafter the “Company”) was incorporated in the State of Florida in June 2013. The Company is a mineral exploration company with assets located in northeastern Ontario, Canada.

NOTE 2. GOING CONCERN

For the years ended December 31, 2021 and 2020, the Company had net losses of \$474,569 and \$505,924 and cash flows from operating activities of \$1,479 and (\$2,002), respectively. As of December 31, 2021, the Company had working capital deficit of \$1,608,924. The Company has generated \$0 and \$307 in revenues for the years ended December 31, 2021 and 2020, respectively.

The Company’s financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company is in the business of mineral exploration and will not be in a position to generate revenues until it is able to (i) dispose of an asset(s) by way of a sale for a profit, or (ii) develop an asset(s) to the point where it becomes a producing mine facility. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management’s plan to obtain such resources for the Company include, obtaining capital by of capital raises and the sale of shares.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiary, Cambridge Mining Corporation. All intercompany accounts and transactions have been eliminated.

BASIS OF PRESENTATION AND USE OF ESTIMATES

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of a year or less at the date of acquisition to be cash equivalents. Cash and cash equivalents totaled \$74 at December 31, 2021 and \$0 at December 31, 2020.

CASH FLOWS REPORTING

The Company follows ASC 230, Statement of Cash Flows, for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method (“Indirect method”) as defined by ASC 230, Statement of

Cash Flows, to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that

Atacama Resources International, Inc.
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period.

RELATED PARTIES

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions. Related party transactions are summarized in Note 7.

CONCENTRATIONS OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, accounts receivable and restricted cash. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit-quality financial institutions in bank deposits, money market funds, U.S. government securities and other investment grade debt securities that have strong credit ratings. The Company has established guidelines relative to diversification of its cash and marketable securities and their maturities that are intended to secure safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates and changes in the Company’s operations and financial position. Although the Company may deposit its cash and cash equivalents with multiple financial institutions, its deposits, at times, may exceed federally insured limits.

FINANCIAL INSTRUMENTS

The Company’s consolidated balance sheet includes certain financial instruments. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period of time between the origination of these instruments and their expected realization.

ASC 820, Fair Value Measurements and Disclosures defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data

obtained from independent sources (observable inputs) and (2) an entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2021 and December 31, 2020. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments.

REVENUE RECOGNITION

Effective January 1, 2020, the Company adopted Accounting Standards Codification (“ASC”) 606, Revenue From Contracts With Customers, which is effective for public business entities with annual reporting periods beginning after

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December 15, 2017. This new revenue recognition standard (new guidance) has a five-step process: a) Determine whether a contract exists; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price; and e) Recognize revenue when (or as) performance obligations are satisfied. The Company's initial application of ASC 606 did not have a material impact on its financial statements and disclosures and there was no cumulative effect of the adoption of ASC 606.

Revenue is recognized when all of the following criteria are met:

- *Identification of the contract, or contracts, with a customer*
A contract with a customer exists when (i) we enter into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to these goods or services, (ii) the contract has commercial substance and the parties are committed to perform, and (iii) we determine that collection of substantially all consideration to which it will be entitled in exchange for goods or services that will be transferred is probable based on the customer's intent and ability to pay the promised consideration.
- *Identification of the performance obligations in the contract*
Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the goods or service either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised goods or services, we apply judgment to determine whether promised goods or services are capable of being distinct and distinct in the context of the contract. If these criteria are not met the promised goods or services are accounted for as a combined performance obligation.
- *Determination of the transaction price*
The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring goods or services to the customer. Constraints are applied when estimating variable considerations based on historical experience where applicable.
- *Allocation of the transaction price to the performance obligations in the contract*
All current contracts are of a single performance obligation thus the entire transaction price is allocated to the single performance obligation. We determine standalone selling price taking into account available information such as historical selling prices of the performance obligation, geographic location, overall strategic objective, market conditions and internally approved pricing guidelines related to the performance obligation.
- *Recognition of revenue when, or as, we satisfy performance obligation*
We satisfy performance obligations either over time or at a point in time as discussed in further detail below. Revenue is recognized at or over the time the related performance obligation is satisfied by transferring a promised good or service to a customer.

Revenue for the year ended December 31, 2021 and 2020 were \$0 and \$307 respectively. The performance obligation has been met as per ASC 606.

INCOME TAXES

The Company accounts for income taxes in accordance with ASC 740, Accounting for Income Taxes, as clarified by ASC 740-10, Accounting for Uncertainty in Income Taxes. Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities and net operating loss and tax credit carryforwards given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which the Company operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred

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tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the “more likely than not” criteria of ASC 740.

ASC 740-10 requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the “more-likely-than-not” threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Company recognizes expenses for tax penalties and interest assessed by the Internal Revenue Service and other taxing authorities upon receiving valid notice of assessments. The Company has received no such notices as of December 31, 2021.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all the deferred tax assets will 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 will become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. The Company has recorded a full valuation allowance against its net deferred tax assets because it is not currently able to conclude that it is more likely than not that these assets will be realized. The amount of deferred tax assets considered to be realizable could be increased in the near term if estimates of future taxable income during the carryforward period are increased.

