

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

## **Groove Botanicals, Inc.**

310 Fourth Avenue South, Suite 7000

Minneapolis, MN 55415

(612) 315-5068

http://www.groovebotanicals.com

k.rodriquez@avalonoinc.com

9995

## **Quarterly Report**

**For the Period Ending: December 31, 2022**

**(the "Reporting Period")**

## **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

54,843,062 as of December 31, 2022

48,837,157 as of March 30, 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.

Groove Botanicals, Inc. (March 21, 2018 – Present)  
Avalon Oil & Gas, Inc. (July 22, 2005 – March 21, 2018)  
XDOGS.COM, Inc. (May 1999 – July 22, 2005)  
Sled Dogs Company (November 1994 – May 1999)  
Snow Runner (USA). (inception to November 1994)

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):

Nevada – 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:

310 Fourth Avenue South, Suite 7000  
Minneapolis, MN 55415

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: Equiniti Trust Company  
Phone: 612-209-9006  
Address: 3200 Cherry Creek Drive South, Suite 430  
Denver, CO 80209

### **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:	<u>GRVE</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>053467205</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>200,000,000</u>	as of date: <u>December 31, 2022</u>
Total shares outstanding:	<u>54,843,062</u>	as of date: <u>December 31, 2022</u>
Number of shares in the Public Float <sup>2</sup> :	<u>4,967,508</u>	as of date: <u>December 31, 2022</u>
Total number of shareholders of record:	<u>718</u>	as of date: <u>December 31, 2022</u>

*All additional class(es) of publicly quoted or traded securities (if any):*

#### **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):	NA
Par or stated value:	\$0.10
Total shares authorized:	100 as of 12.31.22
Total shares outstanding (if applicable):	100 as of 12.31.22
Total number of shareholders of record (if applicable):	1
	100 as of 12.31.22 _

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.10
Total shares authorized:	2,000 as of 12.31.22
Total shares outstanding (if applicable):	1,983 as of 12.31.22
Total number of shareholders of record (if applicable):	13 as of 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:*

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

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

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

The Company is authorized to issue 1,000,000 shares of Preferred Stock. We have authorized 100 shares of Series A Preferred Stock and 2,000 shares of Series B Preferred Stock, respectively, both with a par value of \$0.10. As of December 31, 2022, there were 100 and 1,983 shares issued and outstanding for Series A Preferred Stock and Series B Preferred Stock, respectively. As of March 31, 2022, there were 100 and 1,983 shares issued and outstanding for Series A Preferred Stock and Series B Preferred Stock, respectively.

Series A Preferred Stock holds designations of cash dividends at the rate of 8% of the amount per share of Series A Preferred Stock per annum in the form of “Preferred Dividends”, voting rights on an as-converted to Common Stock basis, liquidation preferences, and conversion rights in which each share of Series A Preferred Stock shall, upon conversion, represent 0.51% of the then “Fully-Diluted Shares Outstanding” of the Company.

Series B Preferred Stock holds designations of being ranked junior to the Series A Preferred Stock, cash dividends at the rate of 9% of the amount per share of Series B Preferred Stock per annum in the form of “Preferred Dividends”, a dividend received deduction for federal income tax purposes, liquidation preferences ranked junior to the Series A Preferred Stock, redemption of the Series B Preferred Stock by the Company at 105% of the Stated Value, plus accrued and unpaid Dividends, if prior to the two year anniversary of the Issuance Date, or at 100% of the State Value, plus accrued and unpaid Dividends, if on or after the two year anniversary of the Issuance Date, no voting rights, and right to notice of certain corporate action.

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

- 
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.
- 

### 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: <div>Opening Balance</div> Date <u>3/31/2021</u> Common: <u>37,793,062</u> Preferred A: <u>100</u> Preferred B: <u>1,983</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>9/21/2021</u>	<u>New Issuance</u>	500,000	<u>Common</u>	0.02	Yes	George Athanasiadis	Stock Purchase	Restricted	Rule 144
<u>10/7/2021</u>	<u>New Issuance</u>	2,000,000	<u>Common</u>	0.035	Yes	DLA Holdings LLC (David Anderson)	Services – Consulting	Restricted	Rule 144
<u>10/7/2021</u>	<u>New Issuance</u>	2,000,000	<u>Common</u>	0.035	Yes	J Alan, Inc. (Randi Bobbins)	Services – Consulting	Restricted	Rule 144
<u>10/7/2021</u>	<u>New Issuance</u>	2,000,000	<u>Common</u>	0.035	Yes	JJB Holdings LLC (Jack Brannelly)	Services – Consulting	Restricted	Rule 144
<u>10/12/2021</u>	<u>New Issuance</u>	500,000	<u>Common</u>	0.025	Yes	Douglas Barton	Services – Consulting	Restricted	Rule 144
<u>10/12/2021</u>	<u>New Issuance</u>	500,000	<u>Common</u>	0.025	Yes	Rene Haeusler	Services – Consulting	Restricted	Rule 144

<u>10/27/2021</u>	<u>New Issuance</u>	500,000	<u>Common</u>	0.02	Yes	PGD Eco Solutions Inc. (Derek Coleman)	Stock Purchase	Restricted	Rule 144
<u>11/1/2021</u>	<u>New Issuance</u>	1,000,000	<u>Common</u>	0.0433	Yes	Renato Schappi	Settlement Agreement and Mutual Release	Restricted	Rule 144
<u>11/4/2021</u>	<u>New Issuance</u>	500,000	<u>Common</u>	0.02	Yes	Advanced Solutions Consulting Group (Tim Seivers)	Stock Purchase	Restricted	Rule 144
<u>12/21/2021</u>	<u>New Issuance</u>	650,000	<u>Common</u>	0.049	Yes	Skyline Corporate Communications Group LLC (Scott Powell)	Services - Consulting	Restricted	Rule 144
<u>12/31/2021</u>	<u>New Issuance</u>	1,250,000	<u>Common</u>	0.02	Yes	Steven Nelson	Stock Purchase	Restricted	Rule 144
<u>4/8/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	0.02	Yes	Jennifer Barbookles	Stock Purchase	Restricted	Rule 144
<u>4/8/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	0.02	Yes	Paul Ogorek	Stock Purchase	Restricted	Rule 144
<u>4/8/2022</u>	<u>New Issuance</u>	2,500,000	<u>Common</u>	0.016	Yes	George Athanasiadis	Stock Purchase	Restricted	Rule 144
<u>10/4/2022</u>	<u>New Issuance</u>	150,000	<u>Common</u>	.02	Yes	Stefanos Avdis	Stock Purchase	Restricted	Rule 144
<u>12/1/2022</u>	<u>New Issuance</u>	500,000	<u>Common</u>	.02	Yes	Jennifer Barbookles	Services-Consulting	Restricted	Rule 144
<u>12/1/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	.02	Yes	Alejandro Pombo	Stock Purchase	Restricted	Rule 144
<u>12/1/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	.02	Yes	Jose Luis Pombo	Stock Purchase	Restricted	Rule 144
<u>12/1/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	.02	Yes	Theodoros Salantis	Stock Purchase	Restricted	Rule 144
<u>12/1/2022</u>	<u>New Issuance</u>	1,000,000	<u>Common</u>	.02	Yes	Lavrentios Triantafyl	Stock Purchase	Restricted	Rule 144

<u>10/6/2022</u>	<u>New Issuance</u>	250,000	<u>Common</u>	.02	Yes	Alexandra Zacharopoulou	Stock Purchase	Restricted	Rule 144
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>		<u>Ending</u> <u>Balance</u>							
Date <u>12/31/2022</u>		Common:							
<u>54,843,062</u>									
Preferred A: <u>100</u>									
Preferred B: <u>1,983</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:

\_\_\_\_\_

## 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.)
3/5/2021	\$40,000	\$40,000	\$5,166.67	12/31/2022	Fixed conversion rate of \$0.02 per share	Robert L. Hymers III	Services - Consulting
7/23/2021	\$30,000	\$45,000	\$2,923.29	12/31/2022	60% of rolling average offering price for the previous five trading day prior to conversion	RaiseRight LLC (David Anderson)	Services - Consulting
10/1/2021	\$50,000	\$50,000	\$1,869.86	9/30/2022	Fixed conversion rate of \$0.02 per share	Westworld Financial Capital, LLC (Christian Girodet)	Loan
3/7/2022	\$60,000	\$60,000	\$1,900.00	3/7/2023	Fixed conversion rate of \$0.02 per share	Robert L. Hymers III	Services - Consulting

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.otcmarkets.com](http://www.otcmarkets.com)).