As of December 31, 2021, the Company had unused net operating loss carry forwards of \$866,000 available to reduce federal taxable income. The Company’s ability to offset future taxable income, if any, with tax net operating loss carryforwards may be limited due to the non-filing of tax returns. Under the CARES act, net operating losses arising after 2017 are able to be carried forward indefinitely. Furthermore, changes in ownership may result in limitations under Internal Revenue Code Section 382.

No deferred tax assets or liabilities were recognized as of December 31, 2021 or December 31, 2020.

NET INCOME (LOSS) PER COMMON SHARE

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

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding at December 31, 2021 and December 31, 2020. As of December 31, 2021 and 2020, the Company had no dilutive potential common shares.

SHARE-BASED EXPENSE

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

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

Share-based expense was \$0 and \$0 for the years ending December 31, 2021, and 2020, respectively.

COMMITMENTS AND CONTINGENCIES

The Company follows ASC 450-20, Loss Contingencies, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that

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a liability has been incurred and the amount of the assessment can be reasonably estimated. There were no known commitments or contingencies as of December 31, 2021 and December 31, 2020.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40). The new ASU addresses issuer’s accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment is effective for all entities, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this new guidance will have on its financial statements.

NOTE 4 – ACCRUED COMPENSATION

The Company’s accrued compensation consisted of the following:

		December 31, 2021		December 31, 2020
David Berry	\$	585,488	\$	337,808
Colin Keith		516,917		293,290
Total Accrued Compensation	\$	<u>1,102,405</u>	\$	<u>631,098</u>

NOTE 5. INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used due to the new tax law recently enacted.

The provision for Federal income tax consists of the following at December 31:

		2021		2020
Federal income tax benefit attributable to:				
Current Operations	\$	100,000	\$	106,000
Less: valuation allowance		(100,000)		(106,000)
Net provision for Federal income taxes	\$	<u>—</u>	\$	<u>—</u>

The cumulative tax effect at the expected rate of 21% of significant items comprising our net deferred tax amount is as follows at December 31:

		2021		2020
Deferred tax asset attributable to:				
Net operating loss carryover	\$	866,000	\$	766,000
Less: valuation allowance		(866,000)		(766,000)
Net deferred tax asset	\$	<u>—</u>	\$	<u>—</u>

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At December 31, 2021, the Company had net operating loss carry forwards of approximately \$866,000 that may be offset against future taxable income. No tax benefit has been reported in the December 31, 2021, or 2020 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act (the “Tax Act”). The Tax Act establishes new tax laws that affects 2018 and future years, including a reduction in the U.S. federal corporate income tax rate to 21% effective January 1, 2018.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

ASC Topic 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company’s financial statements. Topic 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of December 31, 2021, the Company had no accrued interest or penalties related to uncertain tax positions.

NOTE 6. SHAREHOLDERS’ EQUITY

PREFERRED STOCK, \$0.0001 par value, 1,000,000 authorized;

SERIES A PREFERRED STOCK

At December 31, 2021, Series A Preferred Stock has 10 shares designated and 2 shares outstanding, has no conversion rights and the total aggregate issued shares, regardless of their number, shall have voting rights equal to four times the sum of i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of Series B Preferred Stocks which are issued and outstanding at the time of voting.

SERIES B PREFERRED STOCK

At December 31, 2021, Series B Preferred Stock has 999,990 shares designated and 688 shares outstanding. Each share of Series B Preferred Stock is convertible into 500,000 shares of Common Stock and has ten votes for any election or other vote placed before the shareholders of the Company.

WARRANTS AND OPTIONS

There are no warrants or options outstanding to acquire any additional common shares of the Company as of December 31, 2021 and December 31, 2020.

NOTE 7. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company’s financial position or results of operations.

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NOTE 8. RELATED PARTY TRANSACTIONS

DUE TO/FROM RELATED PARTIES

Certain current officers and directors paid expenses on behalf of the Company and are due reimbursement. As of December 31, 2021 and 2020, the balance due to related parties was \$36,632 and \$36,632, respectively. These amounts were included in accounts payable at December 31, 2021 and 2020 and consisted of \$15,251 due to Daniel Finch and \$21,381 due to Glenn Grant.

NOTE 9. SUBSEQUENT EVENTS

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to December 31, 2021, through the date these financial statements were issued (date of filing with the OTC Markets) and has determined that it does not have any material subsequent events to disclose in these financial statements other than the events discussed below.

On August 10, 2022, Messrs. Berry and Keith resigned their respective positions at the Company and each executed a settlement and mutual release agreement. The Agreements replace the accrued compensation on the corporate books since 2019. The accrued compensation was forgiven in 2022 and will be reflected in the 2022 year-end annual report.

On August 10, 2022, Messrs. Berry and Keith returned 1 share each Series A Preferred Stock and simultaneously the Company issued Messrs. Grant and Finch 1 share each Series A Preferred Stock for control.

Item 10. Certifications

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).

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).

I, Glenn Grant, certify that:

I have reviewed this Annual disclosure statement of Atacama Resources International, Inc.;

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

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.

This 1st day of March 2023,

/s/Glenn Grant

Glenn Grant

Interim Chief Executive Officer

Interim Chief Financial Officer