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

The Company is an Independent Oil and Gas Producer that is also developing the manufacture and sale of our CBD skincare products.

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

On December 2, 2021, we formed two Wyoming Corporations, Biotrex, Inc., and Maxidyne, Inc. We plan to spin-off CBD intellectual property in Biotrex, Inc., and our oil and gas assets in Maxidyne, Inc. We formed in 2021 and plan to spin off within a short period of time.

C. Describe the issuers' principal products or services.

See Item A above.

#### 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.

Our corporate office is located at 310 Fourth Avenue South, Suite 7000, Minneapolis, Minnesota 55415. This office space is leased from an unaffiliated third party on a month-to-month lease, for a monthly rental of \$1,200.

#### 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 issuer's 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>Kent Rodriguez</u>	<u>Director,</u> <u>President,</u> <u>Treasurer,</u> <u>Secretary</u>	<u>Minneapolis, MN</u>	<u>100</u>	<u>Series A Preferred</u>	<u>100%</u>	<u>Series A Preferred is convertible into 51% of the total Common Shares</u>
<u>Kent Rodriguez</u>	<u>Director,</u> <u>President,</u> <u>Treasurer,</u> <u>Secretary</u>	<u>Minneapolis, MN</u>	<u>4,367</u>	<u>Common</u>	<u>0.01%</u>	<u>_____</u>
<u>Douglas Barton</u>	<u>Independent Director</u>	<u>Minneapolis, MN</u>	<u>760,667</u>	<u>Common</u>	<u>011%</u>	<u>_____</u>
<u>Rene Haeusler</u>	<u>Independent Director</u>	<u>Minneapolis, MN</u>	<u>780,000</u>	<u>Common</u>	<u>0.20%</u>	<u>_____</u>
<u>Recon Technology LTD</u> <u>(Shenping Yin)</u>	<u>Owner of more than 5%</u>	<u>Beijing, China</u>	<u>2,800,000</u>	<u>Common</u>	<u>5.11%</u>	<u>_____</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);

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

## 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).

Securities Counsel

Name: Amber Barger  
Firm: Brannelly Law PLLC  
Phone: 405-203-3962

Accountant or Auditor

Firm: TAAD, LLP  
Address 1: 20955 Pathfinder Road, Suite 330,  
Address 2: Diamond Bar, CA 91765, USA  
Phone: (626) 283-7828

Investor Relations

None

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>3</sup>:

Name: **Nicholas Coleck**  
Firm: **Pinnacle Tax Services, Inc.**  
Title: **Accountant**  
Relationship to Issuer: **Consultant**

Describe the qualifications of the person or persons who prepared the financial statements: \_\_\_\_\_

Nicholas Coleck is an independent consultant and provided preparation services as an independent contractor and not an employee or shareholder. He is an experienced staff with two years of experience working for a CPA firm called Pinnacle Tax Services Inc. He works under the supervision of a licensed CPA and provides accounting services to over 10 publicly traded companies. His education is listed below and his resume prior to his employment and Pinnacle Tax Services is attached, which shows his 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

## 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, Kent Rodriguez certify that:

1. I have reviewed this Disclosure Statement for Groove Botanicals 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.

2/22/23 [Date]

<sup>3</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.

/s/ Kent Rodriguez [CEO's Signature]

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

*Principal Financial Officer:*

I, Kent Rodriguez certify that:

1. I have reviewed this Disclosure Statement for Groove Botanicals 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.

2/22/23 [Date]

/s/ Kent Rodriguez [CFO's Signature]

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

**Groove Botanicals, Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>For the Nine Months Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flow From Operating Activities</b>		
Net Income (Loss)	\$ (118,911)	\$ (181,750)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Beneficial Conversion Feature	-	50,000
Amortization of Debt Discount	69,451	94,079
Change in Derivative Liability	(60,567)	(233,232)
Effect of Debt Discounts on Derivative Liability	-	143,200
Effect of Valuation Adjustments on Debt Discounts	-	(110,224)
Gain on Settlement of Debt	(25,000)	(52,458)
Stock-Based Compensation for Consulting	10,000	120,000
Stock-Based Compensation for Investor Relations	-	13,000
Stock-Based Compensation for Director Compensation	-	20,050
Stock-Based Compensation for Settlement	-	20,000
Accrued Interest	11,496	6,434
Wages Paid	-	(14,400)
Accrued Payroll	36,000	36,000
Wire Fees Charged on Funds Received for Stock Purchases	60	-
Accounts Payable and Accrued Liabilities - Related Party	3,044	-
<b>Changes in working capital</b>		
(Increase) Decrease in Accounts Receivable	226	(31)
Decrease in Prepaid Expenses	-	50,000
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,019)	21,176
<b>Net Cash Used in Operating Activities</b>	<u>(75,220)</u>	<u>(18,157)</u>
<b>Cash Flow From Investing Activities</b>		
<b>Net Cash From Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Cash Flow From Financing Activities</b>		
Funds Received from Related Party	158,000	500
Funds Distributed to Related Party	(11,236)	(14,864)
Funds Received from Issuance of Common Stock	42,903	55,000
Repayment of Outstanding Convertible Debt	(64,650)	-
Repayment of Outstanding Contingent Liability	(70,350)	-
<b>Net Cash From Financing Activities</b>	<u>54,667</u>	<u>40,636</u>
<b>Net Change in Cash</b>	(20,553)	22,479
<b>Cash at Beginning of Period</b>	<u>48,534</u>	<u>7,911</u>
<b>Cash at End of Period</b>	<u>\$ 27,980</u>	<u>\$ 30,390</u>
<b>Net cash paid for:</b>		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income Taxes	<u>\$ -</u>	<u>\$ -</u>

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

**Groove Botanicals, Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 27,980	\$ 48,534
Accounts Receivable	25	251
Total Current Assets	<u>28,005</u>	<u>48,785</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 28,005</u></u>	<u><u>\$ 48,785</u></u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 44,572	\$ 45,592
Interest Payable	19,396	7,900
Related Party Payable	280,337	94,528
Convertible Notes Payable	169,575	164,774
Derivative Liability	35,009	95,576
Contingent Liability	-	95,350
Total Current Liabilities	<u>548,889</u>	<u>503,720</u>
Total Liabilities	<u>548,889</u>	<u>503,720</u>
Stockholders' Equity		
Preferred Stock, Series A, \$0.10 par value, 100 shares authorized; 100 shares issued and outstanding as of December 31, 2022, and March 31, 2022, respectively	10	10
Preferred Stock, Series B, \$0.10 par value, 2,000 shares authorized; 1,983 shares issued and outstanding as of December 31, 2022, and March 31, 2022, respectively	198	198
Common Stock, \$0.001 par value, 200,000,000 shares authorized; 54,843,062 and 49,193,062 shares issued and outstanding as of December 31, 2022 and March 31, 2022, respectively	54,843	49,193
Common Stock to be Issued	-	3,000
Additional paid-in capital	33,848,969	33,798,656
Accumulated deficit	<u>(34,424,903)</u>	<u>(34,305,992)</u>
Total stockholder's equity	<u>(520,883)</u>	<u>(454,935)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT</b>	<u><u>\$ 28,005</u></u>	<u><u>\$ 48,785</u></u>

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

Groove Botanicals, Inc.  
Consolidated Statements of Stockholders' Equity  
For the Nine Months Ended December 31, 2021  
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Common Stock to be Issued		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance, March 31, 2021	100	\$ 10	1,983	\$ 198	37,793,062	\$ 37,793	-	\$ -	\$ 33,455,006	\$ (34,015,534)	\$ (522,527)
Net Income	-	-	-	-	-	-	-	-	-	202,361	202,361
Balance, June 30, 2021	100	\$ 10	1,983	\$ 198	37,793,062	\$ 37,793	-	\$ -	\$ 33,455,006	\$ (33,813,174)	\$ (320,167)
Balance, June 30, 2021	100	\$ 10	1,983	\$ 198	37,793,062	\$ 37,793	-	\$ -	\$ 33,455,006	\$ (33,813,174)	\$ (320,167)
Net Loss	-	-	-	-	-	-	-	-	-	(145,828)	(145,828)
Balance, September 30, 2021	100	\$ 10	1,983	\$ 198	37,793,062	\$ 37,793	-	\$ -	\$ 33,455,006	\$ (33,959,001)	\$ (465,994)
Balance, September 30, 2021	100	\$ 10	1,983	\$ 198	37,793,062	\$ 37,793	-	\$ -	\$ 33,455,006	\$ (33,959,001)	\$ (465,994)
Issuance of Stock for Cash	-	-	-	-	2,750,000	2,750	-	-	52,250	-	55,000
Issuance of Stock for Consulting	-	-	-	-	6,000,000	6,000	-	-	114,000	-	120,000
Issuance of Stock for Investor Relations	-	-	-	-	650,000	650	-	-	12,350	-	13,000
Issuance of Stock for Director Compensation	-	-	-	-	1,000,000	1,000	-	-	19,050	-	20,050
Issuances of Stock for Settlement	-	-	-	-	1,000,000	1,000	-	-	19,000	-	20,000
Beneficial Conversion Feature	-	-	-	-	-	-	-	-	50,000	-	50,000
Net Loss	-	-	-	-	-	-	-	-	-	(238,283)	(238,283)
Balance, December 31, 2021	100	\$ 10	1,983	\$ 198	49,193,062	\$ 49,193	-	\$ -	\$ 33,721,656	\$ (34,197,285)	\$ (426,228)
Adjusted Trial Balance Check Figures		\$ -		\$ -		\$ 0		\$ -	\$ -	\$ 0	\$ 0

Groove Botanicals, Inc.  
Consolidated Statements of Stockholders' Equity  
For the Nine Months Ended December 31, 2022  
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Common Stock to be Issued		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance, March 31, 2022	100	\$ 10	1,983	\$ 198	49,193,062	\$ 49,193	3,000,000	\$ 3,000	\$ 33,798,656	\$ (34,305,992)	\$ (454,935)
Issuance of Stock for Cash Received in Prior Period	-	-	-	-	3,000,000	3,000	(3,000,000)	(3,000)	-	-	-
Net Income	-	-	-	-	-	-	-	-	-	23,745	23,745
Balance, June 30, 2022	100	\$ 10	1,983	\$ 198	52,193,062	\$ 52,193	-	\$ -	\$ 33,798,656	\$ (34,282,247)	\$ (431,190)
Balance, June 30, 2022	100	\$ 10	1,983	\$ 198	52,193,062	\$ 52,193	-	\$ -	\$ 33,798,656	\$ (34,282,247)	\$ (431,190)
Net Loss	-	-	-	-	-	-	-	-	-	(101,601)	(101,601)
Balance, September 30, 2022	100	\$ 10	1,983	\$ 198	52,193,062	\$ 52,193	-	\$ -	\$ 33,798,656	\$ (34,383,848)	\$ (532,791)
Balance, September 30, 2022	100	\$ 10	1,983	\$ 198	52,193,062	\$ 52,193	-	\$ -	\$ 33,798,656	\$ (34,383,848)	\$ (532,791)
Issuance of Stock for Cash	-	-	-	-	2,150,000	2,150	-	-	40,813	-	42,963
Issuance of Stock for Consulting	-	-	-	-	500,000	500	-	-	9,500	-	10,000
Net Loss	-	-	-	-	-	-	-	-	-	(41,055)	(41,055)
Balance, December 31, 2022	100	\$ 10	1,983	\$ 198	54,843,062	\$ 54,843	-	\$ -	\$ 33,848,969	\$ (34,424,903)	\$ (520,883)

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

**Groove Botanicals, Inc.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>For the Three Months Ended December 31,</b>		<b>For the Nine Months Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Oil and Gas Sales	\$ 342	\$ 603	\$ 1,076	\$ 7,832
Cost of Goods Sold	-	-	-	-
Gross Profit	<u>342</u>	<u>603</u>	<u>1,076</u>	<u>7,832</u>
<b><u>Expenses:</u></b>				
Selling, General and Administrative Expenses	15,639	52,007	55,132	94,749
Rent	4,644	3,600	13,152	10,800
Bank Service Charges	170	62	650	422
Legal and Professional Expenses	7,504	37,773	45,673	90,548
Consulting Expense	10,000	133,000	10,000	133,000
Total Operating Expenses	<u>37,957</u>	<u>226,442</u>	<u>124,607</u>	<u>329,519</u>
Operating Loss	(37,615)	(225,839)	(123,531)	(321,687)
Other Income (Expense)				
Amortization of Debt Discount	(7,562)	(47,700)	(69,451)	(94,079)
Change in Derivative Liability	7,811	36,256	60,567	233,232
Gain on Settlement of Debt	-	-	25,000	52,458
Interest Expense	(3,690)	(1,000)	(11,496)	(51,910)
Miscellaneous Other Income	-	-	-	235
Total Other Income	<u>(3,440)</u>	<u>(12,444)</u>	<u>4,620</u>	<u>139,937</u>
Net Income	<u>\$ (41,055)</u>	<u>\$ (238,283)</u>	<u>\$ (118,911)</u>	<u>\$ (181,750)</u>
Basic and Diluted Earnings per Common Share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average Common Shares Outstanding	<u>53,309,366</u>	<u>46,101,214</u>	<u>52,479,244</u>	<u>40,572,517</u>

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

## **Groove Botanicals, Inc.**

### **Notes to the Financial Statements**

**For the quarter ended December 31, 2021**

#### **NOTE 1 - ORGANIZATION AND OPERATIONS**

##### **Current Operations**

Groove Botanicals ("GRVE" or the "Company"), a Nevada corporation, is a publicly quoted independent oil and gas producer.

##### **Business Plan**

The Company's current operations are consumer health products dedicated to improving people's health and well-being. Our products will contain premium hemp extracts with a broad range of cannabinoids, including cannabidiol (CBD).

##### **Corporate Management**

The Company is operated by Kent Rodriguez, who serves as GRVE's CEO. Mr. Rodriguez joined the Company as Chief Executive Officer, Secretary, and Principal Financial Officer in May 2009. Since 1995, he has been the Managing Partner of Weyer Capital Partners, a Minneapolis-based venture capital corporation. From 1985 to 1995, he was employed by the First National Bank of Elmore, Elmore, Minnesota, in various capacities. He has a B.A. degree in Geology from Carleton College, and an Executive MBA from the Harvard Business School.

Mr. Rodriguez is also a member of the Board of Directors, along with Douglas Barton, and Rene Haeusler, who both serve as Independent Directors, Audit Committee Members, Compensation Committee Members, Nominating Committee Member.

Mr. Barton has served as a Director of the Company since May 2009. From 1987 to the present, he has been the President and sole owner of Venture Communications, Inc., a private promotion, development, and marketing consulting firm. He has a B.S. degree in Economics/History from the University of Minnesota.

Mr. Haeusler has served as a Director of the Company since August 2010. He is a Political and Business Consultant, is Chairman of the Board and Managing Director of all companies of the L'Avenir Group. He also serves as Chairman of the Board of Bowl Construction AG, 1. Vice-Chairman of Athena Center AG and Vice-Chairman of CannSol Holding AG and Member of the Board of T-Conseils SA. His background includes Assistant to the Managerial Committee and Head of several departments for Bank Sogenal. He also served as a member of the military-diplomatic Swiss delegation to the Neutral Nations Supervisory Commission (NNSC) in Korea, as liaison officer to the UN High Command and the Government of South Korea. Mr. Haeusler has a Masters degree in history, political science and constitutional law from the University of Zurich/Switzerland. From 1995 - 1999 he was also a guest lecturer at the Chulalongkorn University in Bangkok (Thailand). He has published two books and numerous articles on political psychology, economy and stock markets. Mr. Haeusler is an experienced equity investment professional with a wide range of public company and private equity expertise in international markets for commodities, mineral exploration, biotechnology, and software.

##### **Corporate History**

Groove Botanicals, Inc. (the "Company"), (formerly known as Avalon Oil & Gas, Inc.), was originally incorporated in Colorado in April 1991 under the name Snow Runner (USA), Inc. The Company was the general partner of Snow Runner (USA) Ltd.; a Colorado limited partnership to sell proprietary snow skates under the name "Sled Dogs" which was dissolved in August 1992. In late 1993, the Company relocated its operations to Minnesota and in January 1994 changed our name to Snow Runner, Inc. In November 1994 we changed our name to the Sled Dogs Company

In May 1999, we changed our state of domicile to Nevada and our name to XDOGS.COM, Inc.

On July 31, 1998, the Corporation split their shares One (1) for Fifty-Four (54).

On August 24, 2000, the Corporation split their shares One (1) for Five (5) and changed our name from XDOGS.COM to XDOGS, Inc. We changed our symbol from XDGS to XDGI.

On June 22, 2005, the Corporation changed our name from XDOGS, Inc. to Avalon Oil and Gas, Inc. We changed our symbol from XDGI to AOGS.

On July 22, 2005, the Board of Directors and a majority of the Company's shareholders approved an amendment to our Articles of Incorporation to change the Company's name to Avalon Oil & Gas, Inc., and to increase the authorized number of shares of our common stock from 200,000,000 shares to 1,000,000,000 shares par value of \$0.001.

On May 15, 2007, the Corporation split their shares One (1) for Twenty (20). We changed our symbol from AOGS to AOGN.

On June 4, 2012 the Board of Directors approved an amendment to our Articles of Incorporation to a reverse split of the issued and outstanding shares of Common Stock of the Corporation ("Shares") such that each holder of Shares as of the record date of June 4, 2012 shall receive one (1) post-split Share on the effective date of June 4, 2012 for each three hundred (300) Shares owned. The reverse split was effective on July 23, 2012.

On September 28, 2012, we held a special meeting of Avalon's shareholders and approved an amendment to the Company's Articles of Incorporation such that the Company would be authorized to issue up to 200,000,000 shares of common stock. We filed an amendment with the Nevada Secretary of State on April 10, 2013, to increase our authorized shares to 200,000,000.

On July 23, 2012 the Corporation split their shares One (1) for Three Hundred (300).

On May 14, 2018, the Corporation changed our name from Avalon Oil and Gas, Inc., to Groove Botanicals, Inc. We changed our symbol from AOGN to GRVE. The Corporation is not and has never been deemed a shell company (as defined in Rule 12b-2 of the Act).

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim unaudited financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The unaudited financial statements include all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary in order to make the condensed financial statements not misleading. Notes to the financial statements which would substantially duplicate the disclosures contained in the annual financial statements for the most recent fiscal period, as reported in the Annual Report, have been omitted.

### Recently Adopted Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## NOTE 3 - GOING CONCERN

The accompanying 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. As shown in the financial statements, the Company has incurred recurring net losses since its inception and has raised limited capital. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The financial statements do not include any adjustment relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company is taking certain steps to provide the necessary capital to continue its operations. These steps include but are not limited to: 1) focus on our new business model and 2) raising equity or debt financing.

#### NOTE 4 – PREFERRED STOCK

The Corporation is authorized to issue 1,000,000 shares of Preferred Stock. We have authorized One Hundred (100) Shares of Series A Preferred Stock and Two Thousand Shares of Series B Preferred Stock, respectively, both with a par value of \$0.10.

#### NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes Option Pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. As of December 31, 2021, the Company's only derivative financial instruments were embedded conversion features associated with long-term convertible notes payable which contain certain provisions that allow for a variable number of shares on conversion.

#### NOTE 6 – RELATED PARTY TRANSACTIONS

Management has evaluated related party transactions pursuant to the requirements of ASC Topic 850 and has determined that no material related party transactions exist through the date of this filing apart from the following:

None noted.

#### NOTE 7 – SUBSEQUENT EVENTS

On December 2, 2021, we formed two Wyoming Corporations, Biotrex, Inc., and Maxidyne, Inc. We plan to spin-off CBD intellectual property in Biotrex, Inc., and our oil and gas assets in Maxidyne, Inc.